

any such delinquent assessment charges, including interest, late charges, costs and reasonable attorneys' fees, that are extinguished as provided herein may be reallocated and assessed to all Dwelling Lots as a common expense. No such sale, transfer, foreclosure or any proceeding in lieu thereof shall relieve such Dwelling Lot from liability for any assessment charges thereafter becoming due or from the lien thereof; provided, however, that in the event of foreclosure of a First Mortgage, such First Mortgagee shall not be liable for unpaid assessments or other charges that accrue prior to the acquisition of title to the Dwelling Lot in question by such First Mortgagee.

#### ARTICLE V

##### ARCHITECTURAL CONTROL COMMITTEE

Section 1. Composition of Committee. Developer shall have the right to serve as the sole member of the Architectural Control Committee until the earlier of (i) ten (10) years from and after the date of the conveyance of the first Dwelling Lot to an Owner other than Declarant or an affiliate of Declarant or Developer, and (ii) the completion of construction of at least one Dwelling Unit on each of the Dwelling Lots (including Planned Lots added upon annexation of all or portions of the Additional

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Property). Upon the expiration of such period or upon Developer's resignation, if earlier, the Architectural Control Committee shall consist of three (3) or more persons appointed by the Board, any or all of whom may be members of the Board. A majority of the Committee may designate a representative to act for it.

Section 2. Design Guidelines. The Board may adopt written design guidelines ("Design Guidelines") setting forth minimum standards for the design, size, location, style, structure, color, mode of architecture and the relevant criteria deemed important by the Architectural Control Committee for the construction of improvements on the Property. The Design Guidelines shall be deemed incorporated herein by this reference.

Section 3. Review by Committee. No structure, improvement or any attachment to an existing structure shall be made or constructed upon any Dwelling Lot, no alteration of the exterior of a structure or improvement shall be made and no change in the final grade nor the installation of any landscaping to any part of any Dwelling Lot shall be performed unless complete plans and specifications, including a construction schedule therefor, shall have first been submitted to and approved in writing by the

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Architectural Control Committee. The Architectural Control Committee shall exercise its best judgement to the end that all attachments, improvements, construction, landscaping and alterations to structures (collectively referred to in this Article VI as "Architectural Improvements") harmonize with the existing natural surroundings and conform to the terms and provisions of this Declaration. Owners shall be given wide latitude in the design of Dwelling Units. The Architectural Control Committee approval shall not be deemed to mean construction soundness or compliance with applicable zoning or building codes. Decisions of the Architectural Control Committee are binding and conclusive.

Section 4. Procedures. Submittals to the Architectural Review Committee shall be accompanied by a fee. Fees for review will be provided in the Design Guidelines. The Architectural Control Committee shall approve or disapprove all plans within thirty (30) days after submission and issuance of a receipt therefor. In the event that the Architectural Control Committee fails to approve or disapprove such plans and location of the Dwelling Unit within thirty (30) days after such plans and specifications have been submitted to it, approval shall be

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deemed denied, except that the party submitting the plans may resubmit the plans, and if no response is given for a period of thirty (30) days after a written request by certified mail for a decision, approval shall be deemed given.

Section 5. Vote. After Developer shall have ceased to serve as the Architectural Control Committee, a majority vote of the Architectural Control Committee shall be required to approve a proposed change or improvement unless the Architectural Control Committee has designated a representative to act for it, in which case the decision of the representative shall control.

Section 6. Liability. The Architectural Control Committee and the members thereof shall not be liable in damages to any person submitting requests for approval or to any owner by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove in regard to any matter within its purview hereunder.

Section 7. Variance. The Architectural Control Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or Article IX hereof in order to overcome practical difficulties and to prevent unnecessary hardships arising by reason of the application of the

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additions or other changes to a structure upon a Dwelling Lot, the Architectural Control Committee shall exercise its discretion in deciding whether or not an alteration or modification is in harmony with the natural surroundings. The Architectural Control Committee shall have the right to deny alterations or modifications for purely aesthetic reasons if the Architectural Control Committee considers the alteration or modification to be unattractive in relation to the natural surroundings, if the Architectural Control Committee considers the alteration or modification to be a nuisance or upset of design, or if the physical views of the other Dwelling Lots will be disrupted by the alteration or modification. The Architectural Control Committee may elicit the opinion of other Owners, including the neighbors of the Owner submitting the plan for alteration or modification, as to the conformity and harmony of the proposed plan with the natural surroundings and as to the effect that the proposed plan might have on the physical view of the Owners. After eliciting these opinions, the Architectural Control Committee may, but need not, take them into account in making its final decision of approval or disapproval of an alteration or modification to an existing structure. While the opinion of no

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single Owner will control a decision of the Architectural Control Committee, within its own discretion, the Architectural Control Committee may, but need not, attach whatever significance that it deems sufficient to the statements of residents and neighbors of the Owner submitting the proposed alteration or modification to an existing structure.

## ARTICLE VI

### INSURANCE

Section 1. Insurance on the Common Areas and the Easement Area. The Association shall maintain the following types of insurance covering all insurable improvements located or constructed upon the Common Areas and the Easement Area to the extent that such insurance is reasonably available and reasonably priced:

(a) A policy of all risk property insurance covering all insurable improvements located thereon.

(b) A comprehensive policy of public liability insurance insuring the Association and the Owners on whose Dwelling Lots the Easement Area is located in a reasonable amount covering bodily injury, including death to persons, personal injury and property damage liability arising out of a single occurrence.

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