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Atlanta, Georgia 30326
Attention: DRM

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CAROLETON TOWNHOMES**



**One Alliance Center, 4th Floor
3500 Lenox Road
Atlanta, Georgia 30326
(404) 926-4500**

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STATE OF GEORGIA
COUNTY OF COLUMBIA

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CAROLETON TOWNHOMES

THIS DECLARATION, consisting of covenants, conditions, easements and restrictions, is made on this 23rd day of November, 2021 by Camak Property Development, LLC, a Georgia limited liability company ("Declarant");

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" to this Declaration;

WHEREAS, Declarant desires to subject the real property described in Exhibit "A" to the provisions of this Declaration and to provide for the subjecting of other real property to the provisions of this Declaration; and

NOW, THEREFORE, Declarant declares that the real property described in Exhibit "A" to this Declaration, including the improvements constructed or to be constructed thereon, is subjected to the provisions of this Declaration, and shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens, set forth in this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property subject to this Declaration, and shall be binding on all Persons having any right, title, or interest in all or any portion of the real property subject to this Declaration, their respective heirs, legal representatives, successors, successors in title, and assigns and shall be for the benefit of all owners of the property subject to this Declaration.

THIS DECLARATION DOES NOT AND IS NOT INTENDED TO CREATE A CONDOMINIUM REGIME SUBJECT TO THE GEORGIA CONDOMINIUM ACT, O.C.G.A. § 44-3-70, ET SEQ.

THIS DECLARATION DOES NOT AND IS NOT INTENDED TO SUBMIT THE COMMUNITY TO THE TERMS OF THE GEORGIA PROPERTY OWNERS ASSOCIATION ACT, O.C.G.A. § 44-3-220, ET SEQ.



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ARTICLE 1. DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

Section 1.1. Additional Property shall mean the real property described in Exhibit "B" attached hereto and incorporated herein, which Declarant may, but shall have no obligation to, submit to the Community as provided in this Declaration.

Section 1.2. Annual Assessment shall mean the assessment to be uniformly levied by the Board against each equally Lot as more particularly described in Article 5 below

Section 1.3. Approved Builder shall mean any builder that is designated by Declarant in writing as an "Approved Builder." An Approved Builder shall continue to be an Approved Builder for so long as it owns at least one (1) Lot for the purpose of construction of a Residence and resale of the Lot and Residence.

Section 1.4. Architectural Review Committee or ARC shall mean the committee established to exercise the architectural review powers set forth in Article 6 hereof, which shall be the Board unless by resolution the Board appoints a separate Architectural Review Committee.

Section 1.5. Area of Common Responsibility shall mean and refer to the Common Property, together with other areas, if any, which by the terms of this Declaration or by contract or agreement with any other Person or entity become the responsibility of the Association.

Section 1.6. Articles or Articles of Incorporation shall mean the Articles of Incorporation of Caroleton Townhomes Homeowners Association, Inc., which have been filed with the Secretary of State of the State of Georgia, as amended.

Section 1.7. Association shall mean Caroleton Townhomes Homeowners Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

Section 1.8. Board of Directors or Board shall mean the appointed or elected body of the Association, as applicable, having its normal meaning under Georgia corporate law.

Section 1.9. Bylaws shall refer to the Bylaws of Caroleton Townhomes Homeowners Association, Inc., attached to this Declaration as Exhibit "D" and made a part of this Declaration, as amended.

Section 1.10. Common Expenses shall mean the expenses anticipated or actually incurred by the Association in maintaining, repairing, replacing, and operating the Common Property and otherwise for the benefit of all Lots.

Section 1.11. Common Profits shall mean all income collected or accrued by or on behalf of the Association other than income derived from assessments.

Section 1.12. Common Property shall mean any and all real and personal property and easements and other interests, together with the facilities and improvements located in the Community, now or in the future owned by the Association.

Section 1.13. Community shall mean and refer to that certain real property and any easements, conditions and other real property interests therein described in Exhibit "A," attached hereto, and any of the Additional Property that is later submitted to the provisions of this Declaration.

Section 1.14. Community Instruments shall mean this Declaration and all exhibits hereto, including the Bylaws, Articles of Incorporation, the plats, plans and survey, and any design standards and rules and regulations of the Association, all as may be supplemented or amended from time to time.

Section 1.15. Community-Wide Standard shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors of the Association. This determination, however, must be consistent with the Community-Wide Standard originally established by Declarant.

Section 1.16. Declarant shall mean and refer to Camak Property Development, LLC, a Georgia limited liability company, and such of its successors-in-title who shall (i) acquire, from a predecessor "Declarant," and for the purpose of development or sale, all or any portion of the real property described in Exhibit "A" hereto or the Additional Property, and (ii) be designated as Declarant in the deed of transfer by which such successors-in-title shall so acquire its interest in such real property, or by written assignment of Declarant rights in an instrument recorded in the Official Records. In all events, there shall only be one "Declarant" at any one time; in no event shall more than one (1) Person have the right to exercise the power and authority of the "Declarant" at any one time. The expiration of the Declarant Control Period shall not terminate or alter the status of the above-referenced entity and its successor-in-title and/or assign, as Declarant hereunder, or divest it of other rights specifically reserved to Declarant herein.

Section 1.17. Declarant Control Period shall mean the period of time during which Declarant is entitled to appoint and remove the members of the Board of Directors as provided in Section 3.2 of the Bylaws.

Section 1.18. Development Period shall mean the period of time commencing on the Effective Date and terminating at the later of the time Declarant does not own any Lot primarily for the purpose of sale or lease or does not have an unexpired right to submit Additional Property to this Declaration.

Section 1.19. Effective Date shall mean the date that this Declaration is recorded in the Official Records.

Section 1.20. Electronic Document shall mean information created, transmitted, received or stored by electronic means and retrievable in humanly perceivable form including, without limitation, e-mail, web pages, electronic documents, and facsimile transmissions.

Section 1.21. Electronic Signature shall mean a signature created, transmitted, received or stored by electronic means and includes, but is not limited to, a Secure Electronic Signature

Section 1.22. Eligible Mortgage Holder shall mean those holders of first Mortgages secured by Lots in the Community who have requested notice of certain items as set forth in this Declaration.

Section 1.23. Fenced Area shall mean any portion of a Lot enclosed within a fence as part of the original construction of the Residence on the Lot or approved by the ARC.

Section 1.24. Legal Requirements shall mean all applicable federal, state and local laws, orders, rules and regulations.

Section 1.25. Lot shall mean any plot of land in the Community, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a single-family residence site as shown on the Survey.

Section 1.26. Majority shall mean those eligible votes by Owners, or other group as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

Section 1.27. Master Articles shall mean the articles of incorporation or the Master Association, as amended or as may be amended.

Section 1.28. Master Association shall mean Caroleton Association, Inc., a Georgia non-profit corporation, its successors and assigns.

Section 1.29. Master Bylaws shall mean the Bylaws of the Master Association, as amended or as may be amended.

Section 1.30. Master Community Instruments shall mean collectively the Master Declaration, Master Bylaws, and Master Articles.

Section 1.31. Master Declaration shall mean that certain Caroleton Master Declaration of Covenants, Conditions, and Restrictions recorded in Deed Book 11296, Page 232, et seq., of the Official Records, as amended or supplemented or as may be amended or supplemented.

Section 1.32. Mold shall collectively mean mold, mildew, fungi, mycotoxins, and/or microbiological organisms.

Section 1.33. Mortgage shall mean any mortgage, deed to secure debt, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.

Section 1.34. Mortgagee shall mean the holder of a Mortgage.

Section 1.35. Occupant shall mean any Person occupying all or any portion of a Lot in the Community for any period of time, regardless of whether such Person is a tenant or the Owner of such Property.

Section 1.36. Official Records shall mean the official land records of the Clerk of the Superior Court of Columbia County, Georgia.

Section 1.37. Owner shall mean and refer to the record owner, whether one (1) or more Persons, of the fee simple title to any Lot located within the Community, but not include any Person who is only a Mortgage Holder.

Section 1.38. Person shall mean any natural person, as well as a corporation, limited liability company, joint venture, partnership (general or limited), association, trust, or other legal entity.

Section 1.39. Residence shall mean the structure and related improvements situated on a Lot designated and intended for use and occupancy as a single-family residential home.

Section 1.40. Secure Electronic Signature shall mean an electronic or digital method executed or adopted by a Person with the intent to be bound by or to authenticate a record, which is unique to the Person using it, is capable of verification, is under the sole control of the Person using it, and is linked to data in such a manner that if the data is changed, the electronic signature is invalidated.

Section 1.41. Special Assessment shall mean an assessment uniformly levied by the Board equally against all Lots to fund an expense of the Association not included in the annual budget or to otherwise fund a shortfall in the operating account of the Association.

Section 1.42. Specific Assessment shall mean an assessment levied by the Board against a Lot as provided below:

(a) Any Common Expenses benefiting less than all of the Lots (including, but not limited to, Common Expenses associated with the maintenance, repair, renovation, restoration, or replacement of any Exclusive Common Property) may be specifically assessed equitably, in the Board of Director's reasonable discretion, among all of the benefited Lots according to the respective benefit received.

(b) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Lots or by the licensees or invitees of any such Lot or Lots may be specifically assessed by the Board of Directors against such Lot or Lots upon the conduct committed which occasioned any such Common Expenses.

(c) Any Common Expenses significantly disproportionately benefiting all the Lots may be specifically assessed equitably, in the Board of Director's reasonable discretion, among all of the benefited Lots according to the respective benefit received.

Additionally, fines and other charges assessed against less than all the Lots shall be deemed Specific Assessments.

Section 1.43. Statutory Overnight Delivery shall have the meaning set forth in O.C.G.A. § 9-10-12, as amended.

Section 1.44. Supplementary Declaration shall mean an amendment or supplement to this Declaration, which subjects Additional Property to this Declaration or imposes additional restrictions and obligations on the Community, or a portion thereof.

Section 1.45. Survey shall mean the recorded plat of survey for Caroleton Townhomes Subdivision recorded in the Official Records, as amended.

Section 1.46. Total Association Vote shall mean all of the votes attributable to members of the Association (including votes of Declarant), and the consent of Declarant so long as Declarant owns any property for development and/or sale in the Community.

ARTICLE 2. PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1. Property Submitted. The real property which is, by the recording of this Declaration, subject to the covenants and restrictions set forth in this Declaration is the real property described in Exhibit "A" attached and made a part of this Declaration.

Section 2.2. Other Property. Only the real property described in Exhibit "A" is made subject to this Declaration. However, by one (1) or more Supplementary Declarations, other real property may be subjected to this Declaration, as provided in Article 13 hereof.

ARTICLE 3. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 3.1. Membership. Every Person who is the record owner of a fee interest in any Lot, is subject to this Declaration shall automatically be a member in the Association. Membership shall not include Persons who hold a security interest only and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall go along with and may not be separated from ownership of any Lot.

Section 3.2. Voting. Members shall be entitled to one (1) equal vote for each Lot owned. When more than one (1) Person holds an ownership interest in any Lot, the vote for such Lot shall be cast as those Owners decide and instruct the Secretary prior to any meeting. If the Secretary is not instructed, the Lot's vote shall be suspended in the event more than one (1) Owner of a Lot attempts to cast it.

ARTICLE 4. ASSOCIATION RIGHTS AND RESTRICTIONS; VARIANCES

Section 4.1. Association Rights and Restrictions.

(a) The Association, acting through its Board of Directors, shall have the right and authority, in addition to and not in limitation of all other rights it may have, to:

(i) make and to enforce reasonable rules and regulations governing the use of the Community, including the Lots and the Common Property;

(ii) enforce use restrictions, other Declaration and Bylaws provisions, and rules and regulations by imposing reasonable monetary fines, exercising self-help powers, and suspending use and voting privileges and services paid for as a Common Expense, as provided herein. These powers, however, shall not limit any other legal means of enforcing the use restrictions or Association rules and regulations by either the Association or, in an appropriate case, by an aggrieved Owner;

(iii) grant and accept permits, leases, licenses, utility easements, and other easements under, through, or over the Common Property;

(iv) control, manage, operate and, in the Board's discretion, maintain, replace, alter or improve all portions of the Community for which the Association is assigned maintenance responsibility under this Declaration, and to pay all taxes or other expenses with respect to same;

(v) to represent and act on behalf of the Owners in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of this Declaration;

(vi) represent the Owners in dealing with governmental entities on matters related to the Common Property;

(vii) permanently or temporarily close any portion of the Common Property (excluding: (A) any portion of the Common Property the use of which is reasonably necessary for access to or from a Lot or (B) any portion of the Common Property over, on, upon or which Declarant has an easement) with thirty (30) days prior notice to all Owners, except that, in emergency situations requiring a temporary closing, prior notice shall not be required so long as notice is given within three (3) days after the closing explaining the reason for the closing. Notwithstanding the above, the Owners may re-open the closed Common Property by a Majority of the Total Association Vote, cast at a duly called special or annual meeting;

(viii) enter into Lots for maintenance, emergency, security, or safety purposes, or otherwise to discharge its powers or responsibilities hereunder, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Occupant of the Lot. For purposes of this Paragraph, an emergency justifying immediate entry into a Lot shall include, but not be limited to the following situations: a water or other utility leak, fire, strong foul odor, obvious insect

infestation or sounds indicating that a person or animal might be injured or sick and require immediate medical attention. No one exercising the rights granted in this subparagraph shall be liable for trespass, damages, or in any other manner by virtue of exercising such rights. The failure to exercise the rights herein or to exercise said rights in a timely manner shall not create liability to any of the above-referenced parties, it being agreed that no duty to enter a Lot shall exist;

(ix) acquire, lease, hold, and dispose of tangible and intangible personal property and real property; and

(x) to take actions on behalf of the Association as a "Neighbor Association" as provided in the Master Community Instruments.

(b) Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of the Owners as hereinafter provided. The Board shall prepare a budget of the total estimated cost of the litigation or proceeding which shall be submitted to the Owners for a vote along with the estimate of the total cost of the litigation or proceeding made by the attorney being retained by the Association for the litigation or proceeding. No capital contribution or reserve account funds shall be used for funding the costs of litigation or proceedings. The proposed litigation or proceeding, the budget, and the special assessment for litigation, must all be approved by a vote of the Owners representing at least two-thirds (2/3) of the Total Association Vote. This Section shall not apply, however, to (a) actions involving imposition and collection of assessments as provided herein, (b) actions brought by the Association to enforce the covenant in this Declaration (including, without limitation, the foreclosure of liens); (c) proceedings involving challenges to ad valorem taxation, (d) counterclaims brought by the Association in proceedings instituted against it, (e) any land-use or zoning proceedings, or (f) actions brought by the Association for damages in magistrate court. This subparagraph shall not be amended unless such amendment is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 4.2. Variances. Notwithstanding anything to the contrary contained in this Declaration, the Board of Directors or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction promulgated pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Community.

ARTICLE 5. ASSESSMENTS

Section 5.1. Purpose of Assessment. The Association shall have the power to levy assessments as provided herein. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the common benefit and enjoyment of the Owners and Occupants of the Lots as may be more specifically authorized from time to time by the Board.

Section 5.2. Types of Assessments. Each Owner of a Lot, by acceptance of a deed to a Lot whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following types of assessments with such assessments to be established and collected as hereinafter provided:

- (a) Annual Assessments;
- (b) Special Assessments; and
- (c) Specific Assessments.



Section 5.3. Annual Budget and Annual Assessments.

(a) Preparation of Budget. For each fiscal year, the Board shall prepare a budget listing by category the estimated Common Expenses for such year (including the establishment and maintenance of such reserves as the Board may consider appropriate and any amounts the Association is required to pay under the Reciprocal Easement Agreement, if any). The Board shall cause the proposed annual budget and Annual Assessments roster based thereon to be delivered to each Owner at least twenty-one (21) days prior to the Association's annual meeting.

The budget and the assessment shall become effective unless disapproved at a duly called and constituted annual meeting of the Association by a vote of a Majority of the Total Association Vote; provided, however, if a quorum is not obtained at the annual meeting, the budget shall become effective even though a vote to disapprove the budget could not be called for at such meeting.

(b) Annual Assessments. Subject to Section 5.7 below, each Owner shall pay an equal Annual Assessment. The amount of the Common Expenses paid as an Annual Assessment shall be based on the total Common Expenses as estimated in the annual budget, less the following:

- (i) Any amounts in the budget to be funded by the payment of Specific Assessments; and
- (ii) Undistributed and unreserved Common Profits.

(c) Failure to Establish Annual Budget. In the event that the Owners disapprove the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year. In such case, the Board may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and Annual Assessment shall be delivered to the Owners at least twenty-one (21) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

(d) Budget Adjustments. The Board of Directors shall have the right to:

- (i) not spend the full amount budgeted for any particular line item in the budget;
- (ii) spend more than what has been budgeted;
- (iii) shift revenues within the budget from one line to another; and

(iv) adopt a revised budget during the fiscal year, provided, however, (A) such proposed revised budget and Annual Assessment shall be delivered to the Owners at least twenty-one (21) days prior to the proposed effective date thereof and at least seven (7) days prior to a special meeting of the Association, and (B) the revised budget and the Annual assessments shall become effective unless disapproved at a duly called and constituted special meeting of the Association by a vote of a Majority of the Total Association Vote, provided, if a quorum is not obtained at such special meeting, the revised budget shall become effective even though a vote to disapprove the budget could not be called for at such meeting.

Notwithstanding anything to the contrary herein, during the Development Period, Declarant shall have the right to unilaterally adjust the Budget and amount of Annual Assessments (without the prior consent of the Board or the other Owners) to reflect phases and amenities that Declarant anticipates (but does not warrant) will be part of the Community during the applicable year. Such budget may initially include expenses for items that are not part of the Community but that Declarant anticipates (but does not

warrant) will be part of the Community during the applicable year. Owners shall pay Annual Assessment based on such budget irrespective as to whether the anticipated phases are actually submitted to the Declaration.

(e) Capital Reserve Budget and Contribution. The Board of Directors shall annually prepare a capital reserve budget, which shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost. The Board may set the required capital reserve contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital reserve budget, with respect both to amount and timing by equal Annual Assessments over the period of the budget. The annual capital reserve contribution required, if any, shall be fixed by the Board and included within the annual budget and Annual Assessment as provided above. A copy of the capital reserve budget shall be distributed to each Owner in the same manner as the operating budget. Notwithstanding anything to the contrary in this Declaration, Declarant shall have no obligation to fund or otherwise contribute toward the capital reserves of the Association.

Section 5.4. Special Assessments. The Board shall have authority at any time to levy a Special Assessment against all Owners. The Board shall send notice of any Special Assessment to all Owners.

Section 5.5. Specific Assessments.

(a) The Board may, at any time and in addition to any other rights it may have, levy a Specific Assessment against such Lots as, in its discretion, it shall deem appropriate. The Board shall send notice of which shall be sent to the applicable Owner(s).

(b) The Board may not levy Specific Assessments for periodic maintenance, repair, or replacement of any portion of the Common Property (excluding Exclusive Common Property) or the Lots which the Association has the obligation to maintain, repair, or replace.

(c) Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority to assess as a Specific Assessment under this Section.

Section 5.6. Payment of Assessments.

(a) Annual Assessments. Unless otherwise provided by the Board of Directors, the Annual Assessments shall be paid in equal monthly installments due on the first day of each month.

(b) Special Assessment and Specific Assessments. The Board of Directors shall establish the date payment of any Special Assessment or Specific Assessment is due. In the Board's discretion, Special Assessments or Specific Assessment may be paid in installments.

(c) Exemptions. Except for Declarant during the Development Period as described below, no Owner may exempt itself from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Elements, the Association's failure to perform its obligations required hereunder or an inconvenience or discomfort arising from the Association's performance of its duties.

Section 5.7. Date of Commencement of Assessments.

(a) Assessments shall commence as to a Lot upon the conveyance of the Lot to a Person other than Declarant or an Approved Builder. An Approved Builder shall not be responsible for the

payment of any type of assessment, except that assessments shall commence on Lots containing occupied Residences (but excluding those Lots containing model homes or a sales center) that are owned by an Approved Builder on the first day of the month following the occupancy of the Residence. Declarant shall not be responsible for the payment of any type of assessment, except that assessments shall commence on Lots containing occupied Residences (but excluding those Lots containing model homes or a sales center) that are owned by Declarant on the first day of the month following the occupancy of the Residence.

(b) During the Development Period, Declarant may (i) advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves) and the sum of the Annual, Special and Specific Assessments collected by the Association in any fiscal year, and such advances shall be evidenced by promissory notes from the Association in favor of Declarant or (ii) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for such a loan in the local area of the Community. Declarant in its sole discretion may guarantee repayment of such loan, if required by the lending institution, but no Mortgage secured by the Common Property or any of the improvements maintained by the Association shall be given in connection with such loan. Notwithstanding anything to the contrary stated herein, Declarant shall have no obligation to fund budgetary deficits of the Association.

Section 5.8. Creation of the Lien and Personal Obligation For Assessments. All assessments, together with charges, interest, costs and reasonable attorneys' fees actually incurred, in the maximum amount permitted by this Declaration, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each assessment is made. Such amounts shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. Each such Owner of a Lot and its grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings or deed in lieu of foreclosure

The equitable charge and lien provided for in this Section shall be in favor of the Association for the use and benefit of all Owners. Each Owner, by its acceptance of a deed to a Lot, vests in the Association or its agents the right and power to sue or otherwise proceed against such Owner for the collection of such charges and/or to foreclose such liens. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

No Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. The obligation to pay assessments is a separate and independent covenant in the part of each Owner, and no diminution or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 5.9. Non-Payment of Assessments.

(a) Any assessment and related charges that are due to the Association pursuant to this Declaration, or any portion thereof, that is not paid when due shall be delinquent and the Owner shall be in default. Without limitation, the Board may impose the following:

(i) If any assessment, any related charges or any portion thereof is not paid in full by the tenth (10th) day of the due date, a late charge equal up to ten percent (10%) of the amount not paid may be imposed without further notice or warning to the delinquent Owner and interest at

the rate of twelve percent (12%) per annum (or such higher rate as may be permitted by applicable law) shall accrue from the due date.

(ii) If part payment of the assessment and/or related charges is made, the amount received may be applied first to costs and reasonable attorneys' fees actually incurred, then to late charges, then to interest, then to delinquent assessments and then to current assessments.

(iii) If any assessment, any related charges or any portion thereof remains delinquent and unpaid for a period greater than fifteen (15) days from the date due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the Annual Assessment for the then-current fiscal year and of any Special Assessment without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall be obligated to pay the entire amount so accelerated.

(iv) If any assessment or other charge is delinquent for thirty (30) days or more, in addition to all other rights provided under Georgia law and herein, the Association shall have the right to suspend any utility, cable television, satellite, or internet service or any similar service services to the Lot paid for as a Common Expense by the Association upon ten (10) days written notice to the delinquent Owner. Any costs incurred by the Association in discontinuing and/or reconnecting any utility or service, including reasonable attorneys' fees actually incurred, shall be a Specific Assessment against the Lot. The utility or service shall not be required to be restored until the outstanding amounts are paid in full, at which time the Association shall make arrangements for restoration of the utility or service. An Owner whose utility or service has been suspended hereunder shall not be entitled to use any such utility or service from any source, and any such unauthorized use shall be considered a theft of services under O.C.G.A. Section 16-8-5.

(v) If any assessment or other charge is delinquent for thirty (30) days or more, in addition to all other rights provided under Georgia law and herein, the Association shall have the right to suspend an Owner's right to access and use any Common Property, provided, however, the Association shall not suspend an Owner's rights of ingress and egress to the Owner's Lot.

(vi) If assessments and other charges or any portion thereof remain unpaid for more than thirty (30) days after the assessment payments first become delinquent, the Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of this Declaration, the Bylaws, the Act and Georgia law, including reasonable attorneys' fees actually incurred.

(b) Enforcement under this Section is not dependent upon or related to other restrictions and/or other actions.

Section 5.10. Surplus Funds and Common Profits.

(a) Common Profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such Common Profits to the payment of Common Expenses shall, at the option of the Board of Directors, either be distributed to the Owners or credited to the next assessment chargeable to the Owners or added to the Association's capital reserve account.

(b) If the Board of Directors reasonably determines that during a fiscal year there will likely be a surplus of assessments paid by an Owner at the end of such fiscal year (excluding amounts designated for reserves), the Board may, but shall not be required to, reduce the amount of the assessments to be collected from such Owner for the remainder of that fiscal year. Any Owner who has already paid such Owner's entire assessment obligation for the fiscal year at the time of such reduction

shall, in the discretion of the Owner, either receive a refund of the overpayment or a credit of the amount of the overpayment towards the Owner's assessment obligation to the Association for the following fiscal year. Notwithstanding the above, the Association may first apply the amount of any overpayment toward any other amount the Owner may owe to the Association.

Section 5.11. Initiation Fee. The purchaser of each Lot at the closing of the sale or resale of a Lot shall pay to the Association an initiation fee in such amount, if any, as may from time to time be set by resolution of the Board of Directors. The initiation fee shall not be deemed an advance payment of regular or special assessments. The Board shall have discretion to increase the initiation fee by resolution of the Board; provided, however, the initiation fee shall not be changed by the Board without Declarant's consent during the Development Period. Notwithstanding anything to the contrary herein, the initiation fee shall not be due from: (a) any grantee who is the spouse or former spouse of the grantor; (b) any grantee that is a wholly-owned entity of the grantor; (c) any grantee to whom a Lot is conveyed by a will or through the law of intestacy; (d) any grantee of a Lot who obtains title pursuant to judicial or nonjudicial foreclosure (or deed in lieu of foreclosure) of any first Mortgage of record or secondary purchase money Mortgage of record (provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Lot); or (e) any grantee who is an Approved Builder or Declarant. The initiation fee shall be an assessment, which is the personal obligation of the Owner, and shall constitute a lien, which may be collected as provided in this Article. The initiation fees may be used for any purpose determined appropriate by the Board, including, without limitation, working capital or capital reserve funds.

Section 5.12. Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against a Lot. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein.

ARTICLE 6. ARCHITECTURAL STANDARDS

Section 6.1. General.

(a) No exterior construction, modification, or addition of any improvements of any nature whatsoever, including but not limited to, a Residence, exterior animal containment facility, outbuilding, garage, carport, playhouse or playground equipment, fence, wall or swimming pool, shall be placed, erected, installed, or maintained upon any Lot, and no construction or modification shall take place except in strict compliance with this Article and until complete final plans and specifications for the proposed construction, addition, and/or modification showing the nature, kind, shape, height, materials, basic exterior finishes and colors, location and floor plan have been submitted to and approved by the ARC. For the purposes of this Section, a change in the paint color of a Residence or other exterior redecorating shall be considered an exterior alteration. Notwithstanding the foregoing, nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of a Residence located on a Lot, or to paint the interior of the Owner's Residence any color desired; provided, however, modifications or alterations to any porches, patios, and any other portion of a Residence visible from outside the Lot shall be subject to approval of the ARC. The architectural standards and requirement to obtain approval of the ARC shall not apply to the interior finishes in any single family Residence constructed on a Lot. This Article may not be amended without the written consent of Declarant during the Development Period.

(b) Until the expiration of the Development Period, Declarant shall have the right to appoint all members of the Architectural Review Committee. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. After Declarant's right to

appoint has expired, the Board of Directors shall appoint the members of the Architectural Review Committee, or may adopt a resolution making the Board of Directors the Architectural Review Committee.

The Board may employ for the ARC architects, engineers, or other Persons necessary to enable the ARC to perform its review. The Architectural Review Committee may, from time to time, delegate any of its rights or responsibilities hereunder to one (1) or more duly licensed architects or other qualified Persons, who shall have full authority to act on behalf of the ARC for all matters delegated. A review fee in a reasonable amount may be charged.

(c) The primary purpose of these architectural requirements is to protect and preserve property values in the Community by maintaining architectural and aesthetic harmony and compatibility among the Lots and the structures on the Lots in the Community. The architectural requirements and standards may be designed and applied to reflect that Lots within the Community are of varying sizes, topographies and locations, and that improvements and modifications suitable for one Lot may be inappropriate for another Lot. Therefore, the Architectural Review Committee is authorized to apply or adopt different standards for different Lots to reflect the varying sizes and layouts of Lots within the Community. Specifically, the ARC may, for example, allow an improvement, modification or change which cannot be seen from any street or other Lot within the Community at any time during the year, including winter, but prohibit the same change if it can be seen from any street or other Lot within the Community.

Section 6.2. Guidelines and Procedures. Declarant may prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines") that shall be applicable to all construction activities within the Community. The Design Guidelines may contain general provisions applicable to all of the Community, as well as specific provisions which vary from one portion of the Community to another depending upon the location, unique characteristics, and intended use.

The Architectural Review Committee shall have sole and full authority to adopt and amend the Design Guidelines from time to time, without the consent of the Owners. The Architectural Review Committee shall make the Design Guidelines, if any, available to Owners and Approved Builders, and all such Persons shall conduct their activities in strict accordance with such Design Guidelines. In the discretion of the Architectural Review Committee, such Design Guidelines may be recorded in the Official Records, in which event the recorded version, as it may unilaterally be amended from time to time by the Architectural Review Committee by recordation of amendments thereto, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

Any amendments to the Design Guidelines adopted from time to time by the Architectural Review Committee in accordance with this Section shall apply to construction and modifications approved after the date of such amendment only, and shall not apply to plans or specifications previously approved or require modifications to or removal of structures previously approved by the Architectural Review Committee.

In the event that the Architectural Review Committee fails to approve or to disapprove any application within thirty (30) days after submission in writing to, and actual receipt by, the Architectural Review Committee of all information and materials reasonably requested, the application shall be deemed approved. However no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the Architectural Review Committee pursuant to Section 6.7 below.

The Architectural Review Committee shall be the only judge of the plans with regard to the requirements of this Article and may withhold approval for any reason, including purely aesthetic considerations. The Architectural Review Committee shall be entitled to stop any construction in violation of these restrictions. Any member of the Board or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. If an Owner does not comply with this

Section, the Board may record in the Official Records a notice of violation naming the violating Owner in addition to any other available remedies.

Section 6.3. Exemptions.

(a) Notwithstanding anything to the contrary stated herein, during the Development Period, any improvements or modifications made by Declarant or approved by Declarant shall not be subject to approval pursuant to this Article.

(b) An Approved Builder may submit its standard plans for approval hereunder, which approval will not be unreasonably withheld, and thereafter no further approval shall be required under this Article for such Approved Builder to construct improvements on Lots consistent with the approved standard plans.

(c) This Article shall not apply to improvements to the Common Property made by or on behalf of the Association.

Section 6.4. DISCLAIMER. THE ARCHITECTURAL REVIEW COMMITTEE AND THE BOARD OF DIRECTORS DO NOT WARRANT OR REPRESENT, THAT THEIR DECISIONS UNDER THIS ARTICLE CONSTITUTE, AND THEIR DECISIONS SHALL NOT BE INTERPRETED AS CONSTITUTING, AN APPROVAL AS TO COMPLIANCE WITH ANY BUILDING CODE, REGULATION OR ORDINANCE, EASEMENT, SETBACK REQUIREMENT, OR ANY OTHER CODE, REGULATION, ORDINANCE OR LAW. NEITHER DECLARANT, APPROVED BUILDER, THE BOARD OF DIRECTORS NOR THE ARC SHALL BEAR ANY RESPONSIBILITY FOR ENSURING THE STRUCTURAL INTEGRITY OR SOUNDNESS OF APPROVED CONSTRUCTION OR MODIFICATIONS, OR FOR ENSURING COMPLIANCE WITH EASEMENTS, SETBACK REQUIREMENTS, BUILDING CODES AND OTHER GOVERNMENTAL REQUIREMENTS. NEITHER DECLARANT, APPROVED BUILDER, THE ASSOCIATION, THE BOARD OF DIRECTORS, THE ARC NOR MEMBER OF ANY OF THE FOREGOING SHALL BE HELD LIABLE FOR ANY INJURY, DAMAGES OR LOSS ARISING OUT OF THE MANNER OR QUALITY OF APPROVED CONSTRUCTION ON OR MODIFICATIONS TO ANY LOT.

Section 6.5. No Waiver. The approval of the Architectural Review Committee of any proposals, plans and specifications, or drawings, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or other matters later submitted for approval or consent.

Section 6.6. No Waiver of Future Approvals. The approval of either the ARC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters subsequently or additionally submitted for approval or consent.

Section 6.7. Variance. The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall: (a) be effective unless in writing; (b) be contrary to the restrictions set forth in this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 6.8. Enforcement. Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or Declarant, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the land to substantially the same condition as existed prior to the construction, alteration, or other work.

Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs, fines, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Lot and collected as a specific assessment pursuant to Section 5.5 hereof.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Community, subject to the notice and hearing procedures contained in the Bylaws. In such event, neither the Association, its officers, nor directors shall be held liable to any Person for exercising the rights granted by this Section.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

Section 6.9. Commencement of Construction. All changes, modifications and improvements approved by the ARC, must be commenced within six (6) months from the date of approval unless the ARC specifies otherwise in writing. If not commenced within six (6) months from the date of such approval or such other specified date, then such approval shall be deemed revoked by the ARC, unless the ARC gives a written extension for commencing the work. Except for the new construction (or reconstruction after a major casualty) of a Residence and related improvements on a Lot which shall be completed in its entirety using commercially reasonable efforts within a time period established by the ARC, all work approved by the ARC shall be completed in its entirety within ninety (90) days from the date of commencement, unless otherwise agreed in writing by the ARC. All approved changes, modifications, and improvements must be completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement. Notwithstanding anything to the contrary stated herein or the Design Guidelines, no changes, modifications, and improvements approved by the ARC shall be commenced until the Owner conspicuously posts an approval permit and such permit shall remain conspicuously until all construction activities are completed. Said approval permit shall serve only to provide notice to the Community that the change, modification, and/or improvement being made to a Lot has been approved by the ARC, and shall be in addition to, and not in lieu of, all necessary permits or approvals required by Columbia County or other governmental authorities.

Section 6.10. Master Declaration. The provisions for architectural control contained in this Declaration shall be in addition to, and not in lieu of any architectural control provisions contained in the Master Declaration.

ARTICLE 7. USE RESTRICTIONS AND RULES

Section 7.1. General. This Article, beginning at Section 7.2, sets out certain use restrictions that must be complied with by all Owners and Occupants of Lots. These use restrictions may only be amended in the manner provided in Section 14.2 hereof, regarding amendment of this Declaration. In addition, the Board may, from time to time, without consent of the Owners, adopt, modify, or delete rules and regulations applicable to the Community. These rules shall be distributed to all Owners prior to the date that they are to become effective and after distribution shall be binding upon all Owners and Occupants of Lots until and unless overruled, canceled, or modified in a regular or special meeting by a Majority of the Total Association Vote and the consent of Declarant (during the Development Period). Notwithstanding the above, during the Development Period, no rules and regulations which affect Declarant, may be adopted, modified, or deleted without the written consent of Declarant.

Section 7.2. Residential Use. Except as otherwise expressly permitted in this Declaration, each Lot shall be used for residential purposes only, and no trade or business of any kind may be

conducted in or from a Lot or any part of the Community, including business uses ancillary to a primary residential use, except that the Owner or Occupant residing in a Lot may conduct such ancillary business activities within the Residence so long as:

- (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the Residence;
- (b) the business activity does not involve door to door solicitation of residents of the Community;
- (c) the business activity does not involve Persons coming onto the Community in excess of a reasonable number of guests visiting a Residence (other than deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services);
- (d) the business activity conforms to all zoning requirements for the Community;
- (e) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage;
- (f) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board of Directors; and
- (g) the business activity does not result in a materially greater use of the Common Property facilities or Association services.

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) the activity is engaged in full or part time; (ii) the activity is intended to or does generate a profit; or (iii) a license is required for the activity.

Notwithstanding anything to the contrary in this Section, the use of a Lot by an onsite management company operating on behalf of the Association shall not be considered a trade or business within the meaning of this Section and nothing herein shall be deemed to prohibit Declarant or an Approved Builder from operating a model home, sales center, management office, or construction office on a Lot.

Section 7.3. Number of Occupants. The maximum number of occupants in a dwelling within the Community shall be limited to two (2) people per bedroom. "Occupancy," for purposes hereof, shall be defined as staying overnight in a dwelling within the Community for a total of more than thirty (30) days, either consecutive or non-consecutive, in any one year period. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Acts or any amendments thereto.

If an Owner of a Lot is a corporation, partnership, limited liability company, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the natural person(s) who will occupy the Lot. The designated person(s) to occupy the Lot may not be changed more frequently than once every six (6) months without the express written consent of the Board as determined in the Board's discretion. The designated natural person occupying the Lot shall not be deemed to be "leasing" and subject to Section 7.4 below if such person is not providing any consideration to the Owner to reside in the Lot and such person is: a bona fide employee, officer, director, or owner of the legal entity that is the Owner; or, in the event the Owner is a trust, a beneficiary or grantor or immediate family member of a beneficiary or grantor.

Section 7.4. Leasing. Leasing of Lots shall be governed by Article XIII of the Master Declaration.

Section 7.5. Animals and Pets.

(a) No Owner or Occupant may keep any animal or pet on any portion of the Community except dogs, cats, and other generally recognized constantly contained or caged household pets (including by way of illustration, but not limitation, hamsters, fish and small birds) as permitted in this Section and in compliance with applicable Legal Requirements.

(b) The keeping of pets on the Community shall be subject to the rules and regulations adopted by the Board.

(c) No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose, and no structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Property.

(d) No pet may be stored or kept in a garage. An Owner may temporarily allow a pet onto a balcony, deck, or terrace so long as the pet is not left on the balcony, deck or terrace without a person on the balcony, deck or terrace attending to such pet.

(e) No pets are allowed on any portion of the Common Property, provided, however, an Owner or Occupant may walk a dog across the Common Property. Notwithstanding the foregoing, dogs must be kept on a leash and be under the physical control of a responsible Person at all times while on the Common Property. Feces left upon the Common Property by pets must be immediately removed by the owner of the pet or the Person responsible for the pet and such Person shall be responsible for the costs and expenses of all damages (including clean-up expenses) caused thereby.

(f) No potbellied pigs, monkeys, poultry, reptiles (except for turtles, lizards, and other reptiles approved by the Board and kept in aquariums permitted or otherwise approved pursuant to this Section), or rodents may be brought onto or kept on the Community at any time. In addition, other animals determined in the Board's sole discretion to be dangerous or potentially dangerous shall not be brought onto or kept on the Community at any time.

(g) Any Owner or Occupant who keeps or maintains any pet upon the Community shall be deemed to have agreed to defend, indemnify and hold Declarant, the Master Association and the Association, and their directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Community.

Section 7.6. Parking and Garages.

(a) Vehicles permitted under this Section may be parked only in designated, lined parking spaces, driveways exclusively serving a Lot, garages or other areas, if any, authorized in writing by the Board.

(b) Disabled and stored vehicles are prohibited from being parked on the Community, except in garages or other areas, if any, authorized in writing by the Board. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Community without being driven for forty-eight (48) consecutive hours or longer without prior written Board permission.

(c) Boats, trailers, jet-skis and trailers for same, golf carts, ATVs, panel trucks, buses, trucks with a load capacity of three-quarters (3/4) of a ton or more, vans (excluding vans used by handicapped

persons, mini vans or sport utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RVs and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors other than Sheriffs, Marshals, or police officers' vehicles marked as such, are also prohibited from being parked on the Community, except in garages or other areas, if any, that may be designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily in the Community for the purpose of serving any Lot or the Community; provided, however, no such vehicle shall remain in the Community overnight or for any purpose unless prior written consent of the Board is first obtained.

(d) Garage doors shall remain closed at all times, except for necessary use, ingress, and egress.

(e) If any vehicle is parked on any portion of the Community in violation of this Article or in violation of the Association's rules and regulations, the Board or agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the Person or entity that will do the towing or booting and the name and telephone number of a Person to contact regarding the alleged violation. If twenty four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or agent of the Association may have the vehicle towed or booted in accordance with the notice, without further notice to the Owner or user of the vehicle.

(f) If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's Lot or vehicle, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the Board or agent of the Association may have the vehicle towed or booted immediately.

(g) If a vehicle is towed or booted in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage as a result of the towing or booting activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

(h) Notwithstanding anything to the contrary herein, Declarant and its respective agents, contractors, subcontractors, and assigns shall have the right to park vehicles and trucks on any and all streets within the Community in order to facilitate the construction, development and build out of the Community.

Section 7.7. Signs. Except as may be provided for herein or as may be required by legal proceedings, and except for signs which may be erected by Declarant related to the development and sale of Lots, no signs, advertising posters, "For Sale," "For Rent" and other similar signs, flyers, political placards or billboards of any kind shall be erected or placed by an Owner, Occupant or other Person, or permitted to remain on the Community without the prior written consent of the Board or its designee, except that one (1) professional security sign not to exceed six inches (6") by eight inches (8") in size may be displayed from within a Lot and one (1) professionally lettered "For Sale" or "For Rent" sign not to exceed two feet (2') by two feet (2') in size may be displayed from within the Lot offered for sale. No advertising, directional, or vendor signs shall be permitted within the Community except as authorized by Declarant during the Development Period. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association. The Board shall also have the authority to adopt regulations permitting temporary signs on Lots announcing birthdays, graduations or other events for limited periods of time.

Section 7.8. Antennas and Satellite Dishes. Except as provided below and as provided for in the Design Guidelines, no satellite dish, antenna, or other device for the transmission or reception of television signals, radio signals, or any form of electromagnetic wave or radiation shall be erected, used, or

maintained on any portion of the Community; provided, however, that the Association shall have the right to erect, construct, and maintain such devices. The following shall apply to all Owners:

(a) No transmission antenna of any kind may be erected anywhere on the Community without written approval of the Board of Directors or the ARC.

(b) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed, or maintained upon the Community.

(c) DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may be installed only in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association, both as may be amended from time to time.

(d) The Association must be notified in writing within seventy-two (72) hours following the installation of a satellite dish or antenna. Installation shall be by a qualified person knowledgeable about the proper installation of antennas. Installation shall be in accordance with all applicable building, fire, electrical and related codes and a building permit shall be obtained, if required by ordinance. Installation shall be in accordance with the manufacturer's installation specifications. The installer shall have a copy of such specifications on site at all times during the installation. All penetrations to any building surface shall be properly waterproofed or sealed in accordance with acceptable industry standards and applicable codes. Wiring or cabling shall be installed so as to be minimally visible and blend into the material to which it is attached.

(e) The Owner shall be responsible for the maintenance of any satellite dish or antenna. If the satellite dish or antenna is dislodged from its original point of installation and owner intends to retain the satellite dish or antenna, then reattachment must be performed within seventy-two (72) hours of dislodgment.

(f) Should the Owner fail to properly maintain the satellite dish or antenna, the Association may impose sanctions as permitted by Declaration or Bylaws and not otherwise prohibited by the FCC rule.

(g) The Owner of the satellite dish or antenna shall be responsible for any damage to any and all personal property, or for any injury resulting from the installation of the satellite dish or antenna and/or its use.

(h) The Owner shall promptly remove any satellite dish or antenna that is no longer in active use.

(i) If there are multiple locations where substantially the same acceptable quality signal can be received, a satellite dish or antenna must be placed in the location that is least visible to public view. The primary locations for installation of satellite dishes and antennas shall be:

(A) On the rear of a dwelling; or

(B) On the rear half of a side of a dwelling not sharing a common wall with another Lot.

If a satellite dish or antenna cannot be located in one of the primary locations, the alternate location for installation shall be submitted to the Board of Directors, along with specific, written documentation as to why one of the primary locations is not acceptable.

(j) In the event of a transfer of a Lot that includes the satellite dish or antenna, the Grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the Bylaws, and the rules and regulations regarding satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

Section 7.9. Firearms and Fireworks.

(a) The use, display, or discharge of firearms on any portion of the Community is prohibited except with the prior written approval of the Association; provided, however, that nothing herein shall prohibit: (i) law enforcement officers from discharging their official duties within the Community to the fullest extent permitted by law; (ii) an Owner or Occupant from displaying firearms or protecting themselves and their property within the improvements located on a Lot to the fullest extent permitted by law; and (iii) an Owner or Occupant from transporting firearms with the safety on and in a case or holster across the Common Property in entering and leaving the Community. The term "firearms" shall include "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

(b) The use, display, or discharge of fireworks on any portion of the Community is prohibited except with the prior written approval of the Association. The term "fireworks" shall include those items as listed in O.C.G.A. § 25-10-1, as amended.

Section 7.10. Garbage, Rubbish, Trash and Recyclables. All rubbish, trash, garbage and recyclables shall be regularly removed from a Lot and shall not be allowed to accumulate therein. Garbage and recycling receptacles for individual Lots shall be kept in areas designated by the Association. No garbage, trash or recyclables shall be placed on the Common Property, temporarily or otherwise, except proper receptacles designated by the Board for collection, if any. The above provisions in this Section are not applicable to construction debris, rubbish, trash, and garbage of Declarant or Approved Builders or their affiliates; provided, however, all such construction debris, rubbish, trash, and garbage shall be regularly removed and shall not be allowed to unreasonably accumulate. The Association may, but shall not be required to, contract with private trash and recycling collection companies to pick up all usual and customary household trash and recyclables on a regular basis.

Section 7.11. Clotheslines, Garbage Cans, Woodpiles, and Other Equipment. All clotheslines, garbage cans, recycling containers, woodpiles, and related equipment and other similar items shall be located in the interior of a Residence so as to be concealed from view from any street or other Lot.

Section 7.12. Fences. Other than fences constructed as part of the initial approved construction of the improvements on a Lot by Declarant or Approved Builder, no fence, fencing type barrier of any kind including fencing enclosures for pets shall be placed, erected, allowed, or maintained upon any portion of the Community without the prior written consent of the ARC.

Section 7.13. Air Conditioning Units. No window air conditioning units may be installed on any Lot.

Section 7.14. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any Residence of a Lot without the prior written approval of the ARC. No vegetable garden, hammock, clothesline, playground equipment, basketball goals, exterior sculptures, water features, benches, fountains, and similar items may not be placed on a Lot without the prior written approval of the ARC.

Section 7.15. Conservation Equipment. No solar energy collector panels or attendant hardware or other conservation equipment including, without limitation, rain barrels, shall be constructed or installed unless as an integral and harmonious part of the architectural design of a structure or otherwise screened from view approved by the ARC under Article 6 hereof.

Section 7.16. Flags.

(a) No flags may be erected or displayed without the prior written consent of the Board except as provided herein.

(b) Free standing flag poles are prohibited

(c) Notwithstanding anything to the contrary in this Declaration, an Owner may display one (1) national flag of the United States not exceeding twelve (12) square feet in size on a flag holder located on each Lot. No flag shall be displayed in a manner inconsistent with any provision of the Freedom to Display the American Flag Act of 2005, or any other applicable Legal Requirements.

(d) By taking title to a Lot, all Owners agree and acknowledge that the Board, on behalf of the Association, has a substantial interest in protecting the aesthetic appearance of the Community and therefore may adopt additional reasonable restrictions pertaining to the time, place, or manner of displaying the flag of the United States.

Section 7.17. Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on and in his or her Lot. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause a Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will discharge foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the Occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. There shall not be maintained any plants or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community. Without limiting the generality of the foregoing, no horn, whistle, siren, bell, amplifier, or other sound device, except for devices as may be used exclusively for security purposes, shall be located, installed, or maintained upon the exterior of any Lot unless required by law. However, any siren or device for security purposes shall contain a device that causes it to automatically shut off within fifteen (15) minutes.

Section 7.18. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities which might tend to cause disorderly, unsightly, or unkempt conditions, including without limitation, the assembly and disassembly of motor vehicles, boats and other mechanical devices, shall not be pursued or undertaken in any part of the Community except within closed garages.

Section 7.19. Abandoned Personal Property. Personal property, except for personal property owned by the Association, is strictly prohibited from being stored, kept, or allowed to remain for a period of more than twenty four (24) hours upon any portion of the Common Property, Area of Common Responsibility, or on the rights-of-way located within the Community. If the Board or its designee, in its sole discretion, determines that property is kept, stored, or allowed to remain on the Common Property, Area of Common Responsibility, or on the rights-of-way located within the Community in violation of this Section, then the Board may remove and either discard or store the personal property in a location which the Board may determine. If personal property is removed in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage resulting from the removal activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to remove abandoned or improperly stored personal property, as set forth herein.

Section 7.20. Drainage. Catch basins, retention ponds, and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or Occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, storm drains or by installation of fencing. Declarant hereby reserves a perpetual easement across all Community property for the purpose of altering drainage and water flow. Rights exercised pursuant to this reserved easement shall be exercised with a minimum of interference to the quiet

enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 7.21. Subdivision of Lots. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board or its designee. Declarant, however, hereby expressly reserves the right to subdivide, combine and/or replat any Lot or Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 7.22. Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, storage structure, garage, barn, or other outbuilding shall be placed, erected, allowed or maintained by any Owner or Occupant on any portion of the Community, other than by Declarant (during the Development Period) at any time, either temporarily or permanently, without the written approval of the Board. In no event shall any trailers, campers, vehicles, shacks, tents, any garages (attached and detached), barns or other structures be used as a residence or living space in any manner whatsoever, either temporarily or permanently, within the Community, without the prior approval of the ARC. Specifically, no garage, including, but not limited to, attached and detached garages, shall be utilized in any manner whatsoever as an additional living space or residence. However, this Section shall not be construed to prevent Declarant and those engaged in development, construction, marketing, property management or sales from using sheds, trailers or other temporary structures for any of the foregoing purposes. In addition, nothing in this Declaration shall be construed to prevent Declarant from developing, constructing, marketing, or maintaining model homes or speculative housing within the Community.

Section 7.23. Mailboxes. The Community may contain a central mailbox area and/or mailbox kiosk area as determined by the Board or as installed by Declarant. No other mailboxes shall be installed without the Board's written consent.

Section 7.24. Recreational Equipment. No recreational or playground equipment including, but not limited to, swing sets, jungle gyms, play houses, trampolines, tennis courts, and basketball goals, shall be erected, constructed, or installed on any Lot unless its location, design, and type are approved by the ARC.

Section 7.25. Window Treatments. All window treatments visible from the exterior of the dwelling on a Lot shall have window treatments that shall either be white, off-white or another color approved in writing by the ARC. In no event should bed sheets, paper, foil, or reflective materials be used on any windows for sunscreens, blinds, shades, or any other purpose.

Section 7.26. Storm and Screen Doors and Windows. Owners shall not add or alter storm and screen doors and storm windows without prior approval in accordance with Article 6 hereof.

Section 7.27. Garage Sale. No garage sale, yard sale, flea market or similar activity shall be conducted in the Community without the prior written consent of the Board. Any such activities that have been permitted by the Board shall be subject to all reasonable conditions imposed by the Board.

Section 7.28. Insects. No Person shall permit any thing or condition to exist upon any Lot which shall induce, breed, or harbor noxious insects. Electric bug killers, "zappers", and other similar devices shall not be installed at a location which results in the operation thereof becoming a nuisance or annoyance to other Owners and Occupants, shall be operated only when outside activities require the use thereof and shall not be operated continuously.

Section 7.29. Lighting and Decorations. Except as may be permitted by the ARC, exterior lighting and decorations visible from the street shall not be permitted except for (a) approved lighting as originally installed on a Lot; (b) street lights in conformity with an established street lighting program for the Community; or (c) reasonable seasonal decorative lights and decorations displayed during the normal and customary season(s).

Section 7.30. Use of Common Property. There shall be no obstruction of the Common Property, nor shall anything be kept on, parked on, stored on, or removed from any part of the Common Property without the prior written consent of the Board, except as specifically provided herein. There shall be no landscaping on the Common Property by Owners or Occupants without the prior written consent of the Board. This Section shall not apply to Declarant during the Development Period.

Section 7.31. Grills. The use of outdoor grills on any portion of a Lot including, without limitation, a deck, balcony, patio or porch shall be governed by applicable Legal Requirements.

Section 7.32. Decks, Patios, Porches and Balconies.

(a) No objects, including by way of illustration, but not limitation, flags, banners, laundry garments, towels, awnings, canopies and all other objects, may be located on a deck, patio, porch, or balcony (except for grills, umbrellas, bicycles, national flags permitted in Section 7.16 hereof, and satellite dishes, antennas or other similar devices expressly permitted as provided in this Article 7 hereof).

(b) Objects (including any plants permitted below) shall not be permitted to be placed on, hang over or be attached to any exterior surface of a terrace wall or railings or to otherwise protrude outside of the vertical plane formed by the exterior surface of a terrace wall.

(c) Penetration of the surfaces of a terrace wall, floor or ceiling is also prohibited.

(d) Enclosure of a deck, patio, porch, or balcony is prohibited without written approval the ARC. As used herein, "enclosure" shall mean the permanent enclosure of a deck, patio, porch, or balcony into the heated and cooled space within the Residences or any portion thereof.

(e) Notwithstanding anything to the contrary herein, patio tables and chairs constructed of materials approved by the ARC may be placed on a deck, patio, porch, or balcony and a reasonable number of potted plants may be placed on a deck, patio, porch, or balcony (provided the plants are in a neat condition, no dead plants remain on the deck, patio, porch, or balcony, and catch trays capture any overflow water).

(f) Each Occupant of a Lot shall remove all permitted objects from any balcony during periods of high winds to prevent permitted objects from being blown from the balcony.

Section 7.33. Wireless Internet System. An Owner or Occupant may install a wireless internet communication network or similar system ("WiFi System") or otherwise use a WiFi system in a Lot, provided precautions are taken to insure against interfering with, disturbing, or intercepting computer, communications, or other permitted electronic signals, networks, or systems installed in other portions of the Community. The Association may establish reasonable requirements relating to the installation of WiFi Systems that must be complied with, including, without limitation, requiring assurance from the installer of the system that proper precautions are being taken.

Notwithstanding the above, compliance with requirements relating to the installation of WiFi Systems is not a guarantee that any WiFi System installed or otherwise used in a Lot will not interfere with, disturb, or intercept other signals, networks, or systems. Each Owner is responsible for insuring that the WiFi System installed or otherwise used in his or her Lot does not so interfere with, disturb, or intercept other signals, networks, or systems within the Community. The Association may require that any WiFi System found to cause such problems be terminated.

The Association, Declarant, and their respective current and former partners, members, directors, officers, agents, employees, affiliates, and committee members, shall not in any way be considered insurers or guarantors of the availability, proper operation, or use of any WiFi System in the Community, nor shall any of such Persons be held liable for any loss or damage relating to the use or operation of WiFi Systems in the Community.

Section 7.34. Tree Removal. No trees located on a Lot shall be removed without the prior written consent of the ARC, except for (a) diseased or dead trees; or (b) trees needing to be removed to promote the growth of other trees or for safety reasons.

Section 7.35. Lake/Stream Buffers. Land-disturbing activities shall not be conducted closer to the banks of any lake or stream within the Community than is permitted by federal, state or local law or ordinances, as measured from the point where vegetation has been wrested by normal stream flow or as measured otherwise as may be required pursuant to applicable law or ordinance, except with prior written approval under Article 6 of this Declaration and compliance with Georgia law and all other applicable laws or ordinances, including, without limitation, the Control of Erosion and Sedimentation Act, O.C.G.A. Section 12-7-1, *et seq.*, as amended from time to time. Any stream buffer areas existing at the time of the recording of the subdivision plat(s) for the Community are generally shown thereon.

Section 7.36. Heating in Colder Months; Cooling in Warmer Months. In order to prevent breakage of water pipes during the colder months of the year and the growth of Mold during warmer periods of the year resulting in damage to any portion of the Community, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Residences shall be maintained at a setting of no less than fifty degrees (50°) Fahrenheit and no more than eighty-two degrees (82°) Fahrenheit (except during power failures or periods when heating equipment is broken). Owners and Occupants shall take all steps possible on a timely basis to keep heating and cooling equipment, including, but not limited to, the thermostats, in good working order and repair. The Board of Directors may fine any Owner or Occupant for violation of this Section, in addition to any other remedies of the Association.

ARTICLE 8. MAINTENANCE; CONVEYANCE OF COMMON PROPERTY TO ASSOCIATION

Section 8.1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility. This maintenance shall include, without limitation, the following, unless provided otherwise in the Master Declaration:

- (a) all storm water retention detention or ponds and structures located in the Community, if and to the extent such ponds and storm water drainage systems are not maintained by a public entity, governmental entity, Master Association, or owners of neighboring property;
- (b) all entrance features in the Community whether located on a Lot or on the Common Property;
- (c) sidewalks whether located on a Lot or on the Common Property unless maintained by a public entity;
- (d) any streets, roads, driveways, and alleys located within the Community which are not maintained on an ongoing basis by a governmental or public entity;
- (e) all Community landscaping and greenspace and Common Property;
- (f) all street lighting in the Community to the extent not maintained by a governmental entity or the Master Association;
- (g) any central mailbox areas and mailbox kiosks within the Community;
- (h) any Community fencing (as determined by the Board) which is located on Lots but not Fenced Areas;
- (i) certain exterior portions of the Residences as provided in Section 8.3 below;

(j) all pipes, wires, conduits, and lines which serve more than (1) Lot or the Common Property, including, without limitation, water and sanitary sewer pipes or facilities and fire lines, if and to the extent the same are not maintained by the Master Association, a governmental entity, or another third party.

In addition, the Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether located within or outside the Community, where the Board has determined that such maintenance would benefit the Association.

In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association, is caused through the willful or negligent act of an Owner or Occupant, his or her family, guests, lessees, or invitees, and is not completely covered or paid for by insurance, then the Association may perform the maintenance, repair, or replacement at the expense of the Owner or Occupant, and all costs shall be added to and become a part of the assessment obligation of the Owner or Occupant and shall become a lien against the Lot of that Owner or Occupant.

The Association shall perform all maintenance in a manner consistent with the Community-Wide Standard.

Section 8.2. Owner's Responsibility. Except as provided in Section 8.1 above or Section 8.3 below and unless such maintenance responsibility is otherwise assumed or assigned to the Association pursuant to this Declaration or assumed or assigned to the Master Association pursuant to the Master Declaration, all maintenance of the Lots and all structures, parking areas, landscaping, and other improvements on a Lot shall be the sole responsibility of the Owner, who shall maintain, repair, and replace such areas in a manner consistent with the Community-Wide Standard and this Declaration. Such obligation shall include, without limitation, the following:

- (a) prompt removal of all litter, trash, refuse, and waste;
- (b) keeping improvements and exterior lighting in good repair and working order;
- (c) all portions of the Lot as provided in Section 8.3 below; and
- (d) all pipes, wires and conduits, including, without limitation, plumbing, electric and sanitary sewer systems, which exclusively serve the Lot.

No landscaping shall be installed except in accordance with this Declaration and until a landscape plan complying with the Design Guidelines has been submitted to and approved by the ARC. In the event that the Board of Directors determines that such areas are not maintained in a manner consistent with the Community-Wide Standard and this Declaration, except in an emergency situation, the Board of Directors shall give the Owner written notice of the Association's intent to provide the necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall state the maintenance, repairs, or replacement deemed necessary. The Owner shall have thirty (30) days after receipt of the notice to complete the maintenance, repair, or replacement. In the event that the maintenance, repair, or replacement is not capable of completion within a thirty (30) day period, the Owner shall begin the work and shall complete it within a reasonable time. If the Board determines that (i) an emergency exists, or (ii) that an Owner has not complied, the Association may provide the maintenance, repair, or replacement at that Owner's sole cost and expense, and all costs including reasonable attorneys' fees shall be added to and become a part of the assessment obligation of the Owner and shall become a lien against the Lot.

Section 8.3. Exterior Lot Maintenance.

(a) By the Association. The Association shall maintain and keep in good repair the exterior portions of the Residence located on a Lot, which shall only include the following: (i) exterior surfaces of garage doors; (ii) the roof decking and shingles or other covering and surface materials of Residences;

(iii) the downspouts and gutters; (iv) all driveways and walkways serving a Lot; and (v) exterior painting and/or pressure washing, including, without limitation any patios or deck appurtenant thereto. All maintenance performed by the Association shall be in accordance with a schedule determined by the Board in its sole discretion.

(b) By the Owner. Each Owner shall be responsible for maintaining and keeping in good repair the following: (i) steps, decks (whether enclosed or not) and deck surfaces (including joists and structural components), balconies, rooftop terraces, patios (whether enclosed or not) and patio surfaces and landscaping within the patios, planters, courtyards, if any, except for periodic pressure washing and/or staining by the Association as provided in subsection (a) above; (ii) HVAC or similar equipment, regardless of whether the same is located outside the boundary of a Lot; (iii) all doors, including screen and storm doors, hinges, frames and door frames and hardware which are part of the entry system; (iv) hose bibs contained in exterior walls of a Lot; (v) lighting fixtures pertaining to a particular Lot and being located outside an entryway or in a garage; (vi) window screens, window frames and glass; (vii) foundations and footing, including waterproofing, either above or below grade and all structural components of the Lot; (viii) except as otherwise specifically provided herein, any pipe, wire, line and conduit which serves only one (1) Lot, regardless of whether such pipe, wire, line or conduit is located within or outside of the Lot's boundaries; and (ix) all other portions of the Lot and the Residence located thereon which are not maintained by the Association pursuant to Section 8.3(a) hereof.

(c) Additional. The Board of Directors may promulgate rules setting forth the extent of maintenance to be performed by the Association and may assume responsibility for providing additional maintenance, including, but not limited to, siding and fencing. The Board of Directors may authorize the officers of the Association to enter into contracts with any Person or Persons to perform maintenance hereunder on behalf of the Association.

Section 8.4. Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary as the composition of the Board of Directors changes. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Article. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations by the Board.

Section 8.5. Party Walls and Fences

(a) General Rules of Law to Apply. Each wall or fence built as a part of the original construction on the Lots which shall serve and or separate any two (2) adjoining Lots shall constitute a party wall or party fence, as applicable. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding the party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. No Owner shall make any modification to a party that may compromise the structural integrity of the adjacent Lot, acoustic privacy or fire rating.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or fence shall be shared equally by the Owners who make use of the wall or fence.

(c) Damage and Destruction. If a party wall or fence is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the party wall or fence may restore it. If other Owners thereafter use the wall or fence, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section, shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

Section 8.6. Conveyance of Common Property by Declarant to Association. Declarant may transfer or convey to the Association any personal property and any improved or unimproved real property, leasehold, easement, or other property interest which is or may be subjected to the terms of this Declaration. Such conveyance shall be accepted by the Association, and the property shall be Common Property to be maintained by the Association for the benefit of all or a part of its members. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section.

Section 8.7. Removal of Improvements on Common Property by Declarant. During the Development Period, Declarant shall have the right, privilege, and option from time to time to remove, add, reconfigure, relocate, modify, and alter any and all improvements located on the Common Property.

Section 8.8. Mold Disclosure and Waiver.

(a) MOLD IS PRESENT IN SOIL, AIR AND ELSEWHERE IN THE ENVIRONMENT. MOLD CAN PROLIFERATE IN VARIOUS ENVIRONMENTS, INCLUDING, AMONG OTHERS, DAMP AREAS SUCH AS BATHROOMS AND WITHIN WALLS AND PARTITIONS. CONCERNS HAVE BEEN EXPRESSED ABOUT THE POSSIBLE ADVERSE EFFECTS ON HUMAN HEALTH FROM EXPOSURE TO MOLD. ACCORDING TO THE CONSUMER PRODUCT SAFETY COMMISSION AND THE AMERICAN LUNG ASSOCIATION, SOME DISEASES OR ILLNESSES HAVE BEEN LINKED WITH BIOLOGICAL POLLUTANTS IN THE INDOOR ENVIRONMENT, INCLUDING SOME FORMS OF MOLD. HOWEVER, IT IS BELIEVED THAT MANY OF THESE CONDITIONS MAY ALSO HAVE CAUSES UNRELATED TO THE INDOOR ENVIRONMENT. THEREFORE, AS OF THE EFFECTIVE DATE, IT IS UNKNOWN HOW MANY POTENTIAL HEALTH PROBLEMS RELATE PRIMARILY OR EXCLUSIVELY TO INDOOR AIR QUALITY OR MOLD. DECLARANT AND THE ASSOCIATION ARE NOT QUALIFIED AND HAVE NOT UNDERTAKEN TO EVALUATE ALL ASPECTS OF THIS VERY COMPLEX ISSUE. DECLARANT AND THE ASSOCIATION HAVE NOT PERFORMED ANY TESTING OR EVALUATION OF, AND MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PAST, CURRENT OR FUTURE PRESENCE OR ABSENCE OF MOLD IN ANY OF THE RESIDENCES OR ANY COMMON PROPERTY, OR WITHIN THE VICINITY OF THE COMMUNITY. DECLARANT AND THE ASSOCIATION RECOMMEND THAT EACH OWNER CONDUCT ITS OWN INVESTIGATION AND CONSULT WITH SUCH EXPERTS AS THE OWNER DEEMS APPROPRIATE REGARDING THE OCCURRENCE AND EFFECTS OF MOLD, AND THE POTENTIAL SENSITIVITY OR SPECIAL RISK THAT THE OWNER AND HIS, HER OR ITS OCCUPANTS, WHO WILL OCCUPY OR USE THE RESIDENCE, MAY BE SUBJECT TO.

(b) WHEN EXCESSIVE MOISTURE OR WATER ACCUMULATES INDOORS, MOLD GROWTH CAN AND WILL OCCUR, PARTICULARLY IF THE MOISTURE PROBLEM REMAINS UNADDRESSED. THERE IS NO PRACTICAL WAY TO ELIMINATE ALL MOLD IN AN INDOOR ENVIRONMENT. THE KEY TO CONTROLLING INDOOR MOLD GROWTH IS TO CONTROL MOISTURE. EACH OWNER SHALL MAINTAIN SUCH OWNER'S RESPECTIVE RESIDENCE IN SUCH A MANNER AS TO REDUCE THE POTENTIAL FOR INCREASED MOLD FORMATION OR GROWTH, INCLUDING, WITHOUT LIMITATION, MAINTAINING AND REPAIRING ALL HEAT, VENTILATION, AND AIR CONDITIONING SYSTEMS SERVING SUCH OWNER'S RESIDENCE IN GOOD CONDITION AND USING AND OPERATING SUCH SYSTEMS AT REASONABLE LEVELS, KEEPING VENTS AND/OR FANS CLEAR AND FUNCTIONING AND PREVENTING AND REPAIRING PLUMBING, WINDOW AND OTHER LEAKS AND SOURCES OF MOISTURE. EACH OWNER SHALL CONDUCT PERIODIC INSPECTIONS OF THE OWNER'S RESPECTIVE RESIDENCE AND ANY OTHER PORTION OF THE COMMUNITY FOR WHICH THE OWNER IS RESPONSIBLE TO MAINTAIN, FOR THE PRESENCE OF MOLD OR CONDITIONS WHICH MAY INCREASE THE ABILITY OF MOLD TO PROPAGATE WITHIN THE RESIDENCE OR OTHER PORTIONS OF THE COMMUNITY. FURTHERMORE, EACH OWNER SHALL MONITOR THE RESPECTIVE RESIDENCE AND ANY OTHER PORTION OF THE COMMUNITY FOR WHICH THE OWNER IS RESPONSIBLE TO MAINTAIN, ON A CONTINUAL BASIS FOR EXCESSIVE MOISTURE, WATER OR MOLD ACCUMULATION. IF WATER OR MOISTURE IS DISCOVERED IN OR AROUND SUCH AREAS, THE OWNER SHALL IMMEDIATELY SEEK TO

ELIMINATE THE SOURCE OF THE WATER OR MOISTURE. FAILURE TO ELIMINATE THE SOURCE OF MOISTURE CAN RESULT IN ADDITIONAL DAMAGE AND THE GROWTH OF MOLD, AND DECLARANT SHALL NOT BE RESPONSIBLE FOR SUCH DAMAGES. EACH OWNER, BY TAKING TITLE TO A LOT, HEREBY WAIVES ALL RIGHTS TO DAMAGES AND SUBROGATION OF DAMAGES RESULTING FROM MOLD IN THE RESIDENCE. EACH OWNER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DECLARANT AND THE ASSOCIATION FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, COSTS, EXPENSES AND LIABILITIES, INCLUDING ALL CASES OF PERSONAL INJURY OR PROPERTY DAMAGE, CAUSED BY THE PRESENCE OF MOLD AND/OR WATER OR MOISTURE IN THEIR RESPECTIVE RESIDENCES AND ANY OTHER PORTION OF THE COMMUNITY FOR WHICH THE OWNER IS RESPONSIBLE TO MAINTAIN, TO THE EXTENT THAT THE DAMAGES ARE CAUSED BY: (I) THE OWNER'S NEGLIGENCE OR FAILURE TO PROPERLY MAINTAIN AND MONITOR SUCH AREAS; OR (II) THE OWNER'S FAILURE TO PROMPTLY TAKE APPROPRIATE CORRECTIVE MEASURES AND MINIMIZE ANY DAMAGE CAUSED BY WATER OR MOISTURE (INCLUDING, WITHOUT LIMITATION, FAILURE TO PROMPTLY NOTIFY AND ENGAGE THE HELP OF APPROPRIATE PROFESSIONALS OR EXPERTS).

ARTICLE 9. INSURANCE AND CASUALTY LOSSES

Section 9.1. Association Insurance. The Association, acting through its Board of Directors or its duly authorized agent, shall have the authority to and shall obtain blanket "all-risk" property insurance, if reasonably available, for: (a) all insurable improvements on the Common Property; (b) all insurable improvements on other portions of the Area of Common Responsibility to the extent that the Association has assumed responsibility for maintenance, repair and/or replacement thereof in the event of a casualty but excluding the roofs, facades, and any structural components of a Residence; and (c) such other insurable improvements on the Lots that the Association elects (but is not obligated) to insure. If blanket "all-risk" coverage is not generally available at reasonable cost, then at a minimum an insurance policy providing fire and extended coverage, including coverage for vandalism and malicious mischief, shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured peril.

The Board also shall obtain a commercial general liability policy covering occurrences commonly insured against arising out of or in connection with the use, ownership, or maintenance of the Area of Common Responsibility. If generally available at reasonable cost, the commercial general liability policy shall have at least a One Million Dollar (\$1,000,000) combined single limit as respects bodily injury and property damage and at least a Two Million Dollar (\$2,000,000) limit per occurrence and in the aggregate. The liability insurance obtained by the Association pursuant to this Declaration shall cover the Association and the officers, agents and employees of the Association, the Owners, and their respective Mortgagees. The Association shall be designated as the named insured, individually and as agent for the Owners collectively, without naming them individually, and as agent for their respective Mortgagees.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful conduct of one or more Owners or Occupants, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Lots pursuant to Section 5.5 hereof.

All insurance coverage obtained by the Board of Directors shall be governed by the following provisions:

(a) All policies shall be written with a company authorized to do business in the State of Georgia.

(b) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(c) In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees.

(d) All property insurance policies shall have an inflation guard endorsement, if reasonably available.

(e) If the policy contains a co-insurance clause, it shall also have an agreed amount endorsement.

(f) The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Columbia County, Georgia area.

(g) The Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) a statement that no policy may be cancelled, invalidated, suspended, or subjected to nonrenewal on account of any one or more individual Owners;

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subjected to nonrenewal on account of any curable defect or violation without prior demand in writing delivered to the Association to cure the defect or violation and the allowance of a reasonable time thereafter within which it may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) a statement that any "other insurance" clause in any policy excludes individual Owners' policies from consideration; and

(vi) a statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to other insurance required by this Section, the Association shall obtain, as a Common Expense, worker's compensation insurance if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, and flood insurance, if advisable.

In addition to the other insurance required by this Section, the Board may obtain a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined by the Board using its best business judgment.

Section 9.2. Repair and Reconstruction. In the event of damage to or destruction of all or any part of the improvements on the property maintained by the Association as a result of any event covered by

the Association's insurance, unless seventy-five percent (75%) of the Total Association Vote and Declarant (during the Development Period) decide within sixty (60) days after the loss not to proceed with the reconstruction and repair of the structure, the Board or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure.

If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Property shall be repaired or reconstructed.

If it is determined in the manner described above that the damage or destruction to the Common Property shall not be repaired or reconstructed and no alternative improvements are authorized, the affected portion of the properties shall be cleared of all debris and ruins. Thereafter, the properties shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community Standard.

(a) Cost Estimates. After a casualty causing damage to property maintained by the Association, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures, if any, to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable codes. Such costs may also include professional fees and premiums for such bonds as the Board determines to be necessary.

(b) Source and Allocation of Proceeds. If insurance proceeds are not sufficient to defray the estimated costs of reconstruction and repair of the property maintained by the Association, as determined by the Board, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, a special assessment in an amount necessary to cover the insufficiency may be made against all of the members. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be retained by the Association.

(c) Plans and Specifications. Any reconstruction or repair of the property maintained by the Association shall be substantially in accordance with the plans and specifications under which the Community was originally constructed, except where changes are necessary to comply with current applicable codes.

(d) Damage and Destruction to Improvements on Lots. Subject to such rules and regulations as may be adopted by the Board (which may including delegating certain restoration or repair responsibilities to the Association), the damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner within seventy five (75) days after the damage or within the required period and shall be diligently and continuously pursued until their completion.

Section 9.3. Owners' Insurance Responsibilities. The Association has no obligation to obtain and maintain insurance covering an Owner's or Occupant's personal property and each Owner and Occupant shall be responsible for insuring his or her personal property. To the extent not insured by policies maintained by the Association, every Owner shall obtain and maintain at all times insurance covering the full insurable replacement value of improvements and betterments in his or her Lot. Without limitation, the Association shall have no obligation to insure improvements made to the dwelling located on a Lot that are installed by Declarant during the initial construction process at the request of a purchaser who has entered into a contract with Declarant to purchase such Lot or made by an Owner at any time thereafter. Each Owner shall obtain and maintain personal liability insurance of not less than Two Hundred Thousand Dollars (\$200,000) per occurrence (or such higher amount as may be requested by the Board) for bodily injury and property damage and shall name the Association as an additional insured. Such policies shall provide a waiver of recovery and subrogation in favor of the Association.

Upon request by the Association, the Owner shall furnish a copy of such insurance policy or policies to the Association. In the event that any such Owner fails to obtain insurance as required by this Section, the Association may (but shall not be obligated to) purchase such insurance on behalf of the Owner and assess the cost thereof to the Owner as a specific assessment. In the event a Lot (or the improvements, betterments, or personal property therein) suffers a loss which is not covered by the insurance coverage maintained by the Association, the Owner of the Lot suffering such loss shall promptly report such loss to the Owner's insurance carrier.

ARTICLE 10. CONDEMNATION

(a) In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after the taking, Owners holding at least eighty percent (80%) of the Total Association Vote other than Declarant and the Declarant otherwise agree, the Association shall restore or replace the improvements taken on the remaining land included in the Common Property to the extent lands are available.

(b) If any portion of the Common Property is taken by eminent domain, the award therefor shall be allocated to the Owners in equal amounts; provided, however, that the portion of the award attributable to the taking of any permanently assigned Exclusive Common Property shall be allocated to the Owner of the Lot to which that Exclusive Common Property was so assigned at the time of the taking. If any Exclusive Common Property is permanently assigned to more than one (1) Lot at the time of the taking, the portion of the award attributable to the taking thereof shall be allocated in equal shares to the Owners of the Lots to which it was so assigned.

(c) Any or all of the matters which, under this Section, are prescribed for the determination of a court may instead be resolved by Amendment to the Declaration agreed to by Owners holding a Majority of the Total Association Vote, including the Owner(s) of all Lots wholly or partially taken, or to which there is appurtenant any Exclusive Common Property wholly or partially taken, together with the Mortgagee of each such Lot.

ARTICLE 11. MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Lots in the Community. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 11.1. Notices of Action. An Eligible Mortgage Holder, who provides a written request to the Association (such request to state the name and address of such Eligible Mortgage Holder and the Lot number) will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Mortgage Holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Mortgage Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) any proposed action, which would require the consent of a specified percentage of Mortgagees.

Section 11.2. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Association easement areas.

Section 11.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 11.4. Liability for Common Expenses. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Lot obtains title pursuant to judicial or non-judicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Lot which became due prior to such acquisition of title unless otherwise required by applicable law. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Lots, including such acquirer, its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title.

Section 11.5. Applicability of This Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Georgia law for any of the acts set out in this Article.

Section 11.6. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within sixty (60) days of the date of the Association's request.

ARTICLE 12. EASEMENTS

Section 12.1. Easements for Utilities.

(a) There is reserved to Declarant, Approved Builders, and the Association blanket easements upon, across, above, and under all property within the Community for access, ingress, egress, installation, repairing, replacing, and maintaining (i) all utilities serving the Community or any portion of the Common Property, including, but not limited to, gas, water, sanitary sewer, telecommunications, and electricity, (ii) water runoff and storm drainage systems, and (iii) any other services such as, but not limited to, a master television antenna system, cable television system, or security system which may be installed to serve the Community. It shall be expressly permissible for Declarant, the Association, or the designee of either, to do or to authorize the installation, repairing, replacing, and maintaining of the wires, conduits, cables, and other equipment related to providing any such utility or service. Should a party furnishing any such utility or service request a specific license or easement by separate recordable document, Declarant or Board, as applicable, shall have the right to grant such easement.

(b) There is reserved to each Owner easements for the installation and maintenance of water meters and irrigation control devices, such as timers. Such meters or control devices may be located on a Lot, including being attached to a particular Residence, for the benefit of other Lot in the same or nearby buildings, and also for the benefit of the Association. Any electrical power necessary for the operation of an irrigation control device may, at the option of the Association, be connected to the electrical service of the Lot to which it is attached, and electrical service be provided to such irrigation service control device by the Owner of such Lot, free of charge to the Association or to other Lots served

by the device. The Association shall have control over the timing and operation of irrigation controlled by such device.

(c) To the extent that any utility line, pipe, wire, or conduit serving any Lot shall lie wholly or partially within the boundaries of another Lot or the Common Property (including, but not limited, within the foundation or concrete slabs), such Lot or Common Property shall be burdened with a non-exclusive easement for the use, maintenance, repair and replacement of such utility line, pipe, wire or conduit, such non-exclusive easement to be in favor of the Lot served by the same. It shall be the obligation of the benefited Owner to maintain, replace and repair any pipe, line, conduit, duct or wire owned by such Owner, even if such pipe, line conduit, duct or wire is located within the boundaries of a Lot of another Owner. In such circumstance, the benefited Owner shall repair all incidental damage to any Lot resulting from performance of any such work.

Section 12.2. Easement for Entry. The Board shall have the right, but not the obligation, to enter upon any property within the Community for emergency, security, and safety reasons. This right may also be exercised by the agents of the Association, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. The Board shall have the right to enter to cure any condition that may increase the possibility of a fire, slope erosion, or other hazard if an Owner or Occupant does not cure the condition after request by the Board and in such event, the Owner shall be obligated to reimburse the Association for the cost of curing such condition and the Association may charge such cost to the Lot, as a specific assessment in accordance with Section 5.5 herein. For purposes of this Section, a water or other utility leak, fire, strong foul odor, obvious insect infestation, or sounds indicating that a person or animal might be injured or sick and require immediate medical attention shall be considered emergencies justifying immediate entry onto any Lot. The failure to exercise the rights herein or to exercise said rights in a timely manner shall not create liability to any of the above-referenced parties, it being agreed that no duty to enter a property shall exist.

Section 12.3. Use and Enjoyment. Each Owner shall have a right and a non-exclusive easement of use and enjoyment in and to the Common Property (including the right of access, ingress and egress to and from his, her or its Lot over those portions of the Community designated for such purpose), and such non-exclusive easement shall be appurtenant to and shall pass with the title to such Lot, subject to (a) to the right of the Association to control the use and enjoyment of the Common Property as provided by the terms of this Declaration including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein; (b) the right of the Association to discharge its rights and obligations, under the Community Instruments, including without limitation, the repair and maintenance responsibilities of the Association; (c) the right of the Association to borrow money and to grant as security for the payment of such loan all or any portion of the Common Property; and (d) the right of the Association to dedicate or grant licenses, permits, easements, and rights of way over, under, and through the Common Property.

Section 12.4. Easement for Maintenance. Declarant expressly reserves a perpetual easement for the benefit of the Association across such portions of the Community, including any Lot, determined in the sole discretion of the Association, as are necessary to allow for the maintenance required pursuant to this Declaration. This maintenance shall be performed with a minimum of interference to the quiet enjoyment of a Lot.

Section 12.5. Encroachments and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and adjacent portion of the Common Property or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered (in accordance with the terms of this Declaration). However, an easement for encroachment shall not exist if the willful conduct by an Owner, Occupant, or the Association caused the encroachment.

Section 12.6. Construction and Sale Period Easement. Notwithstanding any provisions contained in this Declaration, the Bylaws, Articles of Incorporation of the Association, use restrictions, rules and regulations, and any amendments thereto, during the Development Period, Declarant reserves an easement across all property in the Community for Declarant to maintain and carry on, upon such portion of the Community as Declarant may reasonably deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's development, construction, and sales activities related to property described on Exhibit "A" to this Declaration and the Additional Property, including, but without limitation, (a) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Community, including, without limitation, any Lot; (b) the right to tie into any portion of the Community with driveways, parking areas and walkways; (c) the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; (d) the right to grant easements over, under, in or on the Community, including, without limitation, the Lots, for the benefit of the Additional Property for the purpose of tying into and/or otherwise connecting and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; (e) the right to carry on sales and promotional activities in the Community; (f) the right to erect and maintain signs; (g) the right to construct and operate business offices, construction trailers, model residences, and sales offices; and (h) the right to use the parking facilities within the Community. Declarant may use Residences, offices, or other buildings owned or leased by Declarant as model residences and sales offices. Declarant may assign or delegate any of the rights provided in this Section to one (1) or more Approved Builders. Rights exercised pursuant to the reserved easements in this Section shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense. This Section shall not be amended without Declarant's express written consent until Declarant's rights hereunder have terminated as hereinabove provided.

Section 12.7. Easement for Entry Features and Street Signs. There is hereby reserved to Declarant, and granted to the Association, and the designees of either, an easement over and upon all of the Community for ingress to, egress from, installation, construction, landscaping and maintenance of entry features and street signs for the Community. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around all entry features and the right to grade the land under and around the entry features.

Section 12.8. Easements for Drainage. There is hereby reserved to Declarant, Approved Builder and the Association an easement upon, across, above and under all storm water drainage easement areas as shown on the recorded subdivision plat(s) for the Community for access, ingress, egress, installation, alteration, repairing, replacing, and maintaining the storm water drainage system and related facilities serving the Community or any portion thereof (but without obligation on the part of Declarant or Approved Builder). Areas of storm drainage piping and retention or detention ponds within the Community may be maintained by governmental entities and such governmental entities may have easements over, across and under such areas. This easement shall include the right (but not obligation on the part of Declarant or Approved Builder) to construct and maintain catch basins, retention or detention ponds, drainage swales, storm sewers, storm drains, sloping banks, cut or fill, except as otherwise handled by governmental entities. In addition, there is hereby reserved to Declarant and Approved Builder and granted to the Association a blanket easement across all Lots for creating and maintaining satisfactory drainage in the Community (but without obligation on the part of Declarant); provided, however, such easement area shall not include any portion of a Lot within the outer perimeter of the dwelling structure. It is anticipated that increased storm water run-off across downstream Lots will result from the construction of impervious surface in the Community. Neither Declarant, Approved Builder, the Association nor any builder or Owner constructing according to plans and specifications approved or deemed approved under Article 6 hereof shall have any liability to any Owner due to the increased flow or increased velocity of surface water resulting from such construction.

Section 12.9. Public in General. The easements and rights created in this Article do not, are not intended to, and shall not be construed to create any easements or rights in or for the benefit of the general public; provided, however, that nothing set forth herein shall in any way limit or restrict any existing easements or rights already granted to the public as such easements or rights are previously recorded in the Official Records or which may exist in favor of property owners adjoining the Community. The Board of Directors hereby reserves the right to close temporarily, to the extent reasonably practicable, upon fifteen (15) days prior written notice (which may be given by posting in conspicuous locations upon the relevant portion of the Community), all or any portion of the Community which, in the reasonable opinion of the Board, may be legally necessary to prevent a dedication thereof, or any accrual of any rights therein, in the general public or in any Person other than the Persons for which such easements are expressly created in this Declaration.

ARTICLE 13. ANNEXATION AND WITHDRAWAL OF PROPERTY

Section 13.1. Annexation by Declarant. For ten (10) years from the date this Declaration is recorded in the Official Records, Declarant shall be entitled to unilaterally annex a portion or all of the Additional Property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Official Records a Supplementary Declaration describing the property being annexed. Any such Supplementary Declaration shall require the signature of the Declarant only (and owner of the subjected property if not Declarant) and shall be effective upon the filing for record of such Supplementary Declaration, unless otherwise provided in such Supplementary Declaration.

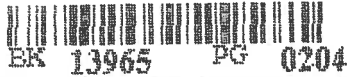
Section 13.2. Annexation by Association. Subject to the consent of the owner, upon the affirmative vote, or written consent, or any combination thereof, of Owners holding a majority of the Total Association Vote, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Official Records a Supplementary Declaration describing the property being annexed. Any such Supplementary Declaration shall be signed by the President and Secretary of the Association, and any such annexation shall be effective upon the filing in the Official Records of such Supplementary Declaration, unless otherwise provided in the Supplementary Declaration.

Section 13.3. Withdrawal of Property. Declarant reserves the right to amend this Declaration so long as it has a right to annex Additional Property pursuant to this Article for the purpose of removing any portion of the Community then owned by Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community.

Section 13.4. Additional Covenants and Easements. Declarant may unilaterally subject any portion of the Community submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than Declarant.

ARTICLE 14. GENERAL PROVISIONS

Section 14.1. Duration. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent permitted by law. However, so long as Georgia law limits the period during which covenants restricting lands to certain uses may run, any provision of this Declaration affected by the law shall run with and bind



the land so long as permitted by the law, after which time the provisions shall be automatically extended for successive periods of twenty (20) years, unless at least sixty-six and two-thirds percent (66 2/3%) of the record Owners execute an agreement to prevent renewal of the covenants and such agreement is recorded and an attorney's affidavit confirming ownership of the Lots or such other requirement as provided in O.C.G.A. § 44-5-60. A written instrument reflecting termination must be recorded within two (2) years prior to the expiration of the initial twenty (20) year period or any subsequent twenty (20) year period. Every purchaser or grantee of any interest (including, without limitation, a security interest) in any real property subject to this Declaration, by acceptance of a deed or other conveyance, agrees that provisions of this Declaration may be extended and renewed as provided in this Section.

Section 14.2. Amendment.

(a) The Community Instruments may be amended unilaterally at any time and from time to time by Declarant (i) if an amendment is necessary to bring any provision into compliance with any applicable governmental statute, rule, or regulation or judicial determination with which it is in conflict; (ii) if an amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the property subject to this Declaration; (iii) if an amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable the lender or purchaser to make or purchase Mortgage loans on the property subject to this Declaration; or (iv) if an amendment is necessary to enable any governmental agency or reputable private insurance company to insure or guarantee Mortgage loans on the property subject to this Declaration. However, any such amendment shall not adversely affect the title to any Owner's Lot unless the Owner consents to the amendment in writing. Further, so long as Declarant owns any Lot for development or sale or has an unexpired right to submit Additional Property, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner, nor shall it adversely affect title to any Lot without the consent of the affected Owner.

(b) In addition to the above, this Declaration or the Bylaws may be amended upon the affirmative vote or written consent, or any combination of affirmative vote and written consent, of Owners holding at least two thirds (2/3) of the Total Association Vote and the consent of Declarant (during the Development Period). Amendments to this Declaration or the Bylaws shall become effective upon recordation, unless a later effective date is specified in the amendment. No provision of this Declaration or the Bylaws which reserves, grants, or exempts special rights, easements, or exemptions to Declarant or to any Approved Builder shall be amended or removed without Declarant's or Approved Builder's prior written consent so long as Declarant or Approved Builder owns any property in the Community, or which is subject to annexation to the Community, primarily for development and/or sale.

(c) Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

(d) In addition to the above, within sixty (60) after the end of the Declarant Control Period, the Board is authorized, without a vote of the Membership, to amend this Declaration to submit the Community to the Property Owners Association Act of Georgia, O.C.G.A. § 44-3-220, *et seq.*

Section 14.3. SECURITY. THE ASSOCIATION OR DECLARANT MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SAFETY IN THE COMMUNITY. HOWEVER, EACH OWNER, FOR HIMSELF OR HERSELF AND HIS OR HER TENANTS, GUESTS, LICENSEES, AND INVITEES ACKNOWLEDGES AND AGREES THAT NEITHER THE ASSOCIATION NOR DECLARANT IS A PROVIDER OF SECURITY AND NEITHER PARTY SHALL HAVE A DUTY TO PROVIDE SECURITY FOR THE COMMUNITY. FURTHERMORE, NEITHER DECLARANT NOR THE ASSOCIATION REPRESENTS THAT NON-OWNERS AND NON-OCCUPANTS WILL NOT GAIN ACCESS TO THE

COMMUNITY AND COMMIT CRIMINAL ACTS NOR DOES DECLARANT OR THE ASSOCIATION REPRESENTS THAT CRIMINAL ACTS WILL NOT BE COMMITTED BY OTHER OWNERS OR OCCUPANTS. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER TO PROTECT HIS OR HER PERSON AND PROPERTY, AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH OWNER. NEITHER DECLARANT NOR THE ASSOCIATION SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. WHILE THE COMMUNITY IS A GATED COMMUNITY, THIS DOES NOT MEAN THAT UNAUTHORIZED INDIVIDUALS AND MOTOR VEHICLES WILL NOT BE ABLE TO ACCESS THE PROPERTY.

Section 14.4. Dispute Resolution. Any Owner or Occupant must give written notice to the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute before that Owner or Occupant files any lawsuit against the Association, the Board, any director or officer or any agent of the Association. The Owner or Occupant shall in such notice and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time, and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date no less than seven (7) nor more than twenty-one (21) days from the date of receipt of the notice of hearing by the person requesting the hearing.

Section 14.5. Partition. The Common Property shall remain undivided, and no Owner or any other Person shall bring any action for partition or division of the whole or any part of the Common Property without the written consent of all Owners and all holders of all Mortgages encumbering any portion of the Community.

Section 14.6. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 14.7. Services During Declarant Control. Each Owner acknowledges that Declarant and its affiliates may provide services utilized by communities such as the Community including, but not limited to, management services. Each Owner consents and agrees that the Association may enter into service contracts with Declarant and its affiliates.

Section 14.8. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end, the provisions of this Declaration are declared to be severable.

Section 14.9. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

Section 14.10. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 14.11. Transfer of Declarant's Rights. Any or all of the special rights and obligations of Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or in the

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Bylaws, as applicable. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by Declarant and duly recorded in the Official Records.

Section 14.12. Sale of Lots. An Owner intending to make a transfer or sale of a Lot or any interest in a Lot shall give written notice to the Board of Directors of such intention within seven (7) days after execution of the transfer or sales documents. The Owner shall furnish to the Board as part of the notice (a) the name and address of the intended grantee; and (b) such other information as the Board may reasonably require. This Paragraph shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven (7) days after receiving title to a Lot, the purchaser of the Lot shall give written notice to the Board of Directors of his or her ownership of the Lot. Upon failure of a Owner to give the required notice within the seven (7) day time period provided herein, the Board may levy fines against the Lot and the Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

Section 14.13. Agreements. Subject to the prior approval of Declarant (during the Development Period), all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.

Section 14.14. Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it or reasonably necessary to effectuate the right or privilege.

Section 14.15. Variances. Notwithstanding anything to the contrary contained in this Declaration, Declarant, as long as it owns a Lot for sale within the Community, and the Board of Directors or its designee shall be authorized, but not required, in its sole discretion to grant individual variances from any of the provisions of this Declaration, the Bylaws, and any rule, regulation, or use restriction promulgated pursuant thereto, if it determines that waiver of application or enforcement of the provision in a particular case would not materially harm other Owners or negatively affect other Owners' quality of life in the Community.

Section 14.16. Successor Declarants. Any successor to Declarant shall not be responsible or subject to liability by operation of law or through the purchase of Declarant's interest in the Community or any portion thereof at foreclosure or otherwise for any act, omission, or matter occurring or arising from any act, omission, or matter occurring prior to the time the successor succeeded to the interest of Declarant.

Section 14.17. Disclosures. Each Owner and Occupant acknowledge the disclosures set forth on Exhibit "C" attached hereto and incorporated herein.

[SIGNATURES ON FOLLOWING PAGE]

BR 13965 PG 0207

IN WITNESS WHEREOF, the undersigned, Declarant herein, hereby executes this instrument by and through its duly authorized officers as of the date set forth above.

DECLARANT: CAMAK PROPERTY DEVELOPMENT, LLC,
a Georgia limited liability company,

By: Ivey Development, LLC,
a Georgia limited liability company,
its Managing Member

By: _____ (SEAL)
Name: James Matthew Ivey
Title: Manager

Signed, sealed, and delivered
in the presence of:



Witness



Notary Public

[NOTARY SEAL]

12-8-2023



Return to:

Cross-reference to:
Deed Book 13144, Page 192

MORTGAGEE CONSENT, APPROVAL AND SUBORDINATION
(Caroleton Townhomes)

SOUTH STATE BANK, NATIONAL ASSOCIATION ("Mortgagee"), being the owner and holder of that certain Construction Security Deed recorded in Deed Book 13144, Page 192, Columbia County, Georgia records, (as amended, the "Security Instrument") hereby approves that certain Declaration of Covenants, Conditions, Restrictions and Easements for Caroleton Townhomes (the "Declaration") which is to be recorded with this Mortgagee Consent.

FURTHERMORE, Mortgagee does hereby expressly subordinate to the Declaration all right, title, interest and lien of the undersigned created under and by virtue of the Security Instrument with respect to the property described in and subject to the Declaration or hereafter made subject to the Declaration in accordance with the terms thereof. Except as set forth herein, the Security Instruments shall otherwise remain in full force and effect and shall not be subordinated to any other lien or encumbrance.

IN WITNESS WHEREOF, the undersigned has executed this Mortgagee Consent, Approval and Subordination this 1st day of November, 2021.

MORTGAGEE: SOUTH STATE BANK, NATIONAL ASSOCIATION

By: _____
Name: Tyson B Davis
Title: VP Construction Lending

[BANK SEAL]

Signed, sealed, and delivered
in the presence of:

Laura B. Brette
Witness

Tammy W. Arnold
Notary Public

My Commission Expires:

[NOTARY SEAL]

TAMMY W. ARNOLD
NOTARY PUBLIC
RICHMOND COUNTY, GA
Exp. August 19, 2023



BR 13965 PG 0209

EXHIBIT "A"

Property Submitted

ALL THAT TRACT OR PARCEL OF LAND lying and being in the city of Grovetown, Georgia and the 1285th G.M.D. of Columbia County, Georgia being described as Parcels 1, 2, 3, 4, 5, 6 and 8 and Blocks 1 through 28 therein on that certain Record Plat of Caroleton Townhomes, dated September 16, 2021, prepared by H & C Surveying, Inc., containing the seal of Robert L. Herrington, Jr., recorded on November 23, 2021 in Plat Book E 2021, Pages 492 through 495, Columbia County, Georgia records, reference to said plat and the record thereof being hereby made for a more complete description.



EXHIBIT "C"

Disclosures

(a) Community Conditions. Since in every community, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions within and outside of the Community that an Owner or Occupant may find objectionable and that it shall be the sole responsibility of the Owners and Occupants to become acquainted with community conditions that could affect the Lot.

(b) Adjacent Properties. Neither Declarant nor any builder of homes within the Community make any representations or warranties regarding the future development or use of the Additional Property or other properties adjacent to or in the vicinity of the Community (collectively "Adjacent Properties"), which may not necessarily be restricted exclusively to residential use, but shall be subject only to uses allowed by applicable zoning ordinances, including without limitation, office, retail or other commercial uses. Any floor plans, renderings, models, drawings, and the like, which purport to depict such Adjacent Properties, or any portion thereof, are merely projections, which are subject to change and do not reflect an actual commitment to develop the Adjacent Properties in any particular manner. No Owner and Occupant shall rely or any projected plans for the future development of the Adjacent Properties as an inducement to acquire or occupy a Lot.

(c) Off-Site Conditions. Declarant shall not be responsible for responding to or taking any affirmative action on behalf of the Association or an individual member of the Association to mitigate, alleviate, remedy or cure any off-site conditions that may directly impact the Community or any portion thereof, and such inaction by Declarant shall not constitute a breach of fiduciary duty by the directors and officers of the Association that are appointed by Declarant, pursuant to Section 3.2 of the Bylaws.

(d) Crime. Crime exists in every neighborhood and Declarant, all builders of homes within the Community and the Association and their affiliates make no representations regarding crime or security. Declarant, all builders of homes within the Community and the Association are not providers of security and that if an Owner is concerned about crime or security, Owner should consult a security expert. Owners should be alert to and guard against the potential for crime. Crime statistics are maintained by the police in the jurisdiction in which the Community is located. It shall be Owner's sole responsibility to keep abreast of trends in criminal activity and to act accordingly.

(e) Easements. The Community is subject to all conditions, restrictions and easements of record and those set forth on the Survey, including but not limited to all drainage and sanitary sewer easements shown thereon.

(f) Right-of-ways. The Community is located adjacent to thoroughfares that may be noisy and clogged with traffic from time to time and may be improved and/or widened in the future.

(g) Light and Views. The natural light available to and views from an Owner's Lot may change over time due to, among other circumstances, additional development and the growth or removal or addition of landscaping within the Community and in the surrounding neighborhood. Light may emit from structures located on Adjacent Properties.

(h) Zoning. No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

(i) Schools. No representations are made regarding the schools that currently or may in the future serve the Lot.

(j) Construction Activities. Declarant and other builders may be constructing portions of the Community and engaging in other construction activities related to the construction of Common Property

DISCLOSURES

and additional phases of the Community. Such construction activities may, from time to time, produce certain conditions on the Community, including, without limitation: (A) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (B) smoke; (C) noxious, toxic, or corrosive fumes or gases; (D) obnoxious odors; (E) dust, dirt or flying ash; (F) unusual fire or explosion hazards; (G) temporary interruption of utilities; and/or (H) other conditions that may threaten the life-safety of Persons on the Community. Notwithstanding the foregoing, all Owners and Occupants agree that such conditions on the Community resulting from renovation and construction activities shall not be deemed a nuisance and shall not cause Declarant and their agents to be deemed in violation of any provision of this Declaration.

(k) Construction Changes. Building code requirements may change during the construction of the Community and may not necessarily be incorporated into the design or construction of the Community. During construction, there may be changes and alterations made to the original stamped and approved design drawings and the construction of the Community as a matter of necessity to achieve cost savings and due to field changes ordered by the architect, engineer, seller and various building inspectors.

(l) Community Scope. During the course of the construction of any home on a Lot within the Community or construction on any Common Property, variations from the original plans and specifications, some of which add scope, some of which reduce scope, and some of which alter scope, are inevitable and can, do, and may occur as a matter of intention and/or as a matter of necessity. Therefore, some code requirements may change during the interim period which may not be incorporated into the design of the Community.

(m) Construction Materials. Various substances used in the construction of the improvements in the Community may now or in the future be determined to be toxic, hazardous or undesirable and may need to be specifically treated, handled and/or removed from the Community. The construction materials used may contain some of the following chemicals and minerals in measurable amounts: water (which may allow the growth of mold, mildew and fungus); formaldehyde (used in the manufacture of carpeting, insulation and pressed wood products); arsenic (used in treating wood products); methylene chloride (used in paint thinners); fiberglass; and petroleum products. Declarant and the builders of homes within the Community have no expertise with respect to toxic wastes, hazardous substances, pet dander, dust mites, or other undesirable substances. Such substances can be extremely costly to correct and remove and Declarant and all builders of homes within the Community shall have no liability to the Association, any Owner or any Occupant regarding the presence of such substances in the Community. All buildings contain products that have water, powders, solids and industrial chemicals, which will be used in construction. The water, powders, solids and industrial chemicals will and do contain mold, mildew, fungus, spores and chemicals that may cause allergic or other bodily reactions in certain individuals.

(n) Asbestos. Asbestos can found as accessory minerals in mineral deposits and occurs in its natural state in some rock formations. Declarant, builders of homes within the Community or the Association shall not conduct tests to determine the presence or absence of any type of naturally occurring asbestos in the soil of the Community. Neither Declarant, builders of homes within the Community, nor the Association make any representations or warranties concerning the presence or absence of said minerals.

(o) Gases. The grading of the soil and other elements created by nature, as well as building materials developed by humans, many times create unwanted and undesired gases and other contaminants in homes and residential buildings, both new and used. Also, since energy conservation has become a concern, there is a need to build homes and residential buildings that are more airtight. As a result, these homes and residential buildings trap unwanted gases in different degrees depending on how each person lives within their home or such residential building. To date measurements of such unwanted gases (such as the radon gas described below and carbon dioxide) are reported as parts of the

EXHIBIT "C"

DISCLOSURES



air they occupy. Since the quality of air a person breathes can affect his or her health, Declarant recommends frequent airing of a Residence to introduce fresh air uncontaminated with such gases.

(p) Radon. The United States Environmental Protection Agency ("EPA") has indicated that a number of homes and residential buildings in the United States experience elevated levels of radon gas. Radon is a naturally occurring gas that is caused by radioactive decay of the element radium. Since radium is contained in the earth's crust and dissolves readily in water, radon can be found virtually everywhere and can enter the home or residential buildings through a variety of sources. Owners or Occupants seeking information about radon can contact the EPA or a state environmental office. Neither Declarant nor the Association has any expertise in the measurement or reduction of radon in homes or residential buildings or regarding acceptable levels or possible health hazards associated with radon. Neither Declarant, Approved Builders, nor the Association make any warranty or representation of any kind, express or implied, regarding the presence or absence of radon gas, or regarding the effectiveness of any architectural activities for reducing the presence of radon.

(q) Carbon Monoxide. Carbon monoxide is a dangerous gas that typically cannot be smelled or seen. It is produced as a common by-product of the combustion (burning) of fossil fuels. Most fuel burning equipment (natural gas, gasoline, propane, fuel oil, and wood), if properly installed and maintained, produces little carbon monoxide. The by-products of combustion are usually vented to the outside. However, if there is a shortage of oxygen to the burner, or the venting is not adequate, carbon monoxide production can increase to dangerous levels. Common sources of carbon monoxide include gasoline engines running in closed garages, fuel-burning space heaters or water heaters with improper venting, and blocked chimneys or vent pipes. Each Owner should have a qualified professional routinely maintain and inspect all heating systems and any fuel-burning appliances serving the Owner's Lot annually to ensure they are in good working condition. Each Owner should have a qualified professional routinely inspect appliance vents in the Lot annually for blockages, corrosion, cracks or leakage. Each Owner should consider installing and maintaining a carbon monoxide detector and alarm that measures the amount of carbon monoxide in the air and sounds an alarm at certain levels. The detector should be considered as a backup and not as a replacement for proper use and maintenance of fuel-burning appliances.

(r) VOCs. Volatile organic compounds (VOCs) are organic chemicals that have a high vapor pressure at ordinary room temperature. There are many different types of VOCs. VOCs can be either man-made or naturally occurring. Certain VOCs may be dangerous to human health or have unappealing odors. VOCs can result from paint, construction materials as well as new furnishings and certain types of equipment. Good ventilation and air-conditioning systems may reduce VOCs in the indoor environment. Neither Declarant nor the Association has any expertise in the measurement or reduction of VOCs in homes or residential buildings or regarding acceptable levels or possible health hazards associated with VOCs. Neither Declarant, Approved Builders, nor the Association makes any warranty or representation of any kind, express or implied, regarding the presence or absence of VOCs, or regarding the effectiveness of any design or architectural activities for reducing the presence of VOCs.

(s) Cracking. Drywall, drywall tape, concrete surfaces, and other rigid surfaces in portions of the Community are subject to cracking due to (i) water penetration, (ii) expansion and contraction due to temperature changes, (iii) building settlement, and (iv) other factors. Declarant shall not be liable for any such cracking.

(t) Ponding. Water may pond on various portions of the Community having impervious surfaces, such as the patios and balconies, as applicable.

(u) Wood. Natural wood has considerable variation due to its organic nature. There may be shades of white, red, black or even green in areas. In addition, mineral streaks may also be visible. Grain pattern or texture will vary from consistent to completely irregular; wood from different areas of the same tree can also have variations in pattern or texture. It is these variations in wood that add to its aesthetic appeal. These variations in grain will in turn accept stain in varying amounts, which will show

DISCLOSURES

throughout the wood products from one door to the next, one panel to the next or one piece of wood to the next. Also, cabinet finishes (including gloss and/or matte finishes) will not be entirely consistent and some minor irregularities will be apparent. Additionally, wood and wood products may be subject to warping, splitting, swelling and/or delamination. The foregoing conditions are normal conditions and shall not constitute a construction defect.

(v) Marble, Slate, Stone. Veins and colors of any marble, slate or other stone in a Lot, if any, may vary drastically from one piece of stone to another. Each piece is different. Marble, granite, slate and other stone can also have chips and shattering veins, which look like scratches. The thickness of the joints between marble, granite, slate and other stone and/or other materials against which they have been laid will vary and there will be irregularities in surface smoothness. Marble, granite, slate, and other stone finishes may be dangerously slippery and Declarant assumes no responsibility for injuries sustained as a result of exposure to or use of such materials. Periodic use of professionally approved and applied sealant is needed to ensure proper maintenance of the marble, slate and other stone and it is the Owner's responsibility to properly maintain these materials in his, her, or its Residence. Marble, granite, slate, and other stone surfaces may scratch, chip or stain easily. Such substances may flex or move slightly in order to absorb impacts. Such movement may in turn cause grout to crack or loosen or cause some cracking in the stone flooring which may need to be repaired as part of normal home maintenance.

(w) Mold. All buildings contain products that have water, powders, solids and industrial chemicals, which will be used in construction. The water, powders, solids and industrial chemicals will and do contain Mold and chemicals that may cause allergic or other bodily reactions in certain individuals. Leaks, wet flooring and moisture will contribute to the growth of Mold. Declarant is not responsible for any illness or allergic reactions that a person may experience as a result of Mold. It is the responsibility of the Owner and/or Occupant to keep the Residence clean, dry, well ventilated and free of contamination.

(x) Paint. Due to the large quantity of paint used in the project, slight variations in paint shade or sheen may exist from Residence to Residence. Due to the properties within today's paints, paint may yellow somewhat with time. This is a normal occurrence and is therefore not covered as a warranty issue. Avoid washing or scrubbing painted walls. Lightly soiled areas may be cleaned using a sponge with water and lightly wiping over the soiled areas.

(y) Fixtures. Certain materials used for fixtures in the Lots (including, but not limited to, brass/chrome plumbing fixtures, brass/chrome bathroom accessories and brass/chrome light fixtures) are subject to discoloration and/or corrosion over time.

(z) Flooring. Carpets, hardwood floors, and other flooring surfaces are subject to fading and wear over time. Hardwood flooring can be damaged or scratched as a result of normal wear and tear including, but not limited to, moving furniture, wearing footwear in a Residence (particularly high-heeled shoes), and dropping items on the floor. In addition, spaces may appear between boards in hardwood floors due to expansion and contraction of the flooring material. Such damage and scratches are a normal attribute and expected consequence of having hardwood flooring, and such damage and scratches shall not constitute a construction defect.

(aa) Insulation. Insulation thickness may vary depending upon local conditions and construction factors, including, but not limited to, such items as wall openings and plumbing of other structures or obstructions within the walls that displace the insulation. Declarant makes no representation or warranty regarding the same and Declarant is not responsible for any errors or omissions made thereby

(bb) Utility Infrastructure. Declarant and all other builders of homes within the Community make no representation as to the location of mailboxes, utility boxes, street lights, fire hydrants or storm drain inlets or basins.

EXHIBIT "C"

DISCLOSURES

(cc) Plans. Any floor plans, advertising materials, brochures, renderings, drawings, and the like, which purport to depict the homes to be constructed on Lots in the Community or any portion thereof, are merely approximations and do not necessarily reflect the actual as-built conditions of the same. Due to the unique nature of the construction process and site conditions, room dimensions, size and elevations may vary from home to home within the Community.

(dd) Encroachments. Improvements may have been constructed on Adjacent Properties that encroach onto the Community.

(ee) Trees. Trees, plants, shrubbery, rocks and landscaping existing within the Community may be adversely affected or removed during development activities and homebuilding activities within the Community.

(ff) Erosion. There may be drainage systems for surface water runoff within the Community and portions of the Community may be subject to erosion and/or flooding during certain types of weather conditions.

(gg) Sound and Vibrations. Homes on Lots within the Community will not be soundproof, free of vibrations, and sound and vibrations may be transmitted from one Lot to another, from the Common Property to a Lot and from outside of the Community to a Lot. By way of example only, sound and vibrations may be felt from such things as sirens, whistles, horns, the playing of music, equipment being operated, construction activity, building and grounds maintenance being performed, dogs barking, ambulances, airplanes, trains and other generators of sound and vibrations typically found in and around a neighborhood.

(hh) Odors. There may be odors which affect the Community.

(ii) Images and Photography. At various times, Declarant, the builders of homes within the Community and the Association may use exterior images, pictures and photography of the Community, including Lots, for publication, advertising, sales and marketing purposes. Photography and film activities (including bright lighting) related to sales and marketing of the Community may occur at various times of the day within the Community during the Development Period.

(jj) Marketing. From time to time, there may be marketing collateral throughout the Community, including, but not limited to, signs, flags, banners, media advertising, etc. Declarant reserves the right to implement any legal marketing program as deemed necessary to market Lots within the Community. This includes, but is not limited to, the use of model units, signs, flags, banners, media advertising, modifications of model and production units, etc. Declarant also reserves the right to price Lots at, above, or below the current market value in an effort to sell Lots. There are other marketing strategies and incentive plans not noted herein that Declarant reserves the right to implement or discontinue.

(kk) Community and Street Names. The name of the Community and street names within the Community may change.

(ll) Financing. Declarant makes no representations or warranties regarding the present or future availability of financing for the Lots. If any Owners has any concerns about obtaining financing now or in the future for a Lot, such Owner should conduct Owner's own investigations regarding the availability of financing.

EXHIBIT "D"
BK 13965 PG 0216

EXHIBIT "D"

BYLAWS
OF
CAROLETON TOWNHOMES ASSOCIATION, INC.



One Alliance Center, 4th Floor
3500 Lenox Road
Atlanta, Georgia 30326
(404) 926-4500

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BYLAWS
OF
CAROLETON TOWNHOMES ASSOCIATION, INC.

ARTICLE 1. GENERAL

Section 1.1. Applicability. These Bylaws provide for the self-government of Caroleton Townhomes Association, Inc. ("Association"), in accordance with the Articles of Incorporation filed with the Georgia Secretary of State ("Articles of Incorporation") and the Declaration of Covenants, Conditions, and Restrictions for Caroleton Townhomes recorded in the Columbia County, Georgia land records ("Declaration").

Section 1.2. Name. The name of the corporation is Caroleton Townhomes Association, Inc.

Section 1.3. Definitions. The terms used herein shall have their generally accepted meanings or such meanings as are specified in Article 1 of the Declaration.

Section 1.4. Membership. An Owner of a Lot shall automatically become a member of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership. As may be more fully provided below, a member's spouse may exercise the powers and privileges of the member. If title to a Lot is held by more than one (1) Person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) equal vote per Lot. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of that Lot and may be transferred only in connection with the transfer of title.

Section 1.5. Entity Members. In the event an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, partner, trustee, or other designated agent or representative of such legal entity shall be eligible to represent such entity in the affairs of the Association, including, without limitation, serving on the Board of Directors of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity or entities which are the Owner, and termination of the person's relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy will be filled in accordance with these Bylaws.

Section 1.6. Voting. Each Lot shall be entitled to one (1) equal vote, which vote may be cast by the Owner, the Owner's spouse or by a lawful proxy as provided below. When more than one (1) Person owns a Lot, the vote for such Lot shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot. If only one (1) co-Owner attempts to cast the vote for a Lot, it shall be conclusively presumed that such co-Owner is authorized on behalf of all co-Owners to cast the vote for such Lot. In the event of disagreement between or among co-Owners and an attempt by two (2) or more of them to cast such vote or votes, such Persons shall not be recognized and such vote or votes shall not be counted. No Owner shall be eligible to vote, either in person or by proxy, or to act as a proxy for any other member if that Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association or if the Owner has had its voting rights suspended for the infraction of any provision of the Declaration, these Bylaws, or any rule of the Association. If the voting rights of an Owner

have been suspended, that Owner shall not be counted as an eligible vote for purposes of establishing a Majority or a quorum.

Section 1.7. Majority. Unless otherwise specifically stated, the words "Majority vote" means more than fifty percent (50%) of those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or these Bylaws, all decisions shall be by Majority vote.

Section 1.8. Purpose. The Association shall have the responsibility of administering the Community, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Community and performing all of the other acts that may be required to be performed by the Association pursuant to the Georgia Nonprofit Corporation Code and the Declaration. Except as to those matters which the Declaration or the Georgia Nonprofit Corporation Code specifically require to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

Section 1.9. Electronic Documents and Electronic Signatures.

(a) Electronic Documents. Whenever these Bylaws require that a document, record or instrument be "written" or "in writing," the requirement is deemed satisfied by an Electronic Document.

(b) Electronic Signatures. Whenever these Bylaws require a signature, an Electronic Signature satisfies that requirement only if: (i) the signature is easily recognizable as a Secure Electronic Signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (ii) the Board reasonably believes that the signatory affixed the signature with the intent to sign the Electronic Document, and that the Electronic Document has not been modified since the signature was affixed.

(c) Verification and Liability for Falsification. The Board may require reasonable verification of any Electronic Signature or Electronic Document. Pending verification, the Board may refuse to accept any Electronic Signature or Electronic Document that, in the Board's sole discretion, is not clearly authentic. Neither the Board nor the Association shall be liable to any Member or any other Person for accepting or acting in reliance upon an Electronic Signature or Electronic Document that the Board reasonably believes to be authentic. Any Member or Person who negligently, recklessly or intentionally submits any falsified Electronic Document or an unauthorized Electronic Signature shall fully indemnify the Association for actual damages, reasonable attorneys' fees and expenses incurred as a result of such acts.

ARTICLE 2. MEETINGS OF MEMBERS

Section 2.1. Annual Meetings. The regular annual meeting of the members shall be held during the fourth quarter of each year with the date, hour, and place to be set by the Board of Directors. No annual meeting of the Association shall be set on a legal holiday.

Section 2.2. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President or Secretary, by request of any two (2) members of the Board of Directors, or upon written petition of Owners holding at least fifteen percent (15%) of the Total Association Vote. Any such written petition by the members must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of members have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition setting the date, time and location of the meeting (which is not required to be the date, time or location requested in any petition submitted to the Association), and

the Secretary shall send notice of the meeting in accordance with these Bylaws. Any special meeting called pursuant to written petition shall be set within thirty (30) days of the date of the petition.

Section 2.3. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver to the record Owner of each Lot or to the Lots a notice of each annual or special meeting of the Association at least fourteen (14) days but not more than thirty (30) days prior to each annual meeting and at least seven (7) days prior to each special meeting. The notice shall state the purpose of any special meeting, as well as the time and place where it is to be held. The notice of an annual meeting shall state the time and place of the meeting. If any Owner wishes notice to be given at an address other than his or her Lot, the Owner shall have designated by notice in writing to the Secretary or the property manager such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered proper service of notice.

Section 2.4. Waiver of Notice. Waiver of notice of meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 2.5. Quorum. Except as may be provided elsewhere, the presence of Owners, in person or by proxy, entitled to cast twenty percent (20%) of the Total Association Vote shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Owners whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the quorum requirement.

Section 2.6. Adjournment. Any meeting of the Owners may be adjourned from time to time for periods not exceeding ten (10) days by vote of the Owners holding the Majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business that could be transacted properly at the original session of the meeting may be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

Section 2.7. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board or to any Board member or the property manager. Proxies may be revoked only by written notice delivered to the Secretary, except that: (a) the presence in person by the giver of a proxy at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting; and (b) a later dated proxy shall automatically be deemed to invalidate any previously given proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 2.8. Action Taken Without a Meeting. In the Board's discretion, any action that may be taken by the Association members at any annual, regular, or special meeting may be taken without a meeting if the Board delivers a written consent form or written ballot to every member entitled to vote on the matter.

(a) **Ballot.** A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the

action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

The Board may deliver ballots and consent forms by personal delivery, U.S. Mail, facsimile transmission, e-mail, or other electronic means. Owners shall deliver their vote by ballot or consent form by whatever means is specified by the Board.

All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iii) specify the time by which a ballot must be received by the Board in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its file for at least three (3) years.

(b) Written Consent. Approval by written consent shall be valid only when the number of written consents setting forth the actions taken is received and equals or exceeds the requisite Majority of the voting power required to pass such action at a meeting held on the date that the last consent is executed and such action is consented to by the Declarant, if required. Executed written consents shall be included in the minutes or filed with the Association's records. If an action of the members is approved by written consent hereunder, the Board shall issue written notice of such approval to all members who did not sign written consents. Membership approval shall be effective ten (10) days after written notice is issued; provided, however, if the consent is to an amendment to the Declaration or Bylaws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

Section 2.9. Order of Business. The President shall establish the agenda for, and preside at, and the Secretary shall keep the minutes of, all membership meetings. The Board of Directors may establish rules of conduct and the order of business for all membership meetings. When not in conflict with the Declaration, these Bylaws, the Articles of Incorporation or meeting procedures adopted by the Board of Directors, Robert's Rule of Order Newly Revised (latest editions) shall govern all membership meetings. The Board may order the removal of anyone attending a membership meeting who, in the opinion of the Board disrupts the conduct of business at such meeting.

ARTICLE 3. BOARD OF DIRECTORS

Section 3.1. Composition and Eligibility. The affairs of the Association shall be governed by a Board of Directors. Except for directors appointed by the Declarant hereunder, the directors shall be Owners or spouses of such Owners; provided, however, no Owner and his or her spouse may serve on the Board at the same time, and no co-Owners may serve on the Board at the same time. Notwithstanding anything to the contrary herein, nothing in these Bylaws shall be deemed to prohibit an Owner that is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons that owns more than one (1) Lot from appointing a different natural person as the designated agent for each of such Owner's Lots as contemplated in Section 1.5 hereof and each such designated person shall be eligible to serve on the Board at the same time. No persons shall be eligible to be elected to or continue to serve on the Board of Directors if they are shown on the books and records of the Association to be more than thirty (30) days delinquent in the payment of any assessment or charge by the Association.

Section 3.2. Directors Appointed by Declarant. Notwithstanding anything to the contrary herein, Declarant shall have exclusive authority to appoint and remove directors and officers until the earlier of: (a) ten (10) years after the recording of the Declaration in the Official Records, (b) unless Declarant has an unexpired right to submit Additional Property to the Declaration, ninety (90) days after the date as of which one hundred percent (100%) of the Lots shall have been conveyed by Declarant to

Owners other than a Person constituting the Declarant, or (c) the surrender in writing by Declarant of the authority to appoint and remove officers and directors of the Association (the "Declarant Control Period").

Section 3.3. Number of Directors and Term of Office. During the Declarant Control Period, the Board shall consist of at least one (1) director, with the exact number determined by Declarant from time to time. After termination of the Declarant Control Period, the Association shall call a meeting to be held at which Owners shall elect three (3) directors or five (5) directors, the exact number to be determined by Declarant. If such meeting is not the annual meeting, the directors elected shall serve until the next annual meeting. At each annual meeting thereafter, an election shall be held for all the directors. Prior to the annual meeting, the existing Board shall determine if the Board elected at the annual meeting will be composed of three (3) directors or five (5) directors. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 3.4. Removal of Members of the Board of Directors. After expiration of the Declarant Control Period, at any annual or special meeting of the Association duly called, any one (1) or more Board members, except for directors appointed by Declarant hereunder, may be removed with or without cause by a Majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created. Further, any director who is more than thirty (30) days past due in the payment of any assessment or charge shall be automatically removed from the Board of Directors, even if the director subsequently pays the amount owed, and the vacancy shall be filled as provided in Section 3.5 below. Any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings may be removed by the vote of a Majority of the other directors. Any director whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 3.5. Vacancies. Vacancies in the Board caused by any reason, except the removal of a director by a Majority of the Total Association Vote or by Declarant, shall be filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. The successor so selected shall hold office until the next annual meeting. Notwithstanding anything to the contrary herein, any director who is an officer, director or other designated agent of an entity member and whose position becomes vacant for any reason, may be replaced by the entity who is the Owner unless there has been a transfer of ownership of the Lot, in which case, the vacancy shall be filled by the remaining directors, even if less than a quorum at any meeting of the directors.

Section 3.6. Compensation. Directors shall not be compensated for services as such unless and only to the extent that compensation is authorized by a Majority of the Total Association Vote. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors. Directors also may be given nominal gifts or tokens of appreciation by the Association for recognition of services performed, not to exceed a value of One Hundred Dollars (\$100) per calendar year. For purposes hereof, reasonable food and beverages purchased for Board meeting shall not be considered compensation.

Section 3.7. Director Conflicts of Interest. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided that the director's interest is disclosed to the Board and the contract is approved by a Majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the Board. The interested director shall be entitled to be present at any meeting at which the proposed contract is discussed but shall not be entitled to discuss the proposed contract during the discussion. Notwithstanding anything herein, the directors, during the Declarant Control Period, shall be authorized on behalf of the Association to enter into contracts with the Declarant and its affiliates as set forth in Section 14.7 (Services During the Declarant Control Period) of the Declaration.

Section 3.8. Nomination. Nomination for election to the Board shall be made from the floor at the meeting. The Board also may appoint a nominating committee to make nominations prior to the meeting.

Section 3.9. Elections. All members of the Association eligible to vote shall be entitled to cast their entire vote for each directorship to be filled. There shall be no cumulative voting. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes. Voting for election of Board members shall be by written ballot (unless dispensed by unanimous consent at such meeting at which such voting is conducted).

Section 3.10. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every six (6) months. The newly elected Board shall meet within fourteen (14) days after each annual meeting of the membership. Notwithstanding the foregoing, during the Declarant Control Period, the Board shall not be required to hold regular meetings.

Section 3.11. Special Meetings. Special meetings of the Board may be called by the President on two (2) days notice to each director given by regular first class or electronic mail, in person, by telephone, or by facsimile transmission, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by the President, Vice President, Secretary, or Treasurer in like manner and on like notice on the written request of at least two (2) directors.

Section 3.12. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.

Section 3.13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. A Majority of directors shall constitute a quorum for the transaction of business. One (1) or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 3.14. Open Meetings. Board meetings need not be open to all members. However, if the Board permits members to attend Board meetings, then members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session. The Board may order the removal of any meeting guest who, in the Board's opinion, either disrupts the conduct of business at the meeting or fails to leave the meeting upon request after an announcement of reconvening in executive session.

Section 3.15. Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if a Majority of the directors consent to such action in writing, sent via hand delivery, regular first class or electronic mail or facsimile. Such consents must describe the action taken and be signed by no fewer than a Majority of the directors and such consents shall be filed with the minutes of the Board of Directors.

Section 3.16. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all of the powers conferred upon nonprofit corporations by common law, the

statutes of the State of Georgia in effect from time to time, and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in the Articles of Incorporation, these Bylaws, or the Declaration.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in the way of explanation, but not limitation:

(a) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Common Property, Association property, and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(b) making and amending rules and regulations and imposing sanctions for violation thereof, including, without limitation, monetary fines;

(c) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;

(d) making or contracting for the making of repairs, additions, and improvements to, or alterations of the Common Property in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty; and

(e) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners.

Section 3.17. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Board shall use reasonable efforts in any management contract to provide for termination of such contract by the Association with or without cause and without penalty, upon no more than thirty (30) days written notice. No management contract shall have a term in excess of one (1) year.

Section 3.18. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration, or improvement of the Common Property and facilities, and for other purposes, with the approval of a Majority of the Total Association Vote.

Section 3.19. Liability and Indemnification of Officers, Directors and Committee Members. The Association shall indemnify every officer, director, and committee member (including directors, officers, and committee members appointed by Declarant during the Declarant Control Period) against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer, director or committee member, whether or not such person is an officer, director or committee member at the time such expenses are incurred subject to the limitations below. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer, director or committee member in the performance of his or her duties, except for his or her own individual willful misfeasance or malfeasance. The Association, in determining whether to indemnify a director, officer or committee member, shall not impute knowledge to said director, officer or committee member from any source whatsoever; rather, any such determination shall be based on the actual knowledge of the director, officer or committee member. The officers, directors and committee members

shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors and committee members may also be members of the Association), and the Association shall indemnify and forever hold each such officer, director or committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member or former officer or director may be entitled. The Association shall maintain, as a Common Expense, adequate general liability and, if obtainable, officers' and directors' liability insurance to fund this obligation, and the insurance shall be written as provided in the Declaration.

Section 3.20. Architectural Review Committee. After termination of the Declarant Control Period, the Board may establish an Architectural Review Committee for the purpose of establishing and maintaining architectural standards in the Community as provided in the Declaration.

Section 3.21. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 3.22. Service on Committees. Unless otherwise provided in these Bylaws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President and shall serve at the pleasure of the Board of Directors. Any committee member may be removed with or without cause at any time and with or without a successor being named.

ARTICLE 4. OFFICERS

Section 4.1. Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all or any of which may be the same person. A Vice President may be elected at the discretion of the Board.

Section 4.2. Election of Officers. The Association officers shall be elected annually by the Board at the first Board meeting following each annual meeting of the members and shall hold office at the pleasure of the Board and until a successor is elected.

Section 4.3. Removal of Officers. Upon the affirmative vote of a Majority of the members of the Board, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4.4. Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 4.5. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including, but not limited to, the power to appoint committees from among the members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.6. Vice President. The Vice President, if any, shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 4.7. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under Georgia law.

Section 4.8. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the preparation of the budget as provided in the Declaration. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Section 4.9. Other Officers. Other offices may be created by the Board, and the Board members that hold such offices shall have such titles and duties as are defined by the Board.

Section 4.10. Agreements, Contracts, Deeds, Leases, Etc. Except during the Declarant Control Period, all agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors. During the Declarant Control Period all agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Association shall be executed by at least one (1) officer or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE 5. RULE MAKING AND ENFORCEMENT

Section 5.1. Authority and Enforcement. The Community shall be used only for those uses and purposes set out in the Declaration. The Board of Directors shall have the authority to make, modify, repeal and enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Lots and the Common Property, provided that copies of all such rules and regulations shall be furnished to all Owners and Occupants. Any rule or regulation may be repealed by the affirmative vote or written consent of a Majority of the Total Association Vote and the consent of the Declarant during the Declarant Control Period, at an annual or special meeting of the membership. Every Owner and Occupant shall comply with the Declaration, Bylaws and rules and regulations of the Association, and any lack of compliance therewith shall entitle the Association and, in an appropriate case, one (1) or more aggrieved Owners, to take action to enforce the terms of the Declaration, Bylaws or rules and regulations.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot, and to suspend an Owner's right to vote or to use the Common Property for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board to limit ingress and egress to or from a Lot. In the event that any Occupant of a Lot violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, notice of such violation shall be sent to the Owner and Occupant, and the fine shall first be assessed against such Occupant; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association, and the fine shall be an assessment and a lien against the Lot until paid. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

Section 5.2. Fining and Suspension Procedure. The Board shall not impose a fine, suspend the right to vote or suspend the right to use the Common Property (provided, however, if an Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association, suspension of the right to vote and the right to use the Common Property shall be automatic), unless and until the Association has sent or delivered written notice to the violator as provided in subsection (a) below. Any such fine or fines may be effective or commence upon the sending of such notice or such later date as may be set forth in such notice,

notwithstanding the violator's right to request a hearing before the Board to challenge such fine under subsection (b) below.

(a) Notice. If any provision of the Declaration or Bylaws or any rule or regulation of the Association is violated, the Board shall send the violator written notice identifying the violation and fine(s) being imposed and advising the violator of the right to request a hearing before the Board to contest the violation or fine(s) or to request reconsideration of the fine(s). Fine(s) may be effective or commence upon the sending of such notice or such later date specified in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge the fine. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator.

(b) Hearing. If a written request for hearing is received from the violator within ten (10) days of the date of the violation notice provided above, then the Board shall schedule and hold in executive session a hearing affording the violator a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time.

Section 5.3. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations by self-help (specifically including, but not limited to, towing of vehicles that are in violation of the parking rules and regulations or performing maintenance on any Lot (including any improvements therein) upon a failure by the Owner to so do) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth in Section 5.2 above. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

The Association or its duly authorized agent shall have the power to enter a Lot or upon any portion of the Common Property to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declaration, these Bylaws, or the rules and regulations; provided, however, written notice shall be given to the Owner of the Lot at least two (2) days prior to the time that any items of construction are altered or demolished. All costs of self-help, including reasonable attorneys' fees, shall be assessed against the violating Owner and shall be collected as provided herein for the collection of assessments.

ARTICLE 6. MISCELLANEOUS

Section 6.1. Notices.

(a) Method of Giving Notice. Unless otherwise prohibited in these Bylaws, all notices, demands, bills, statements, or other communications shall be in writing and shall be given via:

- (i) Personal delivery to the addressee; or
- (ii) United States mail, first class, postage prepaid; or
- (iii) Electronic mail; or
- (iv) Facsimile; or



(v) A secure web site, provided that notice shall be deemed given via web site only upon proof that the addressee has retrieved the message.

(b) Addressee. Notice sent by one of the methods described in subsection (a) above shall be deemed to have been duly given:

(i) If to an Owner, at the address, electronic mail address or facsimile number which the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such Owner;

(ii) If to an Occupant, at the address, electronic mail address or facsimile number which the Occupant has designated in writing with the Secretary or, if no such address has been designated, at the address of the Lot occupied; or

(iii) If to the Association, the Board or the managing agent, at the postal address, facsimile or electronic mail address of the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary. The Secretary shall promptly provide notice to all Owners of any such change in address.

Section 6.2. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws or the Declaration.

Section 6.3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 6.4. Gender and Grammar. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 6.5. Fiscal Year. The fiscal year of the Association may be set by Board resolution, and, in the absence thereof, shall be the calendar year.

Section 6.6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board and a financial statement prepared. However, after having received the Board's financial statement review at the annual meeting, the Owners, by a Majority of the Total Association Vote, or the Eligible Mortgage Holders, by a vote of a Majority of the Eligible Mortgage Holders, may require that the accounts of the Association be audited as a Common Expense by an independent accountant. Such statement shall be made available to any Mortgage Holder upon submission of a written request and must be available within one hundred twenty (120) days of the Association's fiscal year end or one hundred twenty (120) days after requested by a Majority vote the Eligible Mortgage Holders, whichever occurs later. If an audited financial statement by an independent accountant is not required, any Mortgage Holder may have an audited statement prepared at its own expense.

Section 6.7. Conflicts. The duties and powers of the Association shall be those set forth in the Georgia Nonprofit Corporation Code, the Declaration, these Bylaws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the Georgia Nonprofit Corporation Code, the Declaration, these Bylaws, or the Articles of Incorporation, then the provisions of the Georgia Nonprofit Corporation Code, as may be applicable, the Declaration, the Articles of Incorporation and these Bylaws, in that order,

shall prevail, and each Owner of a Lot, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

Section 6.8. Amendment. These Bylaws may be amended as provided in Section 14.2 of the Declaration.

Section 6.9. Books and Records.

(a) **Right to Inspect.** All members of the Association and any holder of a first Mortgage shall be entitled to inspect the following records at a reasonable time and location specified by the Association, upon written request at least five (5) business days before the date on which the member or Mortgagee wishes to inspect and copy:

(i) its Articles or restated Articles of Incorporation and all amendments to them currently in effect;

(ii) its Bylaws or restated Bylaws and all amendments to them currently in effect;

(iii) resolutions adopted by either its members or Board of Directors increasing or decreasing the number of directors or the classification of directors, or relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;

(iv) the minutes of all meetings of members and records of all actions approved by the members for the past three (3) years;

(v) all written communications to members generally within the past three (3) years, including the financial statements furnished for the past three (3) years;

(vi) a list of the names and business or home addresses of its current directors and officers; and

(vii) its most recent annual report delivered to the Georgia Secretary of State.

(b) **Inspection.** A member may inspect and copy the following records upon written notice at least five (5) business days before the date on which the member wishes to inspect and copy only if the member's demand is made in good faith and for a proper purpose that is reasonably relevant to the member's legitimate interest as a member; the member describes with reasonable particularity the purpose and the records the member desires to inspect; the records are directly connected with this purpose; and the records are to be used only for the stated purpose:

(i) excerpts from minutes of any Board meeting, records of any action of a committee of the Board while acting in place of the Board on behalf of the Association, minutes of any meeting of the members, and records of action taken by the members or the Board without a meeting, to the extent not subject to inspection under Section 6.9(a) above;

(ii) accounting records of the Association; and

(iii) the membership list only if for a purpose related to the member's interest as a member. Without the consent of the Board, a membership list or any part thereof may not be used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the Association; used for any commercial purpose; or sold to or purchased by any person.

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The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the Member.

Notwithstanding anything to the contrary, the Board may limit or preclude member inspection of confidential or privileged documents, including attorney/client privileged communications, executive session meeting minutes, and financial records or accounts of other members. Minutes for any Board or Association meetings do not become effective and an official Association record until approved by the Board or Association membership, as applicable, at a subsequent meeting.