

**EXHIBIT "C"**

**Initial Restrictions and Rules**

The purpose of Architectural Guidelines and Restrictions and Rules is not to anticipate all acceptable or unacceptable behavior in advance and eliminate all improvements or activities which fall outside of "the norm." In fact, it is expressly intended that the Reviewer under Article IV, 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 estop the Board from taking enforcement action in any appropriate circumstances.

Subject to the above, the following restrictions shall apply to all of Bentwater until such time as they are amended, modified, repealed, or limited pursuant to Article III of the Declaration.

1. General. Bentwater shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker Declarant retains to assist in the sale of property described in Exhibits "A" or "B," offices for any property manager the Association retains, or business offices for Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

2. Restricted Activities. The following activities are prohibited within Bentwater unless the Board expressly authorizes them, and, if authorized, shall be subject to such conditions as the Board may impose:

(a) parking any vehicles on public or private streets or thoroughfares, or parking commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, and stored or inoperable vehicles in places other than enclosed garages; provided, construction, service, and delivery vehicles shall be exempt from this provision during daylight 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, or keeping animals, livestock, or poultry of any kind, except that the Board shall permit a reasonable number of dogs, cats, or other usual and common household pets in a Unit. Upon the Board's request, an Owner shall remove those pets which such Owner permits to roam free, which make an objectionable amount of noise, or which, in the Board's sole discretion, endanger the health or safety of, or constitute a nuisance or inconvenience to, the occupants of other Units. If the pet owner fails to honor such request, the Board may remove the pet without notice to the pet's owner. Dogs shall be kept on a leash or otherwise confined in a manner the Board requires whenever outside the dwelling. Pets shall be registered, licensed, and inoculated as required by law;

(c) activities which emit foul or obnoxious odors outside the Unit or create noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Units;

(d) activities which violate local, state, or federal laws or regulations; provided, the Board shall be under no obligation to take enforcement action in the event of a violation;

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

(f) noxious or offensive activities which in the Board's judgment tend to cause embarrassment, discomfort, annoyance, or nuisance to others;

(g) outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a dwelling on a Unit;

(h) use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be an unreasonable annoyance to others, as determined in the Board's discretion, except alarm devices used exclusively for security purposes;

(i) use and discharge of firecrackers and other fireworks;

(j) dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within Bentwater, except that fertilizers may be applied to landscaping on Units, provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks removed from a building site on such building site;

(k) accumulation of rubbish, trash, or garbage except between regular garbage pick-ups, and then only in approved containers; such containers shall be screened from view from outside the Unit, except during regular pick-up periods;

(l) obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent;

(m) subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat Units it owns;

(n) swimming, boating, use of personal flotation devices, or other active use of lakes, ponds, streams, or other bodies of water within Bentwater, except that fishing from the shore with appropriate licenses is permitted. Declarant, its successors and assigns, shall be permitted and shall have the exclusive right and easement to retrieve golf balls from bodies of water within the Common Areas and to draw water from lakes, ponds, and streams within Bentwater for

purposes of irrigation and such other purposes as Declarant shall deem desirable. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, lakes, ponds, streams, or other bodies of water within or adjacent to Bentwater;

(o) use of any Unit for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program;

(p) discharge of firearms; provided, the Board shall be under no obligation to take action to prevent or stop such discharge;

(q) on-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Article IV;

(r) any business, trade, or similar activity, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for Bentwater; (iii) the business activity does not involve door-to-door solicitation of residents of Bentwater; (iv) the business activity does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in Bentwater which is noticeably greater than that which is typical of Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of Bentwater and does not constitute a nuisance, a hazardous or offensive use, or a threat to the security or safety of others, as the Board determines in its sole discretion.

The foregoing limitations shall not preclude occasional garage sales, moving sales, rummage sales, or similar activities, provided that such activities may not be held on any one Unit more than once in any three-month period and, when held, may not exceed three consecutive days in duration.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Leasing a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity that Declarant or a Builder approved

by Declarant conducts with respect to the development and sale of Bentwater or its use of any Units they own within Bentwater;

(s) capturing, trapping, or killing wildlife within Bentwater, except in circumstances posing an imminent threat to the safety of persons using Bentwater;

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

(u) conversion of any carport or garage to finished space for use as an apartment, an integral part of the Unit's living area, or for purposes other than parking vehicles and ancillary storage, without prior approval pursuant to Article IV. Garage doors shall be kept closed at all times except when entering, exiting, or otherwise actively using the garage;

(v) operation of motorized vehicles on pathways or trails the Association maintains, except that golf carts may be operated on cart paths intended for such purposes; and

(w) any construction, erection, placement, or modification of 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 Architectural Guidelines and with approval pursuant to Article IV of the Declaration. This shall include, without limitation, signs, basketball hoops, swing sets, and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools; docks, piers, and similar structures; and hedges, walls, dog runs, animal pens, or fences of any kind.

3. Prohibited Conditions. The following shall be prohibited at Bentwater:

(a) plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may materially diminish or destroy the enjoyment of Bentwater;

(b) structures, equipment, or other items on the exterior portions of a Unit which have become rusty, dilapidated, or otherwise fallen into disrepair;

(c) sprinkler or irrigation systems or wells of any type which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within Bentwater, except that Declarant and the Association shall have the right to draw water from such sources; and

(d) satellite dishes, antennas, and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that Declarant and the Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of Bentwater; and (i) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennas or satellite dishes designed to receive video programming services via multi-point distribution services which are

one meter or less in diameter or diagonal measurement; or (iii) antennas or satellite dishes designed to receive television broadcast signals ((i), (ii), and (iii), collectively, "Permitted Devices") shall be permitted, *provided that* any such Permitted Device is placed in the least conspicuous location on the Unit at which an acceptable quality signal can be received and is screened from view in a manner consistent with the Community-Wide Standard and the Architectural Guidelines.

4. Leasing of Units. "Leasing," for purposes of this Paragraph, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. The Board may require a minimum lease term, which requirements may vary from Neighborhood to Neighborhood. The Owner shall give the Board notice of any lease, together with such additional information as may the Board may require, within 10 days of execution of the lease. The Owner must make available to the lessee copies of the Governing Documents.