

Submitted Land which is in accordance with the Development Plan and compliant with the Association Documents.

- (8) Bonding. The Covenants Committee may require an applicant to post a bond or letter of credit to ensure compliance with the Association Documents and Association Rules and Regulations, to submit approved plans, and to protect against damage to the Common Property.

Section 9.2. **Committees of the Covenants Committee**

The Covenants Committee shall establish an Initial Construction Subcommittee, a Modifications Subcommittee and a Rules Enforcement Subcommittee to exercise the powers of the Covenants Committee. Wherever in the Association Documents reference is made to the Covenants Committee, such reference shall mean the Covenants Committee itself or the appropriate subcommittee thereof having jurisdiction over the Lot in question.

- (1) Initial Construction Subcommittee. The Board of Directors shall appoint three individuals, and Lake Holiday LLC shall appoint two individuals, to the Initial Construction Subcommittee to serve for a term of three years. Notwithstanding the provisions of the Bylaws, only Lake Holiday LLC can remove and replace individuals appointed by the Lake Holiday LLC. The Initial Construction Subcommittee shall review the Design Guidelines for the Submitted Land and make recommendations to the Board of Directors, review and approve or disapprove the plans for the initial construction of any structure to be located on the Submitted Land, including without limitation the site development plan, architectural design, architectural materials, landscaping plan, sediment and erosion control plan, non-structural improvements and general appearance, in order to ensure the quality and compatibility of style of all the improvements to be located on the Submitted Land. At the end of the Development Period for Sections 5B, 5C, 7, 9, 10, 11 and 12, the term of the two individuals appointed by the Lake Holiday LLC to serve on the Initial Construction Subcommittee shall expire. The Board of Directors shall have the authority to appoint their replacements.
- (2) Modifications Subcommittee. The Board of Directors shall appoint a minimum of three individuals to the Modifications Subcommittee, to serve for a term of three years. The Modifications Subcommittee shall review and approve or disapprove the plans for any visible additions, alterations or modifications to the exterior of existing improvements located on the Submitted Land in order to ensure the quality and compatibility of the style of all the improvements on the Submitted Land.
- (3) Rules Enforcement Subcommittee. The Board of Directors shall appoint a minimum of three individuals to the Rules Enforcement Subcommittee, to serve for a term of three years. The Rules Enforcement Subcommittee shall review possible violations of the Association Documents and Rules and Regulations, determine appropriate enforcement action and act as the judicial arm of the Covenants Committee.