

EXHIBIT "B"
Initial Rules

The purpose of Rules is not to anticipate all acceptable or unacceptable behavior in advance and eliminate all improvements or activities that fall outside of "the norm." In fact, it is expressly intended that the Reviewer under Chapter 5, and the Board, as appropriate, have discretion to approve or disapprove items, or to enforce or not enforce technical violations of the Governing Documents, based upon aesthetic or other considerations consistent with the established guidelines. As such, while something may be approved or permitted for one Unit under one set of circumstances, the same thing may be disapproved for another Unit under a different set of circumstances. The exercise of discretion in approving or enforcement shall not be construed as a waiver of approval or enforcement rights, nor shall it preclude the Board from taking enforcement action in any appropriate circumstances.

The following initial Rules shall be subject to amendment or modification in accordance with the procedures set forth in the Charter.

1. **General.** Units shall be used only for residential purposes consistent with this Charter.
2. **Restricted Activities.** Unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board or the Charter, the following activities are prohibited within the Community:

(a) Parking any vehicles on roadways or parking commercial vehicles or equipment, motor homes, recreational vehicles, golf carts, boats, jet skis and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, construction, service, and delivery vehicles shall be exempt from this provision during normal business hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Area;

(b) Raising, breeding, capturing, trapping, keeping, or killing animals or wildlife, except that (i) a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit, and (ii) the Association, its contractors, agents and employees may engage in such activities as part of a continuing resource management plan for the Community. Pets that are permitted to roam free or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed from the Community upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed, and inoculated as required by law;

(c) Any activity that emits foul or obnoxious odors outside the Unit or creates noise or other conditions that, in the Board's reasonable discretion, tend to disturb the peace or threaten the safety of or cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other Units or persons using the Common Area, except that this Rule shall not restrict the ability of the Association and its contractors, agents, or employees to engage in such activities as part of a continuing resource management plan for the Community;

(d) Any activity that violates local, state, or federal laws or regulations (however, the Board shall have no obligation to take action to enforce such laws or regulations or to prevent a violation);

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(e) Pursuing hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit;

(f) Outside burning of trash, leaves, debris, or other materials, except that the Association and its contractors or agents may engage in ecological burning as part of a continuing resource management plan;

(g) Using or discharging any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except fire and security alarm devices used exclusively for such purposes;

(h) Using or discharging firecrackers and other fireworks;

(i) Accumulating rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved, wildlife-proof containers;

(j) Discharging firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(k) On-site storage of fuel, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of mowers and similar tools or equipment, and the Association shall be permitted to store and sell fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Chapter 5;

(l) Dumping, pumping out, or discharging fuel, gray water, pesticides, or toxic substances onto the land within or adjacent to the Community;

(m) Any activities that materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Community, that use excessive amounts of water, or that result in unreasonable levels of sound or light pollution;

(n) Operating motorbikes, mini-bikes, or all-terrain vehicles anywhere in the Community, on or off roadways;

(o) Converting any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit without prior approval pursuant to Chapter 5;

(p) Constructing or modifying any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Chapter 5. This shall include, without limitation, signs, basketball hoops, and swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools; hedges, walls, dog runs, animal pens, or fences of any kind; and satellite dishes and antennas, except that:

(i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter;

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services,

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and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement;
or

(iii) an antenna that is designed to receive television broadcast signals;

shall be permitted on Units, subject to such reasonable requirements as to location and screening as may be set forth in the Design Guidelines, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. The Founder and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Community, should any master system or systems be utilized by the Association and require such exterior apparatus.

3. **Prohibited Conditions.** The following shall be prohibited in the Community:

(a) Accumulation or storage of combustible materials or debris on Units, except to the extent reasonably necessary during construction of a dwelling on the Unit. This Rule shall not preclude storage of a reasonable amount of firewood on a Unit provided it is stacked and stored in a safe manner and location; and

(b) Structures, equipment, or other items on the exterior portions of a Unit that have become rusty, dilapidated, or otherwise fallen into disrepair.

4. **Signs.** No sign advertising the sale and/or lease of a Unit (i.e., "For Sale" or "For Lease" signs) may be placed on any Unit or any other portion of the Community during the Development and Sale Period without the Founder's prior consent, which it shall not be obligated to give. After the termination of the Development and Sale Period, the placement of "For Sale" and/or "For Lease" signs within the Community shall be subject to such regulations and limitations (which may include a prohibition on such signs) as the Board may impose. Notwithstanding the above, the Founder and Founder Affiliates may display such signs within the Community with respect to Units they each respectively own.

5. **Extended Vacations and/or Absences.** In the event a Unit will be unoccupied for an extended period of time, which for purposes of this Charter is any period of time in excess of twenty-one (21) consecutive days, the Unit must be prepared prior to departure by: (1) notifying the Association; (2) removing from the Unit and properly storing within the dwelling and/or residence located on that Unit all removable items, such as furniture, patio equipment, plants and any other objects; and (3) designating a responsible firm, agent and/or individual to care for the Unit and providing a key to that firm, agent and/or individual. The name of the responsible firm, agent and/or individual shall be furnished to the Association prior to that Owner's departure. The Founder and the Association shall not have any responsibility, obligation and/or duty of any kind or nature relating to, connected with and/or caused by any unoccupied Unit, including but not limited to, damage to the dwelling and/or residence, damage to the Unit, damage to any other dwelling and/or residence and damage to any other Unit.

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