

9. Annual Statements.

The president, treasurer, or such other officer as may have custody of the funds of the Association shall annually, within ninety (90) days after the close of the fiscal year of the Association, prepare and execute under oath a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses. It shall be construed to apply only to creditors of more than \$250.00. Such officer shall furnish to each Member, who may request in writing, a copy of such statement within thirty (30) days after receipt of such request. Such copy may be furnished to the Member either in person or by mail.

10. Annual Budget.

The Board of Directors shall prepare and make available to all Members, at least sixty (60) days prior to the first day of each fiscal year, a budget outlining anticipated receipts and expenses for the upcoming fiscal year. The Financial Books of the Association shall be available for inspection by all Members at all reasonable times.

11. Uniform Assessment.

All assessments made under this Declaration shall be equal among Lots, except for the reduction permitted by Section 2 or Article IV, in the regular annual assessment for unoccupied Townhouses owned by the developer.

12. Working Capital Fund.

In order to insure that the Association will have cash necessary to fund the operation of the Association, a reserve and working capital fund will be established. Funding will be supplied by Owners by payment at the closing of every Lot (and each successive closing thereafter) the sum of \$100.00 which will be for the use and benefit of the association. Further, the Declarant shall pay \$100.00 to the Association at the time the Declarant conveys each Lot to the Initial Owner. Amounts paid into the funds are not to be considered to be advance payment of regular assessments.

ARTICLE V  
FUNCTIONS OF ASSOCIATION

1. Ownership and Maintenance of Common Properties.

The Association shall be authorized to own and maintain the Common Properties. The Association should pay any ad valorem taxes on the Common Properties. Each Owner shall be responsible for the payment of all ad valorem taxes on his Lot and Townhouse

2. Required Services.

The Association shall be required to provide the following services:

- (a) Repair, replacement, and maintenance of the Common Properties and all improvements located thereon.
- (b) Taking any and all actions necessary to enforce all covenants and restrictions affecting REGENCY PARK SUBDIVISION and to perform all of the functions and duties delegated to the Association in any covenants or restrictions applicable to REGENCY PARK SUBDIVISION.
- (c) Providing administrative services, including, but not limited to, legal, accounting and financial, and communication services informing Owners of activities and giving required notices incident to carrying out the functions of the Association.
- (d) Review of and approval or disapproval of plans and specifications for (i) work to any Townhouse or (ii) landscaping on any Lot, all as provided for in this Declaration or Rights, Restrictions, Etc.
- (e) Maintenance of liability insurance for the Association in such amounts as shall be determined by the Board of Directors to protect the Association against claims for which the Board of Directors determine should be covered, including, without limitation, insurance for the officers and directors in connection with their management of the Association.
- (f) Enforce the obligation of each Owner to maintain and keep in good repair the exterior of such Owner's Townhouses(s)
- (g) Replacement of roofs when such need for replacement results from normal wear and tear due to aging.
- (h) Road maintenance, repaving and repair of all roads within the REGENCY PARK SUBDIVISION, including all street signs designating street names and that REGENCY PARK SUBDIVISION ROADS are Privately Maintained.

3. Discretionary Services.

The Association shall be authorized, but not required, to provide the following services:

- (a) Provide police protection and security including the employment of police and security guards.
- (b) The services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this document.
- (c) Provide garbage and trash collection to each Townhouse unless provided by the municipality.

- (d) To purchase hazard insurance covering the improvements located on the Common Properties and any items of personal property which are a part of the Common Properties.

4. Obligation of the Association.

The Association shall be obligated to carry out those services specified in Section 2 of this Article, but shall not be obligated to carry out or offer any of the functions and services specified in Section 3 of this Article. The functions and services listed in Section 3 to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association. The functions and services which the Association is authorized to carry out or to provide may be added to or reduced or may be changed in nature (i.e., form required to discretionary or vice versa) at any time upon the affirmative vote of a simple majority of those voting at a duly held meeting of Members together with the consent of Declarant, so long as Declarant owns a Lot primarily for the purpose of sale or has the unexpired option to add Additional Property, or any portions thereof, to the Development.

5. Pledge of Revenues.

The Board of Directors of the Association shall have the power and authority to borrow funds for the benefit of the Association in performing its authorized functions and to pledge the revenues of the Association as security for such loans.

6. Owner's Responsibility.

Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of a Lot, together with all portions of the Townhouse, and other improvements thereon shall be the responsibility of the Owner of such Lot. The responsibility of each Owner shall include the maintenance repair, and replacement of fixtures, equipment, and appliances (including, without limitation, the heating and air-conditioning system for his Townhouse) and all chutes, flues, ducts, conduits, wires, pipes, plumbing, or other apparatus which are deemed to be a part of his Lot. The responsibility of the Owner shall also include the maintenance, repair, and replacement of all glass, lights and light fixtures (exterior and interior), awnings, window boxes, window screens, and all screens or glass-enclosed porches, or decks which are a part of the Townhouse. Each Owner shall maintain his roof in a good state of repair except as provided for in Article V, 2 (i). In addition, each Owner shall be responsible for replacing his roof as such need is caused by a hazard which is normally covered by the Owner's hazard insurance. Each Owner shall maintain and keep the exterior and grounds of his Townhouse in good, neat, clean, and sanitary condition and such responsibility shall include the maintenance and care of all lawns, trees, shrubs, hedges, grass, and other landscaping contained within such Lots. Each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any portion of the

Lot or Townhouse which is the responsibility of the Owner, but which responsibility such Owner fails or refuses to discharge; the Association may specially assess the Owner for any amounts expended by the Association to discharge the responsibility of the Owner defined herein. In the event of any such assessment as herein provided, and the non-payment by the Owner within 30 days after notice and demand from the Association, the Association shall have the rights set forth in Article IV, Section 7 hereof.

ARTICLE VI  
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

1. Membership.

Every person who is the record owner of a fee or undivided fee interest in any Lot this is subject to this Declaration shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and Ownership of a Lot shall be the sole qualification for such membership. The foregoing is not intended to include mortgages or other persons who hold an interest merely as a security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, regardless of whether title to a Lot is vested in more than one Owner, shall have more than one membership or one vote per Lot.

2. Voting Rights.

As long as all fees, dues, special assessments, costs or expenses levied against any lot of Townhouse in REGENCY PARK SUBDIVISION is paid and all fees, dues, special assessments, costs or expenses to any lot or Townhouse are paid and current, then each lot owner, as defined in Article I, Section G, shall be entitled to one vote to be cast by the Owner thereof. When any Lot is owned by two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or, if two or more persons or entities have the same fiduciary relationship respecting the same property, or, if property is owned by a corporation, then such Owners shall file with the Secretary of the Association an instrument in writing signed by all such Owners designating the Owner (or in the case of a corporation, one of its officers) to cast the vote which is attributable to such Lot. The principles of this section shall apply, insofar as possible, to execution of proxies, waivers, consents, or objections and for the purpose of ascertaining the presence of a quorum.