

# GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS

4.01 Powers and Duties. The affairs of the Association shall be conducted by its Board of Directors (herein referred to as the "Board"). The Board shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Common Properties and the Owners, shall provide , and shall pay for out of the maintenance fund(s) provided for in Article VI below, the following:

- (a) Care and preservation of the Common Properties and the furnishing and upkeep of any desired personal property for use in the Common Properties;
- (b) Any private trash and garbage collection service and security arrangements;
- (c) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Common Properties only;
- (d) The services of a person or firm (including Declarant and any affiliates of Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designated by the Board;
- (e) Legal and accounting services; and
- (f) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

The Board shall have the following additional rights, powers and duties:

(g) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by the Association;

(h) To enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual Lots with respect to: (i) taxes on the Common Properties; (ii) insurance coverage (if any) on Common Properties, as they relate to the assessment, collection and disbursement process envisioned by Article V hereinabove; and (iii) utility installation, consumption and service matters;

(i) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit or secured by such assets of the Association as deemed appropriate by the lender and the Association;

(j) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association:

(k) To protect or defend the Common Properties from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;

(l) To make reasonable rules and regulations for the operation of the Common Properties and to amend them from time to time;

(m) To make available to each Owner within ninety (90) days after the end of each year an annual report;

(n) Pursuant to Article VII herein, to adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;

(o) To enforce the provisions of this Declaration and any rules made hereunder and to fine, enjoin and/or seek damages from any Owner for violation of such provisions or rules.

4.02 Board Powers, Exclusive. The Board shall have the exclusive right to contract

for all goods, services, and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. In the event or if for any reason the Board is not deemed authorized to act for and on behalf of the Association and the Members, then Declarant may exercise its power and authority under Section 12.02 hereof to act for and on behalf of the Association and the Member, and the Association shall reimburse Declarant for any and all reasonable expenses incurred in so acting.

4.03 Contracts With Owners. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner (including, without limitation, Declarant) for the performance, on behalf of the Association, of services which the Board is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

4.04 Liability Limitations. Neither any Member, the Board, any Director, nor any Officer of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither Declarant, the Association, its Directors, officers, agents, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or corporation liable to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.

4.05 Reserve Funds. The Board may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

4.06 Restrictions on Contracts. Neither Declarant nor the Association may directly or indirectly enter into any management agreement or any other contract of behalf of the Association which extends beyond the date Class C memberships cease as provided in Section 3.02 of this Declaration. The Association may, however, following such date, enter into new management agreements or other contracts in

accordance with this Declaration.