

Section 3. The recorded plat of Phase One indicates a small area as "Reserved for possible future Recreational Area". Declarant does not intend to develop or place any improvements in said area. However, the same is reserved to be used or improved by the members as they may agree.

ARTICLE X.

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each lot and the common area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours.

Section 2. Use of Property. Each building, the residences therein, and the common area and facilities shall be for the following uses and subject to the following restrictions, and, in addition, to those set forth in the By-laws:

(a) All buildings and the common area and facilities shall be used for residential and related common purposes. Each residence may not be subdivided and shall be used as a single-family residence and for no other purpose except that the Declarant may use one or more residences for offices and/or model residences for sales purposes.

(b) Nothing shall be kept and no activity shall be carried on in any building or residence or on the common area and facilities which will increase the rate of insurance, applicable to residential use, for the property or the contents thereof. No owner shall do or keep anything, nor cause or allow anything to be done or kept, in his residence or on the common area and facilities which will result in the cancellation of insurance on any portion of the property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the common area and facilities.

(c) No immoral, improper, offensive or unlawful use shall be made of the property, or any part thereof, and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any