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Clerk of Superior Court Cobb Cty. Ga.

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS
AND EASEMENTS FOR EAST HAVEN**

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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR**

East Haven

THIS DECLARATION is made on the date set forth below by Bishops TH, LLC, a Georgia limited liability company ("Declarant");

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Paragraph 2.1 of this Declaration (the "Property"); and

WHEREAS, Declarant desires to subject the Property to the provisions of this Declaration to create a residential community of attached townhomes and to provide for the subjecting of other real property to the provisions of this Declaration; and

WHEREAS, Declarant desires to create a 55 and older townhome community. The Association, as defined hereinafter, shall be responsible for implementing and maintaining policies, practices, and regulations that evidence the intent to maintain the Community as a 55 and older community so as to maintain its exemption under both the federal and Georgia Fair Housing Acts prohibiting discrimination based on familial status. It is the intent of the Declarant that this Declaration be interpreted in such a manner as to affect and maintain such 55 and older status.

NOW, THEREFORE, Declarant declares that the Property, 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 Property, and shall be binding on all persons having any right, title, or interest in all or any portion of the Property, their respective heirs, legal representatives, successors, successors-in-title, and assigns, and shall be for the benefit of all owners of the Property.

ARTICLE 1.

Definitions

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

(a) "Architectural Review Committee" or "ARC" shall mean the committee established to exercise the architectural review powers set forth in Article 8 hereof, which shall be the Board of Directors of the Association, unless by resolution the Board appoints a separate Architectural Review Committee.

(b) "Area of Common Responsibility" shall mean the Common Property, together with those areas, if any, which by the terms of this Declaration or by agreement with any other Person become the Association's responsibility to maintain.

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 PROPERTY TO THE TERMS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. § 44-3-220, *et seq.*

(c) “Articles” or “Articles of Incorporation” mean the Articles of Incorporation of East Haven Townhome Association, Inc., which has been filed with the Secretary of State of the State of Georgia.

(d) “Association” shall mean East Haven Townhome Association, Inc., a Georgia non-profit corporation, its successors and assigns.

(e) “Board” or “Board of Directors” shall mean the appointed or elected body of the Association, as applicable, having its normal meaning under Georgia corporate law.

(f) “Bylaws” shall mean the Bylaws of East Haven Townhome Association, Inc., attached to this Declaration as Exhibit “B” and incorporated herein by this reference.

(g) “Common Expenses” shall mean the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Community, including, but not limited to, the costs of the common water and sewer bills, stormwater management facilities, and those expenses incurred for maintaining, repairing, replacing, and operating the Common Property and Area of Common Responsibility, or under any utility or other easement agreements recorded in Cobb County, Georgia records which burdens or benefits the Community.

(h) “Common Property” shall mean any and all real and personal property and easements and other interests, together with the facilities and improvements located on the Community, now or in the future owned by the Association, including but not limited to, all landscape and grassy areas not included in a Lot, all alleys, roads and road medians/islands, sidewalks and other concrete and paved areas not included in a Lot, entrance features of signage, stormwater management facilities, all amenities, and all personal property of the Association in any of these areas.

(i) “Community” shall mean and refer to that certain real property and interests therein described in Exhibit “A” attached hereto and incorporated herein by this reference, and such additions hereto as may be made by Declarant or the Association by Supplementary Declaration of other real property.

(j) “Community-Wide Standard” shall mean the standard of conduct, maintenance, or other activity generally prevailing on the Community. Such standard may be more specifically determined by the Board and the ARC. This determination however, must be consistent with the Community-Wide Standard originally established by Declarant.

(k) “Declarant” shall mean and refer to Bishops TH, LLC, a Georgia limited liability company, and such of its successors-in-title who shall (i) acquire, from a predecessor “Declarant,” for the purpose of development or sale, all or any portion of the real property described in Exhibit “A” hereto; and (ii) be designated as the “Declarant” in the deed of transfer by which such successor-in-title shall so acquire its interest in such real property, or by written assignment of Declarant’s rights in an instrument recorded in the Cobb County, Georgia records. In all events there shall only be one (1) “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.

(l) “Domestic Partner” shall mean any adult who cohabitates with an Owner and who has been designated as the Owner’s Domestic Partner in a written statement, signed by the Owner and filed with the Association’s secretary. A person shall no longer be a Domestic Partner upon the secretary’s receipt of a written termination notice, signed by either the Owner or the Domestic Partner.

(m) “Effective Date” shall mean the date that this Declaration is recorded in the Cobb County, Georgia land records.

(n) “Electronic Document” shall mean information created, transmitted, received, or stored by electronic means and retrievable in human perceivable form.

(o) “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.

(p) “Eligible Mortgage Holder” shall mean a holder of a first Mortgage secured by a Lot, who has requested, in writing, notice of certain items under Article 14 hereof.

(q) “Governing Documents” shall mean this Declaration and all exhibits hereto, including the Bylaws, Articles of Incorporation, the Survey and any architectural standards and rules and regulations of the Association, all as may be supplemented or amended from time to time.

(r) “Lot” shall mean a portion of the Community, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, an attached townhome residence site as shown on the Survey. Each Lot consists of a Lot and all improvements thereon, including but not limited to a residence.

(s) “Majority” shall mean those eligible votes, Members, or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

(t) “Member” shall mean any Person who owns any portion of any real property in the Community, but shall not mean the Association or a Mortgage Holder. For purposes hereof, the holder of a tax deed on any portion of the Community shall be deemed a Member, notwithstanding the fact that there may exist a right of redemption on such Lot.

(u) “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.

(v) “Mortgagee” or “Mortgage Holder” shall mean the holder of a Mortgage.

(w) “Occupant” shall mean any Person occupying all or any portion of a Lot for more than ninety (90) days, either consecutive or nonconsecutive, in any calendar year, regardless of whether such Person is a tenant or the Owner of such property. No Occupant under 40 years of age shall be permitted in the Community under the terms of this Declaration absent a specific exception to the contrary found in this Declaration.

(x) “Officer” shall mean an individual who is elected by the Board to serve as President, Vice President, Secretary, or Treasurer, or such other subordinate officers as the Board may determine necessary.

(y) “Owner” shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot located on the Community; excluding, however, any Person holding such interest merely as security for the performance of satisfaction of any obligation.

(z) “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.

(aa) “Secure Electronic Signature” shall mean an electronic or digital method executed or adopted by a party 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 are changed, the electronic signature is invalidated.

(bb) “Supplementary Declaration” shall mean an amendment or supplement to this Declaration that subjects additional property to this Declaration, or imposes additional restrictions and obligations on the Property, or both.

(cc) “Survey” shall mean the plat or plats for East Haven, as amended, recorded in Cobb County, Georgia records. The Survey is incorporated herein by reference as fully as if the same were set forth in its entirety herein.

(dd) “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.

(ee) “Townhome” shall mean any building situated on a Lot that is designed and intended for use and occupancy as a single-family residential home.

ARTICLE 2.

Property Subject to this Declaration; Conveyance and Partition of Common Property

2.1. Property Hereby Subjected to this Declaration. The real property described in Exhibit “A” attached hereto and by this reference made a part hereof is, by the recording of this Declaration, subject to the covenants and restrictions hereafter set forth and, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration.

2.2. Other Property. Only the real property described in Paragraph 2.1 is made subject to this Declaration.

2.3. 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 paragraph.

2.4. Partition of Common Property. The Common Property shall remain undivided, and no Owner or any other Person, but excluding Declarant, 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.

ARTICLE 3.

Association Membership and Voting Rights

3.1. Membership. Every Person who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall automatically be a Member of the Association upon taking title to a Lot, and shall remain a Member for the entire period of ownership. The foregoing is not intended to 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. No Owner, whether one (1) 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 be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a Member or the Member’s spouse, but in no event shall more than one (1) vote be cast for each Lot owned.

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 exercised as those Owners themselves determine and advise the Secretary prior to any meeting. In the absence of such advice, the Lot’s vote shall be suspended in the event more than one (1) Person seeks to exercise it.

ARTICLE 4.

Association Rights and Restrictions; Variances

4.1. Association Rights and Restrictions. 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,

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

(b) to 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 any case, by an aggrieved Owner;

(c) to grant and accept permits, licenses, leases, utility easements, and other easements, permits, licenses or leases necessary for the proper maintenance or operation of the Community under, through, or over the Common Property, as may be reasonably necessary to or desirable for the ongoing development and operation of the Community;

(d) to 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;

(e) to represent and act on behalf of the Association 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;

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

(g) to permanently or temporarily close any portion of the Common Property (excluding (i) any portion of the Common Property, the use of which is reasonably necessary for access to or from a Lot; or (ii) 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;

(h) to 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;

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

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

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

5.2. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association (a) annual assessments or charges; (b) special assessments, such assessments to be established and collected as hereinafter provided; and (c) specific assessments against any particular Lot which are established pursuant to the terms of this Declaration; including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration. All such assessments, together with late charges, interest (not to exceed the maximum rate permitted by law) per annum on the principal amount due; and costs, including, without limitation, reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with late charges, interest, and costs, including, without limitation, reasonable attorney's fees actually incurred, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the assessment fell due. Each Owner shall be personally liable for his or her portion of each assessment coming due while he or she is the Owner of a Lot, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of 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.

Annual assessments shall be levied at a uniform rate per Lot and shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration, upon ten (10) days written notice, of the annual assessment for delinquents. Unless otherwise provided by the Board, the annual assessment shall be paid in monthly installments.

5.3. Computation of Annual Assessment. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, and, if necessary, a capital contribution or reserve in accordance with a capital budget separately prepared. The common assessment to be levied against each Lot for the coming year shall be set at a level which is reasonably expected to produce total revenue to the Association equal to the total budgeted operating costs of the Association. The Board shall cause the proposed budget and assessments to be levied against each Lot for the following year to be delivered to each Member at least thirty (30) days prior to the end of the current fiscal year (or at least thirty (30) days prior to the due date of the first installment in the case of the initial budget). The budget and the assessment shall become effective unless disapproved at a meeting by a Majority of the Total Association Vote. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget, or the Board fails for any reason so 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 then current year shall continue for the succeeding year.

5.4. Special Assessments. In addition to the other assessments authorized herein, the Association may levy special assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any special assessment which would cause the average total of special assessments levied in one (1) fiscal year to exceed Five Hundred Dollars (\$500.00) per Lot shall be approved by a Majority of the Total Association Vote prior to becoming effective. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed. Notwithstanding anything to the contrary stated herein, for so long as Declarant owns any property for development and/or sale in the Community, any proposed special assessment by the Association shall also require the approval of Declarant.

5.5. Lien for Assessments. All sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, and costs, including, without limitation, reasonable attorney's fees actually incurred as provided herein, shall be secured by a lien on such Lot in favor of the Association, and the Association shall be entitled to file such a lien in the land records of Cobb County, Georgia. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes and (b) liens for all sums unpaid on a first Mortgage or on any Mortgage to Declarant duly recorded in the land records of Cobb County, Georgia, and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument.

All other Persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded in such records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

5.6. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments or installments thereof which are not paid when due shall be delinquent. Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board may from time to time determine, which shall not exceed ten percent (10%) of the assessment payment. The Association shall cause a notice of delinquency to be given to any Member who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien, as herein provided, shall attach and, in addition, the lien shall include interest, not to exceed the maximum rate permitted by law per annum, on the principal amount due from the date first due and payable, all late charges, all costs of collection, including, without limitation, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of such charges as a debt, or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the same. In addition to the other remedies provided herein, the Association shall have the right to suspend the voting rights of an Owner for any period during which any assessment against such Owner's Lot which is hereby provided for remains unpaid.

In the event that any assessment or other charge is delinquent for sixty (60) days, and the amount owed is in excess of the dollar amount equal to three (3) times the monthly assessment owed by an Owner, then, in addition to all other rights provided herein, upon no less than ten (10) days' written notice, the Association shall have the right to suspend any utility or services to the Lot paid for as a Common Expense by the Association. Any costs incurred by the Association in discontinuing and/or reconnecting any utility or service, including reasonable attorney's fees actually incurred, shall be an assessment against the Lot. The utility or service shall not be required to be restored until all sums owed to the Association 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. § 16-8-5.

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 on 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.

All payments shall be applied first to costs and reasonable attorney's fees actually incurred, then to late charges, then to interest and then to delinquent assessments.

5.7. Date of Commencement of Assessments.

(a) Assessments shall commence as to a Lot on the day on which such Lot is conveyed to a Person other than Declarant. Declarant shall not be responsible for the payment of any type of assessment; provided, however, assessments shall commence on Lots containing occupied Townhomes that are owned by Declarant on the first day of the month following the occupancy of the Townhome. The first assessment shall be adjusted according to the number of months then remaining in that fiscal year. Subsequent assessments shall be due and payable on the first business day of the Association's fiscal year, unless provided otherwise by the Board of Directors.

(b) Any Lot that has been approved by Declarant for use as a model home for marketing and sales purposes shall not be deemed to be occupied for residential purposes, and shall not be subject to assessments under this Declaration, whether owned by Declarant or any other Person, so long as such Lot is approved for use as a model home and is not occupied for residential purposes.

5.8. Specific Assessments. The Board shall have the power to specifically assess pursuant to this paragraph as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this paragraph 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 paragraph in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this paragraph. Fines levied pursuant to Article 5 of the Bylaws, and the costs of maintenance performed by the Association for which the Owner is responsible for under Paragraphs 12.1 and 12.2 of this Declaration, shall be specific assessments. The Board may also specifically assess Owners for the following Association expenses:

(a) expenses of the Association which benefit less than all of the Lots in the Community may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; and

(b) expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

5.9. Budget Deficits During Declarant Control. For so long as Declarant owns any property for development and/or sale in the Community, Declarant may, but shall not be obligated to, reduce the assessment for any fiscal year by paying a subsidy on such terms and under such circumstances as Declarant in its sole discretion may decide. However, any Declarant subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget. If Declarant elects to pay a subsidy, the amount of the subsidy shown on the budget shall be an estimate only, and Declarant shall be obligated to fund such subsidy only to the extent of any operating deficit, if any, between the actual operating expenses of the Association and the sum of annual assessments, common assessments, special assessments, and specific assessments collected by the Association in any fiscal year, and such advances shall be evidenced by promissory notes from the Association in any assessment year. The payment of a subsidy in one (1) year shall under no circumstances obligate Declarant to continue payment of a subsidy in future years; provided, however, Declarant shall be responsible for assessments to the extent required by Paragraph 5.8. Declarant, in its sole discretion, may choose to characterize all such subsidized amounts expended to offset any actual operating deficit of the Association as loans to the Association, which, at Declarant's request, shall be evidenced by a promissory note(s) from the Association to Declarant. Such promissory note(s), if any, shall be due and payable upon demand, with interest at the rate of ten percent (10%) per annum after demand, unless otherwise negotiated and agreed to by the Association and Declarant.

Declarant's option to subsidize the assessment may be in the form of cash, or by "in kind" contributions of services or materials, or a combination of these. The amount by which monetary assessments shall be decreased as a result of any in kind contribution shall be the fair market value of the contribution. If Declarant or its affiliate, as the case may be, and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and Declarant or its affiliate, as the case may be, cannot agree as to the value of any contribution, Declarant or its affiliate, as the case may be, shall supply the Association with a detailed explanation of the services performed and materials furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors, approved by Declarant or its affiliate, as the case may be, who are in the business of providing such services and materials. If the Association and Declarant or its

affiliate, as the case may be, are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

5.10. Capital Reserve Budget and Contribution. [Intentionally Deleted]

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 an amount determined at the discretion of the Board. In the event such initiation fee is not paid in accordance with this paragraph, such amount shall be a specific assessment against such Lot. 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 Declarant Control Period. Notwithstanding anything to the contrary herein, no initiation fee shall be due from (i) any grantee who is the Domestic Partner, spouse or former spouse of the grantor; (ii) any grantee that is a wholly-owned entity of the grantor; (iii) any grantee to whom a Lot is conveyed by a will or through the law of intestacy; or (iv) any grantee of a Lot who obtains title pursuant to judicial or nonjudicial 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). This 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 paragraph.

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 fee, not exceeding Ten Dollars (\$10.00) or such higher amount as may be determined by the Board of Directors, 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.

Insurance and Casualty Losses

6.1. Insurance on Common Property. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property and, at the option of the Board of Directors, shall have the authority, but not the obligation, to obtain insurance for the Townhomes and other improvements on Lots. This insurance shall include fire and extended coverage, including coverage for vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

6.2. Liability Insurance. The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents in their capacities as such. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00).

6.3. Premiums and Deductible on Association Policies. Premiums for all insurance obtained by the Association shall be a Common Expense of the Association. The policies may contain a reasonable deductible, and the deductible amount shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

6.4. Policy Terms. All insurance coverage obtained by the Board shall be written in the name of the Association, as trustee, for the respective benefited parties, as further identified in subparagraph (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

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

(b) All policies on the Common Property shall be for the benefit of the Association and its Members.

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

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

(e) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement, if these are reasonably available, and all insurance policies shall be reviewed annually by one (1) or more qualified persons, at least one (1) of whom must be in the real estate industry and familiar with construction in the county where the Community is located.

(f) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Board, its manager, the Members and their respective tenants, servants, agents, and guests;

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

(iii) a provision that no policy may be canceled, invalidated, or suspended on account of any one or more individual Members;

(iv) a provision that no policy may be canceled, invalidated, suspended, or subjected to non-renewal on account of any default or the conduct of any director, Officer, or employee of the Association or its duly authorized manager, without prior demand, in writing, delivered to the Association, to cure the default or to cease the conduct, and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Member or Mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Members' policies from consideration; and

(vi) that no policy may be canceled or substantially modified or subjected to non-renewal without at least thirty (30) days' prior written notice to the Association.

6.5. Additional Association Insurance. In addition to the other insurance on the Common Property, the Board shall obtain directors' and officers' liability coverage, worker's compensation insurance (if and to the extent necessary to satisfy the requirements of applicable laws), and a fidelity bond or bonds on directors, Officers, employees, and other Persons handling or responsible for the Association's funds, or dishonesty insurance. The amount of fidelity coverage or dishonesty insurance shall be determined in the directors' best business judgment, but if reasonably available, shall not be less than one-fourth (1/4) of the annual assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during the term of the bond; provided, however, fidelity coverage herein required may be reduced based on financial controls which take one (1) or more of the following forms: (a) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services, and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (c) two (2) Board members must sign any checks written on the reserve account. Bonds shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation, and may not be canceled, substantially modified, or subjected to non-renewal without at least thirty (30) days prior

written notice to the Association. The Association shall also obtain construction code endorsements and flood insurance, if and to the extent necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs ("VA"), or the U.S. Department of Housing and Urban Development ("HUD").

6.6. Insurance Deductibles. In the event of an insured loss under the Association's casualty policy, any required deductible shall be considered a maintenance expense to be paid by the Person or Persons who would be responsible for such loss in the absence of insurance. If any owner of any Lot fails to pay the deductible when required hereunder, then the Association can pay the deductible and assess the cost to the Owner(s) pursuant to Paragraph 5.8 hereof.

6.7. Insurance Rates. Nothing shall be done or kept in the Community that will increase the rate of insurance on any portion of the Community insured by the Association, or that would be in violation of the law. No Owner, Occupant or guest shall keep any explosive or flammable materials.

6.8. Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket "all-risk" property insurance on its Lot and structures constructed thereon, providing full replacement cost coverage (less a reasonable deductible), unless the Association carries such insurance (which they are not obligated to do hereunder). If reasonably available, the casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an "all-risk" policy, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. If all-risk coverage is not reasonably available, Owner shall obtain, at a minimum, fire and extended coverage on his or her Lot and structures constructed thereon, including, but not limited to, a Townhome, meeting the same requirements as set forth in Paragraph 6.4 hereof for insurance on the Common Property. The deductible amount per occurrence for coverage obtained by an Owner shall not exceed Five Thousand Dollars (\$5,000.00). The policies required hereunder shall be in effect at all times. Upon request by the Association, an Owner shall furnish a copy of his/her insurance policy or policies to the Board. In the event that any Owner fails to obtain and maintain insurance, as required by this paragraph, the Association may purchase such insurance on behalf of the Owner, and specifically assess the cost thereof to the Owner pursuant to Paragraph 5.8 hereof, to be collected in the manner provided for collection of Common Expenses under this Declaration.

Each Owner further covenants and agrees that in the event of damage and destruction of structures located on his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structures in a manner consistent with the original construction, or such other plans and specifications as are approved in accordance with this Declaration. The Owner shall pay any costs of repair or reconstruction that is not covered by insurance proceeds.

6.9. Repair and Reconstruction after Casualty Damage. In the event of damage to or destruction of all or any part of the Common Property as a result of fire or other casualty, unless Declarant and eighty percent (80%) of the Owners vote not to proceed with the reconstruction and repair of the structures, the Board or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structures. In the event of substantial damage or destruction, each institutional holder of a first Mortgage on the Common Property, if any, shall be entitled to written notice of the damage.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to the Common Property, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building 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 the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, 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 shall be made against all of the Owners without the necessity of a vote

of the Members or compliance with Paragraph 5.4 above. If, after repair and reconstruction is completed, there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Common Property was originally constructed, except where changes are necessary to comply with current applicable building code. To the extent insurance proceeds are available, the Association may reconstruct or repair additional improvements to the Common Property damaged as a result of fire or other casualty.

(d) Encroachments. Encroachments upon or in favor of Lots that may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the owner of the Lot upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Common Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty, and the funds collected by the Association from assessments against Lots on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this paragraph, to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), owners and/or personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board.

ARTICLE 7.

Condemnation

In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless Owners holding at least eighty percent (80%) of the Total Association Vote other than Declarant, and Declarant otherwise agree within sixty (60) days after the taking, the Association shall restore or replace the improvements taken on the remaining land included in the Common Property to the extent lands are available. Declarant's vote is required hereunder for so long as Declarant owns any property for development and/or sale in the Community. The provisions of Paragraph 6.9 above, applicable to Common Property improvements damage, shall govern replacement or restoration, and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE 8.

Architectural Controls

8.1. During Declarant Control. During the time in which Townhomes are being constructed on Lots located in the Community, and all Lots have not been sold and closed to a Person other than Declarant (unless occupied), there shall be no Architectural Control Committee ("ARC"), and all encroachments onto the Common Property and any exterior change, alteration or construction on a Lot (including painting, regrading, altering or replacing any mailbox, if any, and making landscaping modifications), and any erection, placement or posting of any object, sign, clothesline, playground equipment, light, storm door or window, artificial vegetation, exterior sculpture, fountains, flags or thing on the exterior of any Lot, on a Townhome located on a Lot, in any windows of the Townhome (except window treatments as provided herein), must receive the prior written approval of Declarant. Granting or withholding such approval shall be within the sole discretion of Declarant. Notwithstanding anything to the contrary stated herein, the initial improvements constructed in the Community, and all architectural modifications thereto that are made by Declarant shall not be subject to approval pursuant to this Article.

8.2. After Declarant Control. After such time as the Townhomes have been constructed on Lots located in the Community, and all Lots have been sold and closed to a Person other than Declarant (unless occupied), an Architectural Review Committee shall be appointed by the Board of Directors, which shall consist of the Board, unless the Board delegates to other Persons the authority to serve on the ARC. Except for Declarant, no Owner, Occupant, or any other Person may make any encroachment onto the Common Property, or make any

exterior change, addition, alteration, or construction (including painting, regrading, altering or replacing any mailbox, if any, and making landscaping modifications), or erect, place or post any object, sign, clothesline, playground equipment, light, storm door or window, artificial vegetation, exterior sculpture, fountains, flags or thing on the exterior of any Lot, on a Townhome located on a Lot, or in any windows of the Townhome (except window treatments as provided herein), without first obtaining the written approval of the ARC.

Notwithstanding anything to the contrary herein, the ARC shall have the authority to select and employ professional consultants to assist it in discharging its duties, the cost of such consultants to be paid by the Owner of any Lot for which plans and specifications have been submitted for approval. The Owner of any such Lot shall be responsible for paying the full costs of each review, whether or not submitted plans and specifications are approved by the ARC, and the ARC may require payment of all such costs prior to approval of plans and specifications. The ARC also may charge reasonable fees to cover the cost of review or inspections performed hereunder, and any such fees shall be published in the architectural standards for the Community.

The standard for approval of such improvements shall include, but not be limited to (1) aesthetic considerations, (2) materials to be used, (3) compliance with the Community-Wide Standard, this Declaration, or the architectural standards which may be adopted by the Board or ARC, (4) harmony with the external design of the existing buildings, Lots and structures, and the location in relation to surrounding structures and topography, and (5) any other matters deemed to be relevant or appropriate by the Board or ARC.

Applications for approval of any such architectural modification shall be in writing, and shall provide such information as the ARC may reasonably require. The ARC or its designated representative (including, but not limited to the architect of the original floor plans of a Townhome) shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board or the ARC may publish written architectural standards for exterior and Common Property alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Lots and the location in relation to surrounding structures and topography of the vicinity.

The ARC or the Board, subject to Paragraph 8.1 hereof, may allow such encroachments on the Common Property as it deems acceptable.

If the ARC or its designated representative fails to approve or to disapprove such application within forty-five (45) days after the application, and such information as the ARC may reasonably require shall have been submitted, its approval will not be required and this paragraph will be deemed complied with; provided, however, even if the requirements of this paragraph are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, the Bylaws, the architectural standards, the Association's rules and regulations, or applicable zoning ordinances.

This Article shall not apply to the activity of Declarant, nor to constructions or improvements or modifications to the Common Property by or on behalf of the Association.

8.3. Alterations to the Interior of a Townhome. Except as provided herein, no Owner or Occupant shall make any changes, alterations, modification or construction to the interior of a Townhome that involves connecting to a pipe, line, conduit and/or other apparatus for access to common utilities, or places an excessive load on any structural or load bearing portions of a Townhome, or otherwise negatively impacts the structural integrity of the Townhome and any adjoining Townhomes, without first obtaining the prior written approval of the ARC. Such approval shall not be granted by the ARC unless the Owner has presented to the ARC a report and/or drawing prepared by a licensed structural engineer showing that compensating measures will be taken to ensure the structural integrity of the Townhome and any adjoining Townhomes. All building code requirements must be complied with, and necessary permits and approvals for the proposed change, alteration, modification or construction shall be secured by an Owner at Owner's sole expense.

8.4. Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest,

shall assume all responsibilities for maintenance, repair, replacement and insurance to and on such change, modification, addition, or alteration, unless such responsibilities are assumed by the Association pursuant to a written agreement. In the discretion of the Board or the ARC, an Owner may be made to verify such condition of approval by written instrument, in recordable form, acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

8.5. Limitation of Liability. Review and approval of any application pursuant to this Article 8 may be made on any basis, including solely the basis of aesthetic considerations, and neither the Board nor the ARC shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Association, the Board, the ARC, or any member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design or quality of approved construction on or modifications to any Lot.

8.6. No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board and the ARC will change from time to time, and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval of either the Board or the ARC of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval of the Board or the ARC, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever, subsequently or additionally submitted for approval or consent.

8.7. Enforcement. Any construction, alteration, or other work done in violation of this Article 8, the Declaration, the Bylaws or the architectural standards, shall be deemed to be nonconforming. Upon written request from the Board, Owners shall, at their own cost and expense, remove such construction, alteration, or other work, and shall restore the property 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 thereof, including reasonable attorney's fees actually incurred, may be assessed against the violating Lot.

In addition to the above, the Board shall have the authority and standing, on behalf of the Association, to impose reasonable fines, and to pursue all legal and equitable remedies available, to enforce the provisions of this Article 8 and its decisions or those of the ARC. Furthermore, the Board shall have the authority to record in the Cobb County land records notices of violation of the provisions of this Article 8.

If any Owner or Occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Property in violation of this Article 8, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction remain on the Common Property without reimbursement to the Owner or Occupant for any expense he or she may have incurred in making the change, alteration or construction.

8.8. Commencement of Construction. All improvements approved by the ARC hereunder must be commenced within six (6) months from the date of approval. If not commenced within six (6) months from the date of such approval, then such approval shall be deemed revoked by the ARC, unless the ARC gives a written extension for commencing the work. All work approved by the ARC hereunder shall be completed within ninety (90) days of commencement, unless otherwise agreed in writing by the ARC. Not less than the entire work approved by the ARC shall be performed unless otherwise agreed in writing by the ARC.

8.9. Approval of Contractors, Landscapers and Architects. Any contractor, landscaper or architect, prior to performing any work on any Lot, must first be approved by Declarant, or the ARC if there no longer is a Declarant, as to financial stability, building, landscaping or design experience and ability to build, landscape or design structures or grounds of the class and type of those which are to be built in the Community. Such approval may be granted or withheld in the sole and uncontrolled discretion of the ARC. Moreover, no Person shall be approved as a contractor, landscaper or architect unless such Person obtains his income primarily from construction, landscaping or design of the type which the contractor, landscaper or architect is to perform upon the Lot, and has

provided Declarant or the ARC, as applicable, evidence of public liability insurance and worker's compensation insurance of a type and amount determined to be appropriate by Declarant or the ARC, as applicable.

ARTICLE 9.

Use Restrictions and Rules

9.1. Restrictions on Occupancy. Subject to the rights reserved to Declarant elsewhere in this Declaration, the Lots within the Community are intended for the housing of persons fifty-five (55) years of age or older. The provisions of this Section 9.31(a) are intended to be consistent with, and are set forth in order to comply with the Fair Housing Amendments Act, 42 U.S.C. §3601 *at seq.* (1988), as amended, the exemption set out in 42 U.S.C. §3607(b)(2)(C), and the regulations promulgated thereunder (collectively, as may be amended, the "Act") allowing discrimination based on familial status. Declarant or the Association, acting through the Board, shall have the power to amend this Section, without the consent of the Members or any Person except Declarant, for the purpose of maintaining the age restriction consistent with the Act, the regulations adopted pursuant thereto, and any related judicial decisions in order to maintain the intent and enforceability of this Section.

i. Each occupied Townhome shall at all times be occupied by at least one person fifty-five (55) years of age or older (a "Qualified Occupant"); however, in the event of the termination of Occupancy of a person who was the sole Occupant fifty-five (55) years of age or older of a Townhome, any Qualified Occupant may continue to occupy the same Dwelling Unit as long as the provisions of the Act are not violated by such Occupancy.

ii. No person under the age of forty (40) shall occupy a Townhome. Notwithstanding anything to the contrary in this Declaration, a caregiver residing in a Townhome while providing services to a Qualified Occupant shall not be deemed an Occupant under the Declaration.

iii. Nothing in this Section shall restrict the ownership of or transfer of title to any Townhome; provided, no Owner under the age of fifty-five (55) may occupy a Townhome unless the requirements of this Section are met nor shall any Owner permit Occupancy of the Townhome in violation of this Section. Owners shall be responsible for including a statement that the Townhomes within East Haven are intended for the housing of persons fifty-five (55) years of age or older, as set forth in this Section, in conspicuous type in any lease or other occupancy agreement or contract of sale relating to such Owner's Townhome, which agreements or contracts shall be in writing and signed by the tenant or purchaser, and for clearly disclosing such intent to any prospective tenant, purchaser, or other potential occupant of the Townhome. Every lease of a Townhome shall provide that failure to comply with the requirements and restrictions of this Section shall constitute a default under the lease.

iv. Any Owner may request in writing that the Board make an exception to the requirements for a Qualified Occupant of this Section with respect to a Townhome, based on documented hardship. The Board may, but shall not be obligated to, grant exceptions in its sole discretion, provided that all of the requirements of the Act would still be met.

v. In the event of any change in Occupancy of any Townhome, as a result of a transfer of title, a lease or sublease, a birth or death, change in marital status, vacancy, or otherwise, the Owner of the Townhome shall immediately notify the Board in writing and provide to the Board the names and ages of all current Occupants of the Townhome and such other information as the Board may reasonably require to verify the age of each occupant required to comply with the Act. In the event that an Owner fails to notify the Board and provide all required information within ten (10) days after a change in Occupancy occurs, the Association may levy monetary fines against the Owner and the Townhome for each day after the change in Occupancy occurs until the Association receives the required notice and information, regardless of whether the occupants continue to meet the requirements of this Article, in addition to all other remedies available to the Association under this Declaration and Georgia law.

9.2 General. This Article 9, beginning with Paragraph 9.2, 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 Paragraph 16.1 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 by Declarant, for so long as Declarant owns any property for development and/or sale in the Community, or by a Majority of the Total Association Vote, at a regular or special meeting. Notwithstanding the above, for so long as Declarant owns any property for development and/or sale in the Community, no rules and regulations which affect Declarant may be adopted, modified, or deleted without the written consent of Declarant.

9.3 Residential Use. 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, except that the Owner or Occupant residing in a Townhome on a Lot may conduct such ancillary business activities within the Townhome so long as:

- (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Townhome;
- (b) the business activity does not involve visitation of the Townhome by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a residential Townhome without business activity;
- (c) the business activity conforms to all zoning requirements for the Community;
- (d) the business activity does not increase traffic in the Community in excess of what would normally be expected for Townhomes in the Community without business activity (other than by deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services);
- (e) the business activity does not increase the insurance premium paid by the Association, or otherwise negatively affect the Association's ability 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, and does not otherwise violate any other provision of the Association's legal instruments, as determined in the Board's discretion; and
- (g) the business activity does not result in a materially greater use of 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) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the use of a Lot by an on-site management company operating on behalf of the Association shall not be considered a trade or business within the meaning of this paragraph.

9.4 Number of Occupants. The maximum number of occupants in a Townhome shall be limited to two (2) people per bedroom in the Townhome. "Occupancy," for purposes hereof, shall be defined as staying overnight in a Townhome for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any calendar year. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988, or any amendments thereto.

If an Owner of a Lot is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the Townhome. The designated Person(s) to occupy the Townhome may not be changed more frequently than once every six (6) months.

9.5 Use of Common Property. There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on any part of the Common Property without the prior written consent of the Association, except as specifically provided herein.

With the prior written approval of the Board of Directors, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Property for use for a period of time as set by the Board. The Board of Directors shall be permitted to charge such Owner or Owners reasonable fees, as determined in the Board's sole discretion, in connection with the reservation and use of any portion of the Common Property. Any such Owner or Owners who reserve a portion of the Common Property as provided herein shall assume, on behalf of himself/herself/themselves and his/her/their guests, Occupants and family, all risks associated with the use of the Common Property, and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

9.6 Occupants Bound. All provisions of the Declaration, Bylaws and of any rules and regulations, use restrictions or design guidelines promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to Occupants, even though Occupants are not specifically mentioned. The Owner shall be responsible for ensuring that an Occupant, and the guests, invitees and licensees of an Owner or Occupant, strictly comply with all provisions of the Declaration, Bylaws, and any rules and regulations adopted by the Board of Directors. Fines may be levied against Owners or Occupants. If a fine is levied against an Occupant and is not timely paid, the fine may then be levied against the Owner.

9.7 Signs. Except as may be required by legal proceedings, no signs, advertising posters 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 four inches (4") by four inches (4") in size may be displayed from within a Townhome, and one (1) professionally lettered "For Sale" sign not to exceed two feet (2') by two feet (2') in size may be displayed from within the Townhome offered for sale. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association. The Board also shall have the authority to adopt regulations permitting temporary signs on Lots announcing births, birthdays or other events for limited periods of time. This Paragraph 9.6 shall not apply to Declarant.

9.8 Vehicles and Parking. Vehicles permitted under this paragraph shall be parked in areas specified herein or in designated areas authorized in writing by the Board. No Owner or Occupant may keep or bring onto the Community more than a reasonable number of vehicles per Lot at any time, as determined by the Board; provided, however, the Board may adopt reasonable rules limiting the number of vehicles that may be parked at the Community and the designated location thereof.

Disabled and stored vehicles are prohibited from being parked on the Community. For purposes of this Paragraph 9.6, 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 for fourteen (14) consecutive days or longer without being driven and without prior written Board permission.

Boats, trailers, buses, panel trucks, trucks with a load capacity of one (1) ton or more, vans (excluding mini-vans or 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 Sheriff's, Marshall's or police officer's vehicles marked as such, are also prohibited from being parked on the Community. Notwithstanding the foregoing, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Community during normal business hours for the purpose of serving any Lot or the Common Property; provided, however, no such vehicle shall remain on the Lot or the Common Property overnight for any purpose unless prior written consent of the Board is first obtained.

If any vehicle is parked on any portion of the Community in violation of this paragraph or in violation of the Association's rules and regulations, the Board 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 a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the Community stating the name and telephone number of the person or entity which will do the towing or booting. 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 vehicle may be towed or booted in accordance with the notice, without further notice to the vehicle owner or user.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to a Lot, 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 vehicle may be towed immediately. If a vehicle is towed or booted in accordance with this paragraph, 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 activity. The Association's right to tow or boot is in addition to, and not in limitation of, all other rights of the Association, including the right to assess fines. 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.

9.9 Garages. All garages shall be maintained as garages capable of holding the maximum number of vehicles for which they were designed. No garage shall be enclosed or converted to a use other than as a garage without prior approval of the ARC. No Owner or Occupant of a Lot that includes a garage shall park his or her car or other motor vehicle on any portion of the Community, other than in the garage; provided, however, if the maximum number of cars or similarly sized motor vehicles which can be parked in the garage according to its design capacity are already parked in said garage, the Owner or Occupant of a Lot may park on the driveway of such Lot. Garage doors shall remain closed at all times, except for necessary use, ingress, and egress.

9.10 Garage Sales. No garage sale, yard sale, flea market, or similar activity shall be conducted in any portion of the Community without prior written Board consent. If so permitted, any such activities shall be subject to all reasonable conditions that the Board may impose.

9.11 Animals and Pets. No Owner or Occupant may keep any animals on any portion of the Community except as expressly permitted in this subparagraph. An Owner or Occupant shall keep no more than two (2) dogs and/or cats (for a combined total of two (2) per Lot), and a reasonable number of other generally recognized household pets, as determined in the Board of Director's sole discretion, weighing less than two (2) pounds each (including by way of illustration, but not limitation, fish, gerbils and small birds). 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, such as dog houses and dog runs, shall be constructed or maintained on part of the Community without prior written ARC approval. No pets are allowed on any portion of the Common Property except for the designated dog walk area, if any. Notwithstanding the foregoing, pets must be kept on a leash and be under the physical control of a responsible person at all times when on the Common Property and on the Lot of another Owner. Feces left by pets upon the Common Property must be immediately removed by the owner of the pet or the person responsible for the pet.

No potbellied pigs, snakes, or other animals determined in the Board's sole discretion to be dangerous may be brought onto or kept on the Community at any time. Furthermore, any pet that is permitted to roam free, or, in the Board's sole discretion, endangers the health of any Owner or Occupant, makes objectionable noise, or constitutes a nuisance or inconvenience to the Owners or Occupants, or to the owner of any property located adjacent to the Community, may be permanently removed by the Board from the Community upon seven (7) days written notice to the owner of such pet. If the Owner or Occupant fails to remove the pet from the Community, the Board may remove the pet. Notwithstanding the foregoing, any pet which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any Community Member may be removed by the Board without prior written notice to the pet's owner.

All Owners and Occupants keeping pets within the Community shall comply with all applicable governmental ordinances and regulations. Without prejudice to the Board's right to remove any such household pets, the Board may prohibit a household pet that has caused damage or injury from being walked in the Community. Animal control authorities shall be permitted to enter the Community to patrol and remove pets. Pets shall also be registered, licensed and inoculated as required by law. Furthermore, any Owner or Occupant who keeps or maintains any pet upon the Community shall be deemed to have agreed to indemnify and hold the

Association, its 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.

9.12 Prohibition of Damage, Nuisance and Noise. The Townhomes are built in close proximity to one another, resulting in the sharing of common walls. As a result, noise and vibration may be detectable between Townhomes. Therefore, an Owner or Occupant shall not conduct activities within a Townhome or on any portion of the Community in a manner that interferes with or causes disruption to the use and quiet enjoyment of another Townhome by its respective Owner and Occupant; including, without limitation, the use of stereo speakers or equipment that will, in the reasonable discretion of the Board of Directors, interfere with the rights, comfort or convenience of other Owners or Occupants. Furthermore, 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. Notwithstanding the foregoing, any siren or device for security purposes shall contain a device that causes it to automatically shut off within fifteen (15) minutes.

It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. No Lot on 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. Moreover, no substance, thing, or material may be kept on any portion of the Community that will discharge foul or obnoxious odors, or that will cause any noise or other condition that will or might disturb the surrounding property. Furthermore, no noxious, destructive or offensive activity shall be conducted within any portion of the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property on the Community. No Owner or Occupant shall maintain any plants or animals 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.

No damage to or waste of the Common Property, or any part thereof, shall be permitted by any Owner or member of his or her family, or any invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or Occupants of his or her Lot.

Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

9.13 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 and other mechanical devices, shall not be pursued or undertaken on any part of the Community. Clothing, clotheslines, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Townhome. Only appropriate outdoor items, such as neatly stacked firewood, patio furniture and grills may be kept on the patio or landing serving the Lot.

9.14 Window Treatments. All windows in a Townhome must have window treatments. The color of all window treatments visible from outside the Townhome must be white or off-white. No foil or other reflective materials shall be used on any window for sunscreens, blinds, shades or for any other purpose. Bed sheets and/or towels shall not be used as window treatments.

9.15 Air Conditioning Units. Except as may be permitted by written consent of the ARC, no window air conditioning units may be installed. Unless otherwise placed on a Lot by Declarant, condensing units for air conditioners shall only be located in the rear or along the side of a Townhome.

9.16 Antennas and Satellite Dishes. Except as provided below, 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 (1) meter in diameter shall be placed, allowed or maintained upon the Community.

(c) DBS and MMDS satellite dishes or antennas one (1) meter or less in diameter, and television broadcast service antennas, may only be installed 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.

In the event of a transfer of a Lot which 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.

9.17 Fences. No fence or fencing-type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Community, including any Lot, without the prior written consent of the ARC. Any approved fence must provide gate access with a minimum of a 48" width for yard maintenance equipment.

9.18 Recreational Areas. Any recreational area or other areas or equipment located on the Common Property, if any, shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof. No equipment (including basketball goals) shall be erected, installed or placed on any Lot without the prior written consent of the ARC.

9.19 Rubbish, Trash, and Garbage Disposal. The Board will approve a sole third-party provider for household trash removal services. All Owners and Occupants must use and contract directly with the designated provider for services. All garbage or trash receptacles shall be kept in garages. Only on the day of garbage pick-up may the receptacles be placed at the curb for pick-up service. In no event may garbage containers be left out more than sixteen (16) consecutive hours. The above provisions in this paragraph are not applicable to construction debris, rubbish, trash and garbage; provided, however, all such construction debris, rubbish, trash, and garbage shall be regularly removed and shall not be allowed to unreasonably accumulate.

9.20 Subdivision of Lot. 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 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.

9.21 Outbuildings. No structures of a temporary character, such as tents, shacks, carports, barns, tool sheds, dog houses, cages or coops, or other outbuilding shall be erected by any Owner or Occupant on any portion of the Community at any time, other than by Declarant.

9.22 Tree Removal. No trees or shrubs on any portion of the Community shall be removed without the express written consent of the ARC.

9.23 Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Property is prohibited; provided, however, that the display of lawful firearms on the Common Property is permitted for the limited purpose of transporting the firearms across the Common Property to or from the Owner's Lot. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. § 25-10-1.

9.24 Heating and Cooling of Townhomes. In order to prevent breakage of water pipes during colder months of the year, resulting in damage to the Community, increased Common Expenses, and increased insurance premiums, or cancellation of insurance policies due to numerous damage claims, the thermostats within the

Townhome shall be maintained with the heat in an "on" position and at a minimum temperature setting of sixty degrees (60°) Fahrenheit (except during power failures or periods when heating equipment is broken), whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below. In order to prevent the growth of mold and mildew during warmer months 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 Townhomes shall be maintained with the air conditioning in an "on" position and at a maximum temperature setting of eighty-five degrees (85°) Fahrenheit (excepting power failures or periods when air conditioning equipment is broken), whenever the temperature is forecasted to or does reach ninety degrees (90°) Fahrenheit or above. Owners and Occupants of Lots shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. At any time during the months specified above when the heating equipment is not working properly, the Owner or Occupant shall immediately inform the Association of this failure of the equipment, and of the time needed to repair the equipment. All Owners and Occupants of Lots also shall be obligated to shut any and all cut-off valves for any and all outdoor spigots whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below. Notwithstanding any provision in this Declaration or in the Bylaws to the contrary, the Board of Directors, without a prior warning, demand or hearing, may fine any Owner or Occupant up to Five Hundred Dollars (\$500.00), or may cause the water service to the violator's Lot to be discontinued for violation of this paragraph, in addition to any other remedies of the Association. Any fine imposed pursuant to this paragraph shall be deemed an assessment against the Lot, and may be collected in the same manner as provided herein for collection of assessments.

9.25 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, 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 or on the rights-of-way located on the Community in violation of this paragraph, 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 paragraph, 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.

9.26 Impairment of Townhomes and Easements. An Owner shall do no act or any work that will impair the structural soundness or integrity of any Townhome, or impair any easement or other interest in real property, nor do any act or allow any condition to exist which will adversely affect the other Townhomes or their Owners or Occupants.

9.27 Lighting. Except as may be permitted by the ARC, exterior lighting 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, if any; (c) seasonal decorative white lights; or (d) front Townhouse illumination of model homes, if any. Illumination for all exterior lighting shall be generated from clear light bulbs or such other light bulbs specified by the Association.

9.28 Mailboxes. Declarant may provide a mailbox for each Lot. In the event Declarant provides a mailbox for each Lot and such mailbox is destroyed or damaged, it shall be replaced or restored to its original appearance, unless prior approval is given by the ARC for a different mailbox.

9.29 Patios and Landings. No objects other than potted plants, patio furniture, and grills shall be placed on a patio or landing. This prohibition applies to objects such as, but not limited to, umbrellas, bicycles, laundry garments, towels and objects other than potted plants and patio furniture, except as may be authorized by the Board. Objects shall not be permitted to hang over or be attached to any exterior patio or landing wall, or to otherwise protrude outside of the vertical plane formed by the exterior surface of the patio or landing wall. Penetration of the surfaces of a patio or landing wall or floor is prohibited. Enclosure of a patio or landing is also prohibited. As used herein, "enclosure" shall mean the permanent enclosure of a patio or landing into the heated and cooled space within the boundaries of a Townhome.

9.30 Grilling. The use of outdoor grills on any portion of the Community, including, without limitation, a patio or deck, shall be governed by applicable state laws and local ordinances having jurisdiction over the Community.

9.31. Zoning and Private Restrictions. None of the covenants, restrictions, or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules, or regulations of any applicable governmental body. In the event of any conflict between such laws, rules, or regulations and the covenants, restrictions, and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

ARTICLE 10.

Leasing

10.1. Purpose. In order to preserve the character of the Community as predominantly owner-occupied, the leasing of a Townhome shall be governed by the restrictions set forth in this Article 10. Except as provided herein, the leasing of a Townhome shall be prohibited. "Leasing," for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Townhome by any Person other than the Owner; provided, however, for the purposes of this Declaration, Leasing shall not include the occupancy of a Townhome by the child or parent of an Owner. For purposes hereof, occupancy by a roommate of an Owner who occupies the Townhome as such Owner's primary Townhome shall not constitute Leasing hereunder. The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and Bylaws, in order to enforce the provisions of this Article 10.

10.2. Leasing Provisions. Leasing of Lots shall be governed by the following provisions:

(a) General. An Owner desiring to lease his or her Townhome may do so only if the Owner has applied for and received from the Board of Directors either a "Leasing Permit" or a "Hardship Leasing Permit." Such a permit, upon its issuance, will allow an Owner to lease his or her Townhome, provided that such Leasing is in strict accordance with the terms of the permit and this Article 10. The Board of Directors shall have the authority to establish conditions as to the duration and use of such permits consistent with this Article 10. All Leasing Permits and Hardship Leasing Permits shall be valid only as to a specific Owner and such Owner's Townhome, and shall not be transferable between either Townhomes or Lot Owners, but shall be transferable to successors in title to the same Lot.

(b) Leasing Permits. The request of a Person who has entered into a binding purchase and sale agreement to acquire a Lot, or of an Owner for a Leasing Permit for a Lot, shall be approved if current, outstanding Leasing Permits have not been issued for more than twenty-five percent (25%) of the total number of Lots in the Community. A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (i) the failure of an Owner to lease his or her Lot within one hundred eighty (180) days of the Leasing Permit having been issued; (ii) the failure of an Owner to have his or her Lot leased for any consecutive one hundred eighty (180) day period thereafter; or (iii) the occurrence of the date referenced in a written notification by the Owner to the Association that the Owner will, as of said date, no longer need the Leasing Permit. If current Leasing Permits have been issued for more than twenty-five percent (25%) of the total number of Lots, no additional Leasing Permits shall be issued (except for Hardship Leasing Permits) until the number of outstanding current Leasing Permits falls below twenty-five percent (25%) of the total number of Lots in the Community. Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit, and shall be issued the same if they so desire when the number of current outstanding Leasing Permits issued falls to twenty-five percent (25%) or less of the total number of Lots in the Community. The issuance of a Hardship Leasing Permit to an Owner shall not cause the Owner to be removed from the waiting list for a Leasing Permit.

(c) Hardship Leasing Permits. If the failure to lease will result in a hardship, the Owner may seek to lease on a hardship basis by applying to the Board of Directors for a Hardship Leasing Permit. The Board of Directors shall have the authority to issue or deny requests for Hardship Leasing Permits in its discretion after considering the following factors: (i) the nature, degree, and likely duration of the hardship; (ii) the harm, if any, which will result to the Community if the permit is approved; (iii) the number of Hardship Leasing Permits which

have been issued to other Owners; (iv) the Owner's ability to cure the hardship; and (v) whether previous Hardship Leasing Permits have been issued to the Owner. A "hardship" as described herein shall include, but not be limited to the following situations: (1) an Owner must relocate his or her residence outside the greater Atlanta metropolitan area and cannot, within six (6) months from the date that the Townhome was placed on the market, sell the Townhome except at a price below the current appraised market value, after having made reasonable efforts to do so; (2) where the Owner dies and the Townhome is being administered by his or her estate; and (3) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Townhome. Hardship Leasing Permits shall be valid for a term not to exceed one (1) year. Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if, during the term of the permit, the Owner is approved for and receives a Leasing Permit.

(d) Leasing Provisions. Leasing which is authorized pursuant to permit hereunder shall be governed by the following provisions:

(i) Notice. At least seven (7) days prior to entering into the lease of a Townhome located on a Lot, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease. In the event a lease is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with the Declaration and any rules and regulations adopted pursuant thereto.

(ii) General. A Townhome may be leased only in its entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form that is deemed acceptable. There shall be no subleasing of a Townhome or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than one (1) year, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship. Within ten (10) days after executing a lease agreement for the lease of a Townhome, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Townhome. The Owner must provide the lessee copies of the Declaration, Bylaws, and the rules and regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

(iii) Liability for Assessments, Use of Common Property, and Compliance with Declaration, Bylaws and Rules and Regulations. Each Owner covenants and agrees that any lease of a Townhome shall contain the following language, and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Townhome, agrees to the applicability of this covenant and incorporation of the following language into the lease:

"(a) Compliance with Declaration, Bylaws, and Rules and Regulations. The lessee shall comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto, and shall control the conduct of all other Occupants and guests of the leased Townhome in order to ensure such compliance. The Owner shall cause all Occupants of his or her Townhome to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Townhome are fully liable, and may be sanctioned for any such violation. If the lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine may be assessed against the lessee in accordance with Article 5 of the Bylaws. If the fine is not paid by the lessee within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Lot.

"Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any guest of lessee, is deemed to be a default under the terms of the lease, and authorizes the Owner to terminate the lease without liability, and to evict

the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. If the Association proceeds to evict the lessee, any costs, including reasonable attorney's fees actually incurred, and court costs associated with the eviction, shall be an assessment and lien against the Lot.

“(b) Use of Common Property. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Property, including but not limited to, the use of any and all recreational facilities and other amenities.

“(c) Liability for Assessments. When an Owner who is leasing his or her Townhome fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

10.3. Applicability of Article 10. Notwithstanding the above, this Article 10 shall not apply to any leasing transaction entered into by Declarant (regardless of whether said lease is entered into prior to or after the expiration of Declarant's right to appoint and remove Officers and directors of the Association pursuant to Article 3.A, Section 2 of the Bylaws), the association, or the holder of any first Mortgage on a Lot who becomes the Owner of a Lot through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage. Such parties shall be permitted to lease a Townhome without first obtaining a permit in accordance with this Article 10, and such Townhome shall not be considered as being leased in determining the maximum number of Townhomes that may be leased in accordance with this Article 10.

ARTICLE 11.

Transfer or 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 purchase agreement. 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. In addition, the purchase agreement or transfer documents shall attach a copy of the Declaration and Bylaws. This Article 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 new Owner shall give written notice to the Board of his or her ownership of the Lot. Upon failure of the new Owner to give the required notice within the seven (7) day time period provided herein, the Board may levy fines against the Lot and Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

ARTICLE 12.**Maintenance**

12.1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, which shall be deemed to include the following:

- (a) maintenance, repair, and replacement, subject to any insurance then in effect, of the Area of Common Responsibility;
- (b) maintenance and repair of all utility lines, pipes, stormwater management facilities, plumbing, wires, conduits, and systems which are part of the Area of Common Responsibility, to the extent that such items are not maintained by the Owner as set forth below, or by public, private, or municipal utility companies;
- (c) all roof surfaces, portions of roofs above the uppermost surface of the plywood underdecking, all gutters and all downspouts;
- (d) all exterior building surfaces (including all brick siding and columns, if any);
- (e) all exterior painting (including painting of all front doors, garage doors, shutters, trim and columns, if any);
- (f) all lawn and landscape maintenance on a Lot;
- (g) all interior roadways in the Community;
- (h) any stormwater facility located on or servicing the Community

Upon resolution of the Board of Directors and approval of a Majority of the Total Association Vote, the Association may assume responsibility for providing additional exterior maintenance upon Lot improvements. The Association shall have the right, but not the obligation, to maintain other property not owned by the Association where the Board has determined that such maintenance would benefit all Owners.

The foregoing maintenance shall be performed consistent with the Community-Wide Standard.

The Association shall not be liable for injury or damage to Person or property caused by the elements or by the Owner of any Lot, or any other Person, or resulting from any utility, rain, snow or ice that may leak or flow from any portion of the Area of Common Responsibility, or from any pipe, drain, conduit, appliance or equipment that the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner of any Lot or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property that may be stored in or upon any of the Common Property. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family, for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this paragraph, where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments 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 for inconvenience or discomfort arising from the making of repairs or improvements that 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.

The Association shall repair incidental damage to any Lot resulting from performance of work that is the responsibility of the Association. Repairs to improvements on a Lot shall be completed only to the extent of being "paint-ready." Such repair and subsequent cleaning shall be performed based on a reasonableness standard and at the sole discretion of the Board of Directors. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such Persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

Specifically excluded from such Area of Common Responsibility shall be the following: (1) HVAC or similar equipment located outside the Townhome; (2) all doors (including screen, storm and garage doors), hinges, frames, locks, and hardware which are part of the entry system; (3) hoses, vents or water spigots contained in exterior walls of the Townhome; (4) lighting fixtures pertaining to a particular Townhome and being located outside an entryway; (5) window screens, frames, hardware and glass; (6) foundations and footings, including waterproofing above and below grade; (7) pipes which serve only one Lot located within the Lot's boundaries or, if located in the front yard of the Lot, outside the Lot's boundaries, the portion of the pipe from the cutoff valve serving the Lot to the Lot itself, including the cutoff valve serving the Lot; (8) any and all wrought iron and/or metal services; and 9) all improvements made by any Owner or Occupant.

In performing its responsibility hereunder, the Association shall have the authority to delegate to such Persons of its choice, such duties as are approved by the Board of Directors.

The Association shall have the power to determine a master landscape plan which shall be implemented by a third-party vendor to be determined by the Association (the "Master Landscape Plan"). The Master Landscape plan shall include but is not limited to the following: the planting of flowers, shrubs, grasses, and maintenance of the above. Any additional flora planted on a Lot by an Owner shall not be maintained under the Master Landscape Plan and shall instead be maintained by the Owner of that Lot. Nothing in this Article 12.1 shall be interpreted as obligating the Association to maintain any landscaping additions made by any Owner or Occupant.

12.2. Owner's Responsibility. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Lot, including the interior of the Townhome. Except as provided above, all maintenance of the Lot shall be the responsibility of the Owner thereof, which shall include, without limitation, the following: (a) HVAC or similar equipment located outside the Townhome; (b) all doors (including screen and storm doors), hinges, frames, locks, and hardware that are part of the entry system, except the Association shall paint the exterior portion of the front door; (c) hoses, vents or water spigots contained in exterior walls of the Townhome; (d) lighting fixtures pertaining to a particular Townhome and being located outside an entryway; (e) window screens, frames, locks, hardware and glass; (f) foundations and footings, including waterproofing above and below grade; (g) all pipes, lines, ducts, conduits, or other apparatus that serve only the Lot located within the Lot's boundaries or, if located outside the Lot's boundaries, the portion of the pipe from the cutoff valve serving the Lot (including all gas, electricity, water, sewer and air conditioning pipes, lines, ducts, conduits and other apparatus and the cut off valves for same serving only the Lot); (h) exterior landings and stoops; and (i) all exterior approved improvements made by any Owner or Occupant in accordance with Article 8 hereof.

All maintenance shall be performed consistent with this Declaration and the Community-Wide Standard established pursuant hereto. Any maintenance that involves an exterior change, including, without limitation, landscaping and planting or repainting of the exterior of improvements in a different color, shall require prior approval of the Board or its designee pursuant to Article 8 of this Declaration.

Any landscaping

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Property by an Owner or Occupant that is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Property) shall be performed at the sole expense and risk of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association, even if the Association accepts the maintenance or repair.

Each Owner also shall be obligated:

(a) To perform his or her responsibility in such manner so as not to unreasonably disturb other Persons in other Lots.

(b) To promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible.

(c) Not to make any alterations in the portions of the Lot that are to be maintained by the Association, or to remove any portion thereof, or to make any additions thereto, or do anything with respect to the exterior or interior of the Lot that would or might jeopardize or impair the safety or soundness of any Lot, without first obtaining the written consent of the Board of Directors of the Association and all Owners and Mortgagees of the Lots affected; nor shall any Owner impair any easement without first obtaining written consent of the Association and of the Owner or Owners and their Mortgagees for whose benefit such easement exists.

(d) To pay for the cost of repairing, replacing or cleaning up any item that is the responsibility of the Owner, but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, his or her family, tenants or guests, with the cost thereof to be added to and become part of the Owner's next chargeable assessment.

(e) To aid and assist the Association and its agents and employees, as requested by the Association or its agents and employees, including, without limitation, removing, covering, shielding, or otherwise protecting any and all personal property in the areas to be maintained or repaired by the Association and its agents and employees, in order for the Association and its agents and employees to conduct its maintenance and repair obligations on the Lots. The Association and its agents and employees shall not be liable for any injury, damage or loss to such personal property that is not removed, covered, shielded or otherwise protected by the Owner or Occupant of the Lot on which such personal property is located as requested by the Association or its agents and employees.

12.3. Failure to Maintain. If the Board of Directors determines that (a) any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair or replacement of items of which he or she is responsible hereunder; or (b) that the need for maintenance, repair, or replacement which is in the Area of Common Responsibility is caused through the willful or negligent act of any Owner, his or her family, guests, lessees, or invitees, and is not covered or paid by insurance, in whole or in part, then, except in an emergency situation, the Association shall give the Owner written notice of the Association's intent to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth, with reasonable particularity, the maintenance, repair, or replacement deemed necessary by the Board of Directors. In the case of (a) above, where the Owner has not discharged his or her responsibility, unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair; or, if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair, and diligently pursue completion thereof within ten (10) days. If the Board determines that an emergency exists, or that an Owner has not complied with the demand given by the Association as herein provided, or that the need for maintenance or repair is in the Area of Common Responsibility as in the case of (b) above, then the Association may provide any such maintenance, repair or replacement, at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Lot, and shall be collected as provided herein for the collection of assessments.

12.4. Measures Related to Insurance Coverage.

(a) The Board of Directors, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Community which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage to the Community, reduce the insurance premium paid by the Association for any insurance coverage, or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring all Owners to turn off cutoff valves, which may now or hereafter be installed, during winter months for outside water spigots; requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring Owners to install smoke detectors; requiring Owners to make improvements to the Owner's Lot; and such other measures as the Board may reasonably require, so long as the cost of such work does not exceed Five Hundred Dollars (\$500.00) per lot in any twelve (12) month period.

(b) In addition to, and not in limitation of, any other rights the Association may have, if any, Owner does not comply with any reasonable requirement made by the Board of Directors pursuant to Paragraph 12.4(a) above, the Association, upon fifteen (15) days written notice (during which period the Owner may perform the required act or work without further liability), may perform such required act or work at the Owner's sole cost and expense. Such cost shall be specifically assessed against the Owner, and shall be added to and become a part of the assessment obligation of such Owner, and shall become a lien against the Lot, and shall be collected in the manner provided for collection of assessments. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this Paragraph 12.4(b), including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Lot, except that access may be had at any time without notice in an emergency situation.

12.5. 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 12. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

12.6. Mold and/or Mildew. Mold and/or mildew can grow in any portion of the Community that is exposed to elevated levels of moisture. The Association and each Owner agree to (a) regularly inspect the parts of the Community that they respectively maintain, and which are visible and accessible without having to first conduct invasive testing, for the existence of mold, mildew, and/or water intrusion (except when the water intrusion is part of the normal functioning of improvements and appliances, such as showers, sinks, dishwashers, and other similar appliances and improvements) and/or damage; (b) upon discovery, immediately repair in a good and workmanlike condition the source of any water intrusion in the parts of the Community that they respectively maintain; (c) remediate or replace any building material located in the parts of the Community that they respectively maintain that has absorbed water or moisture as a result of water intrusion; and (d) promptly and regularly remediate all mold and/or mildew discovered in the parts of the Community that they respectively maintain in accordance with current industry-accepted methods. In addition, the Association agrees to notify the Owners, and each Owner agrees to notify the Association, of the discovery of mold, mildew, and/or water intrusion and/or damage in the parts of the Community that they respectively maintain. Each Owner further agrees not to block or cover any of the heating, ventilation or air-conditioning ducts located in the Townhome.

Notwithstanding anything to the contrary herein, Declarant shall have no obligation to perform any invasive testing or inspections, maintenance or repairs in accordance with this Section, and shall not be held liable for any loss or damage caused by the failure of the Association or an Owner to perform their obligations herein.

ARTICLE 13.

Party Walls and Fences

13.1. 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 Paragraph 13.1, 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. Owner shall make no modification to party wall construction that may compromise acoustic privacy and fire rating.

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

13.3. 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.

13.4. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article 13 shall be appurtenant to the land, and shall pass to such Owner's successors-in-title.

ARTICLE 14.

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.

14.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association, such request to state the name and address of such holder, insurer, or guarantor and the Lot number, therefore becoming an "Eligible Mortgage Holder," 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 Mortgage holders.

14.2. Approval of Action. Unless two-thirds (2/3) of the first Mortgagees or Owners, other than Declarant, give their consent, the Association shall not:

(a) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Property which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Property shall not be deemed a transfer within the meaning of this Section), other than personal property of the Association;

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

(c) by act or omission, change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Property (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this Section);

(d) fail to maintain insurance as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

Nothing contained in this Section shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration for any of the acts set out in this section.

First Mortgagees, after written notice to the Association, may, jointly or singly, pay taxes or other charges which are in default, and which may or have become a charge against the Common Property, and may pay overdue premiums on casualty insurance policies, or secure new casualty insurance coverage, upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

14.3. 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 Common Property.

14.4. 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.

14.5. Amendments by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article, or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

14.6. VA/HUD Approval. As long as Declarant has the right to appoint and remove the directors of the Association, the following actions shall require the prior approval of the U.S. Department of Veteran's Affairs (the "VA"), so long as the VA is guaranteeing any Mortgage in the Community, and the U.S. Department of Housing and Urban Development ("HUD"), so long as HUD is guaranteeing any Mortgage in the Community:

- (a) annexation of additional property to the Community;
- (b) dedication of Common Property to any public entity;
- (c) mortgaging of Common Property;
- (d) mergers and consolidations;
- (e) dissolution of the Association; and
- (f) material amendment of this Declaration, the Bylaws, or the Articles of Incorporation.

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

14.8. Failure of Mortgagee to Respond. Any Mortgage 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 thirty (30) days of the date of the Association's request.

ARTICLE 15.

Easements

15.1. Easements for Encroachment 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). The easement shall be five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property, or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point. However, an easement for encroachment shall not exist if the willful conduct by an Owner, Occupant, or the Association caused the encroachment.

15.2. Easements for Use and Enjoyment.

(a) Every Owner of a Lot shall have a right and easement of entry and exit, use and enjoyment, in and to the Common Property that shall be appurtenant to and shall pass with the title to his Lot, subject to the following provisions:

(i) the right, but not the obligation, of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his or her family, tenants, guests, and invitees;

(ii) the right of the Association to suspend the voting rights of an Owner, and the right of an Owner to use the recreational facilities in the Community, if any, for any period during which any assessment against his or her Lot which is provided for herein remains unpaid, and for a reasonable period of time for an infraction of the Declaration, Bylaws, or roles and regulations;

(iii) the right of the Association to borrow money as may be set forth in the Bylaws; provided, however, the lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for any Lot or Owner, or the holder of any Mortgage (irrespective of when executed) encumbering any Lot or other property located within the Community. (Any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of any Lot or Owner, or the holder of any Mortgage, irrespective of when executed, encumbering any Lot or other property located within the Community.);

(iv) the right of the Association to dedicate or grant permits, licenses or easements over, under, through and across the Common Property to governmental entities for public purposes; and

(v) the right of the Association to dedicate or transfer all or any portion of the Common Property, subject to such conditions as may be agreed to by the Members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the affirmative vote of the Owners of at least two-thirds (2/3) of the Lots (other than Lots of Declarant so long as the consent of Declarant is required), and the consent of Declarant (so long as Declarant owns any property for development and/or sale in the Community, or has the right unilaterally to annex additional property to the Community).

(b) Any Owner may delegate his or her right of use and enjoyment in and to the Common Property and facilities located thereon to the members of his or her family, his or her tenants and guests. An Owner shall be deemed to have made a delegation of all these rights to the Occupants of the Owner's Lot, if leased.

15.3. Easements for Street Lights and Utilities. There is reserved to Declarant and the Association blanket easements upon, across, above and under all Lots on the Community for access, ingress, egress, installation, repairing, replacing and maintaining all utilities and services, including but not limited to all street lights serving the Common Property, and reading meters for (a) all utilities serving the Community or any portion of the Common Property, including, but not limited to, gas, water, sanitary sewer, telephone and electricity; (b) water runoff and stormwater management facilities; (c) street lights; and (d) any other services such as, but not limited to, a master television antenna system, cable television system, master satellite 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, bulbs 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.

It shall also be expressly permissible for any agent or employee of any utility company to enter onto a Lot to read any utility meter. In the event a meter on a Lot is in a gated or fenced-in area, such area shall be universally keyed for the utility company(ies) or, at the request of the Association, such Owner shall provide the Association with a key to such area to be used by the utility company. Neither Declarant nor the Association shall be liable for any loss or damage due to its holding such key or use of such key for the purposes described above, and each Owner shall indemnify and hold harmless Declarant, the Association and its Officers and directors against any and all expenses, including reasonable attorneys' fees actually incurred by or imposed upon Declarant, the Association or its Officers or directors in connection with any action, suit or other proceeding (including settlement of such action, suit or proceeding) brought by the Owner or the Owner's family, tenants, guests, employees, invitees or licensees against Declarant, the Association, its Officers or directors, arising out of or relating to its holdings or use of such key for the purposes described above.

15.4. Easement for Entry. In addition to the right of the Board to exercise self-help as provided in the Association's legal instruments, the Board shall have the right, but not the obligation, to enter upon any property on the Community for emergency, security, and safety reasons. This right may also be exercised by the agents of the Association, and all policeman, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Board to enter to cure any condition which may increase the possibility of a fire, slope erosion, or other hazard in the event an Owner or Occupant fails or refuses to cure the condition after request by the Board.

15.5. Easement for Association Maintenance. Declarant expressly reserves a perpetual easement for the benefit of the Association across such portions of the Community, 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 to a Lot.

15.6. Easement for Entry Features and Street Signs. There is hereby reserved to Declarant, the Association, and the designee 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, if any, and the right to grade the land under and around the entry features, if any.

15.7. Easement for Access, Ingress, and Egress. There is hereby reserved to each Lot Owner a perpetual non-exclusive easement over the Common Property roadways and walkways for the purpose of pedestrian and vehicular access, ingress, and egress to his/her Lot. Any conveyance or encumbrance of the Common Property shall be subject to this easement.

15.8. Easement for Stormwater Facility Maintenance. Declarant expressly reserves a perpetual easement over the Community for the regular inspection and maintenance requirements of the storm water management facility by authorized service providers.

15.9. Public in General. The easements and rights created in this Article 15 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 Cobb County, Georgia records. 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.

15.10. Thigpen Easement. Declarant and Thigpen Holdings, LLC have or will have entered into an Easement Agreement to be recorded in the Cobb County, Georgia Records, granting the Association certain rights and obligations related to the maintenance of stormwater facilities servicing the Community and located on property adjacent to the Community.

ARTICLE 16.

General Provisions

16.1. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant

(a) if an amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination with which it is in conflict therewith;

(b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration;

(c) 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 Lots subject to this Declaration; or

(d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure or guarantee Mortgage loans on the Lots subject to this Declaration;

provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Owner shall consent thereto in writing. Further, so long as Declarant owns any property for development and/or sale in the Community, 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 hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Owner.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least two-thirds (2/3) of the Lots and the consent of Declarant (so long as Declarant owns any property for development and/or sale in the Community). Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein. Notwithstanding the foregoing, no provision of this Declaration which benefits, reserves, or grants special rights to Declarant shall be amended, modified, altered or deleted without Declarant's prior written approval, so long as Declarant owns any property for development and/or sale in the Community.

Any lawsuit challenging any aspect of an amendment to this Declaration must be filed in the Office of the Clerk of the Superior Court of Cobb County, Georgia within one (1) year of the date of recordation of such amendment in the Cobb County, Georgia land records.

16.2. Duration. The covenants, restrictions and easements of this Declaration shall run with and bind the Community, 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 fifty-one percent (51%) of the Owners execute a document to terminate the covenants containing a legal description of the entire area affected by the covenants, a list of all Owners affected by the covenants, and a description of the covenants to be terminated or such other requirement as provided in O.C.G.A. § 44-5-60. A written instrument reflecting any termination must be recorded no sooner than, but within two (2) years immediately preceding the beginning of, a twenty (20) year renewal period. Every purchaser or grantee of any interest (including, without limitation, a security interest) in 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 Paragraph 16.2.

16.3. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to make the Community safer than it otherwise might be. **NEITHER THE**

ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMUNITY. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT, SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE FOR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY LOT, AND ALL TENANTS, GUESTS, AND INVITEES OF ANY OWNER, ACKNOWLEDGE THAT THE ASSOCIATION, AND ITS BOARD OF DIRECTORS, DECLARANT, ANY SUCCESSOR DECLARANT, AND THE ARC DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM, OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE ARC, IF ANY, MAY NOT BE COMPROMISED OR CIRCUMVENTED; NOR THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS, IF ANY, WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, ASSAULT OR OTHERWISE; NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS, IF ANY, WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. ALL OWNERS AND OCCUPANTS OF ANY LOT, AND ALL TENANTS, GUESTS, AND INVITEES OF ANY OWNER, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT, ARE NOT INSURERS. ALL OWNERS AND OCCUPANTS OF ANY LOT, AND ALL TENANTS, GUESTS, AND INVITEES OF ANY OWNER, ASSUME ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS, AND TO THE CONTENTS OF LOTS, AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT, HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, OR ANY TENANT, GUEST, OR INVITEE OF ANY OWNER RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS, IF ANY, RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

16.4. 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 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) or more than twenty-one (21) days from the date of receipt of the notice of hearing by the Person requesting the hearing.

16.5. No Discrimination. No action shall be taken by the Association or the Board of Directors that would unlawfully discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or handicap.

16.6. Indemnification. In accordance with the Georgia Nonprofit Corporation Code, and to the full extent allowed by Georgia law, the Association shall indemnify every person who was or is a party, or who is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association), by reason of the fact that such person is or was serving as a director or Officer of the Association, against any and all expenses, including reasonable attorneys' fees actually incurred or imposed upon in connection with any action, suit, or proceeding, if such person acted in a manner reasonably believed to be in or not opposed to the best interests of the Association; and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Any indemnification shall be made by the Association only as authorized in a specific case upon a determination that indemnification of the person is proper under the circumstances.

16.7. 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.

16.8. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violations 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.

16.9. 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.

16.10. Agreements. Subject to the prior approval of Declarant (until Declarant no longer has the right to appoint and remove directors and Officers of the Association pursuant to Article III, Part A, Section 2 of the Bylaws), 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.

16.11. Disclosures. Each Owner and Occupant acknowledge the following:

(a) The Community is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved or widened in the future.

(b) The views from an Owner's Lot may change over time due to, among other circumstances, additional development and the removal or addition of landscaping.

(c) Declarant makes no representations regarding the schools that currently or may in the future serve the Community.

(d) 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.

(e) Since in every neighborhood there are conditions which different people may find objectionable, it is acknowledged that there may be conditions 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 neighborhood conditions which could affect the Lot.

(f) Declarant will be engaging in other construction activities related to the construction of the Community. Such construction activities may, from time to time, produce certain conditions in the Community, including, without limitation (i) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (ii) smoke; (iii) noxious, toxic, or corrosive fumes or gases; (iv) obnoxious odors; (v) dust, dirt or flying ash; (vi) unusual fire or explosion hazards; and/or (vii) temporary interruption of utilities and services; (viii) mud and other debris on the Community roadways and Common Property; and/or (ix) other conditions that may threaten the security or safety of Persons in the Community. In addition, each Owner and Occupant further acknowledges and understands that Declarant will be engaging in construction activities related to the construction of the Community on weekends and early morning and late evening hours, and that the Association shall not seek to regulate or limit hours of construction in a manner that is more restrictive to Declarant than set forth regulations adopted by the City of Decatur. Notwithstanding the foregoing, each Owner and Occupant agrees that such conditions in the Community resulting from construction activities shall not be deemed a nuisance, and shall not cause Declarant or its respective agents to be deemed in violation of any provision of the Declaration.

(g) Declarant hereby expressly reserves the right to replat any Lot or Lots owned by Declarant or convert any open spaces located within the Community into a Lot or Lots without the consent of the Association or affected Owners.

(h) Exposed concrete surfaces of the improvements located on the Community are subject to cracking.

(i) Declarant makes no representation regarding the sound proofing of a Townhome, or that sound will not be transmitted from one Townhome to another. Sound transmission between Townhomes is inherent in multi-family construction and is not a warrantable condition.

(j) A Townhome may trap humidity created by everyday living (cooking, bathing, laundering etc.). As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not properly maintained by Owners and/or Occupants, the condensation may increase, resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and, potentially, mildew and/or mold (see Paragraph 12.6 hereof).

(k) Each Owner and Occupant further acknowledges and understands that the Townhome may contain toxic mold. Molds are a type of fungus. More than 1,000 different species have been found in the United States. Most molds are not harmful; however, over 100 mold species are known to potentially cause infection in humans. In addition, several types of molds are considered "toxic," which means that they can produce toxic agents (metabolites) called mycotoxins, which can cause serious health problems. Declarant is not an expert with regard to mold or the health effects of mold exposure. Accordingly, it is the sole responsibility of Owner and Occupant to retain appropriate professionals to inspect the Townhome to determine the presence of any toxic mold.

(l) While the drainage system for surface water runoff on the Community will be constructed in accordance with applicable governmental standards, the Community may still be subject to erosion and/or flooding during unusually intense or prolonged periods of rain.

(m) Since trees and landscaping existing on the Community, prior to the commencement of construction thereon, may be adversely affected or even killed by construction activities, Declarant and the Association shall have no responsibility for the same.

(n) The Community is located in the vicinity of retail shops, office buildings and parking lots that may emit light and noise that are visible and audible from Lots within the Community.

16.12. 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.

16.13. 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.

ARTICLE 17.

Withdrawal of Property; Additional Common Property

17.1. Withdrawal of Property. Declarant reserves the right to amend this Declaration unilaterally at any time, for so long as Declarant owns any property for development or sale in the Community pursuant to this Article, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Community then owned by Declarant or its affiliates from the provisions of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community desired to be effected by Declarant.

17.2. Acquisition of Additional Common Property. Declarant may convey to the Association additional real estate, improved or unimproved, which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

ARTICLE 18.

Declarant's Rights

18.1. 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 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 public records of Cobb County.

18.2. Construction and Sale Period. Notwithstanding any provisions contained in this Declaration, the Bylaws, Articles of Incorporation of the Association, use restrictions, rules and regulations, architectural guidelines, and any amendments thereto, so long as Declarant owns any property in the Community for development and/or sale, 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, including, but without limitation:

(a) the right of access, ingress and egress for vehicular and pedestrian traffic, parking 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 neighboring properties 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, and

(g) the right to construct and operate business offices, construction trailers, model Townhomes, and sales offices. Declarant may use Townhomes, offices, or other buildings owned or leased by Declarant as model Townhomes and sales offices.

Rights exercised pursuant to such 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. This Section shall not be amended without Declarant's express written consent until Declarant's rights hereunder have terminated as hereinabove provided.

ARTICLE 19.

55 and Over Compliance

19.1 Responsibilities of Association. The Board shall be responsible for ensuring compliance with the 55 and over regulations of the Community. The Board shall conduct age verification of all Occupants within a reasonable time of any Occupant moving in to the Community. Such age verification may be proven by: (i) driver's license, (ii) birth certificate, (iii) passport, (iv) immigration card, (v) military ID, (vi) any other state, local, national, or international official document of comparable reliability containing a birth date. All such evidence shall be kept on file with the Board and be made available for inspection upon reasonable notice and request by any Owner, Occupant, or governmental authority.

19.2 Responsibilities of Owners. All Members of the Association will comply with any reasonable request from the Board to provide such age verification materials as mentioned in Section 19.1. Such a request may include both evidence that at least Qualified Occupant is residing in the Townhome and that there are no Occupants under the age of forty (40), as specified in Section 9.31(ii).

[SIGNATURES COMMENCE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Declarant has executed this Declaration under seal this 12th day of July, 2019

Signed, sealed and delivered in the presence of:

Bishops TH, LLC, a Georgia limited liability company

[Signature]
Unofficial Witness

By: [Signature]
Name: Harvey Munn
Title: SVP - Development / member

[Signature]

Notary Public
My Commission Expires: Apr 17, 2020

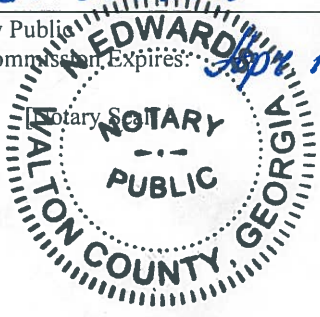


Exhibit "A"

All that tract or parcel of land lying and being in Land Lots 758 and 759 of the 16th District, 2nd Section, Cobb County, Georgia, and being more particularly described as follows:

COMMENCE at an iron pin found (1/2" rebar) located at the mitered intersection of the northwesterly right-of-way line of Bishop Lake Road (a variable width right-of-way) with the northeasterly right-of-way line of Johnson Ferry Road (a variable width right-of-way); thence leave the said intersection and run northwesterly along the northeasterly right-of-way line of Johnson Ferry Road the following courses and distances; along the arc of a curve to the left an arc distance of 58.73 feet to a point, said curve having a radius of 1,204.77 feet and being subtended by a chord bearing N54°19'04"W and a chord distance of 58.73 feet; along the arc of a curve to the left an arc distance of 156.06 feet to a point, said curve having a radius of 886.60 feet and being subtended by a chord bearing N61°18'47"W and a chord distance of 155.86 feet; along the arc of a curve to the left an arc distance of 223.45 feet to a point, said curve having a radius of 2,262.94 feet and being subtended by a chord bearing N69°07'44"W and a chord distance of 223.36 feet to an iron pin found (1/2" rebar); thence leave the northeasterly right-of-way line of Johnson Ferry Road and run N30°07'30"E a distance of 131.96 feet to an iron pin found (1/2" rebar); thence run S85°18'17"E a distance of 649.23 feet to an iron pin found (1/2" rebar) located on the land lot line common to Land Lots 758 and 759; thence run northerly along the land lot line common to Land Lots 758 and 759 N00°05'21"E a distance of 125.71 feet to an iron pin found (1/2" rebar); thence leave the said common land lot line and run N83°06'44"E a distance of 299.98 feet to an iron pin found (1/2" rebar); thence run S01°14'08"E a distance of 375.11 feet to a point located on the northwesterly right-of-way line of Bishop Lake Road; thence run southwesterly along the northwesterly right-of-way line of Bishop Lake Road the following courses and distances; along the arc of a curve to the right an arc distance of 306.27 feet to a point, said curve having a radius of 2,790.00 feet and being subtended by a chord bearing S83°22'30"W and a chord distance of 306.12 feet; along the arc of a curve to the right an arc distance of 55.40 feet to a point, said curve having a radius of 423.44 feet and being subtended by a chord bearing N88°50'42"W and a chord distance of 55.36 feet; along the arc of a curve to the left an arc distance of 108.15 feet to a point, said curve having a radius of 216.62 feet and being subtended by a chord bearing S81°13'59"W and a chord distance of 107.03 feet; N84°57'15"W a distance of 161.67 feet to an iron pin found (1/2" rebar), said iron pin found being the **TRUE POINT OF COMMENCEMENT**.

Said tract or parcel of land containing 6.152 acres.

TOGETHER WITH the appurtenant sanitary sewer easement granted in that certain Sewer Easement by and between Chatham Communities, Inc., a Georgia corporation; Miriam G. Kessler, Douglas Wilson Kessler (a/k/a Douglas W. Kessler), Dana K. Davies (f/k/a Dana Ruth Kessler), and Ann K. Levin (f/k/a Ann Ellen Kessler); and First Federal Savings & Loan Association of South Carolina, dated December 4, 1985, recorded in Deed Book 3748, page 559, Cobb County, Georgia records.

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 PROPERTY TO THE TERMS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. § 444-3-220, *et seq.*

Bylaws of East Haven Townhome Association, Inc.

Article 1

Name, Membership, Applicability and Definitions

1.1 Name. The name of the corporation shall be East Haven Townhome Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2 Membership. The Association shall have one class of membership, as is more fully set forth in that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for East Haven (such Declaration, as amended, supplemented, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

1.3 Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit, or the meanings given in the Georgia Nonprofit Corporation Code, O.C.G.A. Section 14-3-101, *et seq.* (the "Nonprofit Code"). Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

Article 2

Association: Meetings, Quorum, Voting, Proxies

2.1 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical.

2.2 Annual Meetings. There shall be an annual meeting of the members at such date, place and time as the Board of Directors shall determine to receive the reports of the outgoing Board of Directors, to install directors for the ensuing year and to transact such other business as may come before the meeting.

2.3 Special Meetings. The President or the Board of Directors may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association upon the delivery of a petition signed and dated by members entitled to cast at least twenty-five percent (25%) of the Total Association Vote and describing the purpose or purposes for which it is to be held. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose(s) thereof. No business shall be transacted at a special meeting, except those matters that are within the purpose or purposes described in the notice.

2.4 Record Date. The Board of Directors shall fix in advance a record date for a determination of members entitled to notice of and to vote at any meeting of members or any adjournment thereof, or to make a determination of members for any other purpose, such date to be not more than seventy (70) days before the date on which the particular action requiring such determination of members is to be taken.

2.5 Notice of Meetings. It shall be the duty of the Secretary or such other agent as the Association may designate to mail or to cause to be delivered to each member (as shown in the records of the Association as of the record date) a written notice of each annual or special meeting of the Association stating the date, time and place where it is to be held and, if and to the extent required by the Nonprofit Code or other applicable law (the "Governing Law"), the purpose(s) thereof. Such notice shall be delivered personally or sent by United States mail, postage prepaid, statutory overnight delivery, or sent by electronic transmission in accordance with the Nonprofit Code to all members of record at the address shown in the Association's

current records. If an Owner wishes notice to be given at an address other than at the Lot, the Owner shall designate by notice in writing to the Secretary such other address. Notices shall be mailed or delivered not less than ten (10) days in advance of any annual, regularly scheduled or special meeting (or if notice is mailed by other than first-class or registered mail, thirty (30) days) nor more than sixty (60) days before the meeting. If any meeting of the members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If, however, a new record date is or must be fixed under the Governing Law, notice of the adjourned meeting shall be given to persons who are members of record as of the new record date.

2.6 Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing or by electronic transmission signed by the member entitled to notice and delivered to the Association for inclusion in the minutes for filing with the Association's records, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of lack of notice or defective notice, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.8 Membership List. After the record date for any meeting is established by the Board of Directors, the Secretary shall prepare an alphabetical list of the names and addresses of all of the members who are entitled to notice of the meeting. Beginning at least two (2) business days after notice is given of the meeting for which the list was prepared, the list of members shall be available for inspection by any member or a member's agent or attorney: (1) on a reasonably

• accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting or upon request; or (2) during ordinary business hours at the Association's principal office or at such other reasonable place as may be specified in the notice in the city where the meeting will be held. In the event that the Association makes the list available on an electronic network, the Association may take reasonable steps to ensure that such information is available only to members of the Association. In addition, the list shall be available for inspection at the meeting or any adjournment thereof.

2.9 Voting. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein.

2.10 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxy appointment forms shall be in writing, signed either personally or by an electronic transmission, dated, and filed with the Secretary before the appointed time of each meeting. An electronic transmission must contain or be accompanied by information from which it can be determined that the member, the member's agent, or the member's attorney-in-fact authorized the electronic transmission. Proxies may be delivered to the Board of Directors by personal delivery, U.S. mail or electronic transmission to the Secretary or other officer or agent authorized to tabulate votes. Every proxy shall be revocable and shall automatically cease upon: (a) receipt of notice by the Secretary of the death or judicially declared incompetence of a member; (b) receipt by the Secretary or other officer or agent authorized to tabulate votes of written revocation signed by the member; (c) receipt by the Secretary or other officer or agent authorized to tabulate votes of a subsequent appointment form signed by the member; (d) attendance by the member and voting in person at any meeting; or (e) the expiration of eleven (11) months from the date of the proxy appointment form.

2.11 Quorum. The presence, in person or by proxy, of members entitled to cast at least thirty five percent (35%) of the votes entitled to be cast at the meeting shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.12 Action Without A Formal Meeting. Any action required or permitted to be approved by the members may be approved without a meeting if one (1) or more consents, in writing or by electronic transmission, setting forth the action so taken, shall be signed, either personally or by an electronic transmission, and dated by members (including the Declarant, if the consent of the Declarant is required) holding the voting power required to pass such action at a meeting held on the record date for such action. The record date for such action shall be the date that the first member signs a consent. Such action shall be approved when the Secretary receives a sufficient number of such consents dated within seventy (70) days of the record date for such action. If less than unanimous consent is obtained, the approval shall be effective ten (10) days after the Secretary gives written notice of the approval to all members who did not sign a consent. Each consent in writing or by electronic transmission shall be included in the minutes of meetings of members filed in the permanent records of the Association. No consent in writing or by electronic transmission shall be valid unless: (1) the consenting member has been furnished the same material that, pursuant to the Nonprofit Code, would have been required to be sent to

members in a notice of a meeting at which the proposed action would have been submitted to the members for action; or (2) the written consent contains an express waiver of the right to receive the material otherwise required to be furnished.

2.13 Action By Written Ballot. Any action that may be taken at any annual, regular or special meeting of members may be taken without a meeting if approved by ballot in writing or by electronic transmission as provided herein. The Association shall deliver a ballot in writing or by electronic transmission to each member entitled to vote on the matter. The ballot in writing or by electronic transmission shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by ballot in writing or electronic transmission shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely ballot in writing or by electronic transmission received by the Association may not be revoked. Approval by ballot in writing or by electronic transmission of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such 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 results of each action by ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

Article 3

Board of Directors: Number, Powers, Meetings

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. Directors shall be natural persons who are eighteen (18) years of age or older. Except for directors appointed by the Declarant, each director must reside in the Community and be a member or the spouse of a member; provided, however, no Person may serve on the Board at the same time with such Person's spouse or any co-Owner or Occupant of such Person's Lot.

3.2 Directors Appointed by Declarant. The Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur: (a) the expiration of ten (10) years after the date of the recording of the Declaration; (b) the date on which all of the Lots planned by Declarant to be a part of the Community shall have been improved with a dwelling and conveyed to an Owner for occupancy as a residence; or (c) the surrender by Declarant in writing of the authority to appoint and remove directors and officers of the Association. The directors appointed by the Declarant need not be Owners or residents in the Community. The total number of Lots planned by Declarant for the Community shall initially be the number of Lots shown on the Declarant's land use plan for the development as it may be amended from time to time. Inclusion of property on the land use plan shall not obligate the Declarant to subject such property to the Declaration, nor shall exclusion of property from the initial land use plan bar Declarant from subjecting such property to the Declaration. The final

total number of Lots planned for the Community shall be the actual number of Lots shown on the recorded subdivision plats for the Community regardless of any different number of Lots shown from time to time on the land use plan.

3.3 Number of Directors. During the period that the Declarant has the right to appoint and remove the officers and directors of the Association as provided above, the Board of Directors shall consist of one (1) to three (3) members as determined by Declarant in writing from time to time. Thereafter, the Board shall consist of three (3) directors, who shall be elected as provided below.

3.4 Nomination of Directors. Elected directors may be nominated from the floor, if a meeting is held for the election of directors and may also be nominated by a nominating committee, if established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.5 Election and Term of Office. After the Declarant's right to appoint directors and officers terminates, the Association shall call a special meeting (or take action under Section 2.12 or Section 2.13 in lieu of a meeting) and the members shall elect three (3) directors as follows: the initial term of two (2) directors shall be fixed at two (2) years, and thereafter successors shall be elected to a term of two (2) years; the initial term of one (1) director shall be fixed at one (1) year, and thereafter successors shall be elected to a term of two (2) years. At annual meetings thereafter (or pursuant to Section 2.12 or Section 2.13 in lieu of a meeting), directors shall be elected as necessary to fill vacant seats on the Board. All eligible members of the Association shall vote on all directors to be elected, and the candidates receiving the most votes shall be elected. Notwithstanding anything herein to the contrary, the members of the Board of Directors shall continue in office until their respective successors shall have been elected and take office.

3.6 Removal of Directors. At any annual, regular or special meeting of the Association, any one (1) or more of the members of the Board of Directors elected by the members 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. The notice of the meeting shall state that the purpose or one of the purposes, of the meeting is removal of a director. A director whose removal by the members has been proposed shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the remaining directors.

3.7 Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors. Each Person so selected shall serve the unexpired portion of the term.

3.8 Organization Meetings. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after the election at such time and place as the directors may conveniently assemble.

3.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board, provided that, after the right of Declarant to appoint the directors terminates, at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.10 Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two (2) directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery (including commercial delivery service) to such director's home or office; (b) written notice by first class mail, postage prepaid; (c) by telephone communication (including facsimile), either directly to the director or to the director's home or office; or (d) issued electronically in accordance with the Nonprofit Code, if the director has consented in writing to such method of delivery and has provided the Board with an address regarding the same. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four (4) days before the time set for the meeting. Notices given by personal delivery, electronic transmission or telephone shall be given at least two (2) days before the day set for the meeting.

3.11 Waiver of Notice. The business transacted at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes either in writing or by electronic transmission which is included in the minutes or filed with the official records of the Association. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

3.13 Compensation. No director shall receive any compensation from the Association for acting as such.

3.14 Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.15 Executive Session. 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.

3.16 Action Without A Formal Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if one or more consents, in writing or by electronic transmission, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.17 Telephonic Participation. One or more directors may participate in and vote during any meeting of the Board by telephone conference call or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

3.18 Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by law, the Declaration, the Articles of Incorporation of the Association, or these Bylaws directed to be done and exercised by the members. 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 be responsible for the following, in way of explanation, but not limitation:

- (a) preparing and adopting an annual budget in which there shall be established the contribution of each member to the common expenses;
- (b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association 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;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations;
- (g) opening bank accounts on behalf of the Association and designating the signatories required;

(h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association, which enforcement power shall include, without limitation, the power to levy fines as provided herein and in the Declaration in such amounts as from time to time the Board may deem proper in the circumstances, counting each day a violation continues after notice from the Board as a separate violation;

(i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(j) keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof, and specifying the maintenance and repair expenses and any other expenses incurred; and

(k) authorizing contracts on behalf of the Association.

3.19 Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. Declarant, or an affiliate of Declarant, may be employed as managing agent or manager. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days' written notice.

3.20 Borrowing. The Board of Directors shall have the power to borrow money without the approval of the members of the Association; provided, however, except as otherwise provided in the Declaration, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the total amount of such borrowing exceeds or would exceed ten percent (10%) of the annual budget of the Association.

3.21 Fining Procedure. A fine shall not be imposed (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Written notice shall be delivered to the member by first-class or certified mail sent to the address of the member shown on the Association's records, specifying:

(1) the nature of the violation, the fine to be imposed and the date, not less than ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, that the fine will take effect;

(2) that the violator may, within ten (10) days or, in the event of an unapproved sign, twenty four (24) hours, from the date of the notice, request a hearing in writing regarding the fine imposed;

(3) the name and address of a person to contact to challenge the fine;

(4) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(5) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, of the date of the notice.

(b) If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine shall be imposed prior to the date that is five (5) days or, in the event of an unapproved sign, twenty-four (24) hours, after the date of the hearing, as applicable.

Article 4

Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two (2) or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors. This provision shall not apply to officers appointed by Declarant.

4.2 Election, Term of Office, and Vacancies. Except during the period in which the Declarant has the right to appoint the officers of the Association, the officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors following the election of directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.3 Additional Officers and Agents. The Board of Directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

4.4 Salaries. The officers shall receive no compensation.

4.5 Removal. Except for officers appointed by the Declarant, any officer may be removed, with or without cause, by the Board of Directors.

4.6 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and directors. The immediate supervision of the affairs of the Association shall be vested in the President. It shall be the President's duty to attend to the business of the Association and maintain strict supervision over all of its affairs and interests. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association, and shall manage and operate the business of the Association

pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

4.7 Vice President. The Vice President(s), if any, shall act in the President's absence or disability and shall have all powers, duties, and responsibilities provided for the President when so acting, and shall perform such other duties as shall from time to time be imposed upon any Vice President by the Board or delegated to a Vice President by the President.

4.8 Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors; notify the members and directors of meetings as provided by these Bylaws and Georgia law; have custody of the seal of the Association; affix such seal to any instrument requiring the same; attest the signature or certify the incumbency or signature of any officer of the Association; and perform such other duties as the President, or the Board of Directors may prescribe. The Secretary shall perform the duties of the Treasurer of the Association in the absence or disability of the Treasurer.

4.9 Treasurer. The Treasurer shall keep, or cause to be kept, the financial books and records of the Association, and shall faithfully account for the Association's funds, financial assets, and other assets entrusted to the Treasurer's care and custody. The Treasurer shall make such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the Association, and shall perform such other duties as the President, or the Board of Directors may prescribe. The Treasurer shall maintain the money and other assets of the Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association to disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Secretary of the Association in the absence or disability of the Secretary.

4.10 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article 5 Committees

Advisory committees to perform such tasks and to serve for such periods as may be designated by the Board or as provided in the Declaration are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. An advisory committee shall

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 PROPERTY TO THE TERMS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. § 44-3-220, *et seq.*

Not be authorized to exercise any authority of the Board under the Articles of Incorporation of the Association, the Declaration, these Bylaws or the Nonprofit Code.

Article 6
Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.2 Parliamentary Rules. *Roberts Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation of the Association, the Declaration or these Bylaws.

6.3 Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation of the Association, the Declaration and these Bylaws, the provisions of Georgia law, the Declaration, the Articles of Incorporation of the Association and the Bylaws (in that order) shall prevail.

6.4 Electronic Records, Signatures and Documents To the extent permitted by Georgia law, the Declaration and these Bylaws, the Association and its members, officers, directors, Owners and Occupants may perform any obligation or exercise any right by use of any technological means providing sufficient security, reliability, identification and verifiability, which technological means have been approved by the Board of Directors in its sole discretion.

6.5 Amendment. These Bylaws may be amended by the Board of Directors with the consent of the Declarant if such amendment is necessary to: (a) bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration; (c) enable an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make or purchase Mortgage loans on the Lots subject to the Declaration; (d) enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration; or (e) comply with the provisions of the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220, *et seq.* In addition, these Bylaws may be amended upon the affirmative vote, written consent or any combination of affirmative vote and written consent of at least two-thirds (2/3) of the Total Association Vote and the consent of Declarant.