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**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
PINEHURST ESTATES SUBDIVISION**

THIS INSTRUMENT ESTABLISHES A MANDATORY MEMBERSHIP HOMEOWNERS ASSOCIATION BUT DOES NOT SUBMIT THIS DEVELOPMENT TO THE PROVISIONS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. 44-3-220 ET SEQ.

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**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
PINEHURST ESTATES SUBDIVISION**

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR PINEHURST ESTATES SUBDIVISION (the "Declaration") is made on the date hereinafter set forth by MTS ATL, LLC, a Georgia limited liability company, having an office at 2857 Westport Road, Charlotte, NC 28208 and KL LB BUY 3 LLC, a Delaware limited liability company ("KLLB").

WITNESSETH

WHEREAS, KLLB owns the real property described hereinin **Exhibit "A"** (hereinafter the "Property"). KLLB and Declarant desire to subject the Property to the provisions of this Declaration to create a residential Community (as defined in Article I) of single-family homes and to provide for the subjecting of other real property to the provisions of this Declaration. As part of that plan, Declarant will create PINEHURST ESTATES HOMEOWNER'S ASSOCIATION, INC., a Georgia non-profit corporation comprised of all owners of real property in the Community, to own, operate and maintain common areas and community improvements and to administer and enforce this Declaration and the other governing documents of the Association.

WHEREAS, Declarant has the right to acquire the Property from KLLB pursuant to, and subject to Declarant's compliance with the terms and conditions of that certain Option Agreement between Declarant and KLLB dated **May 13, 2025** (the "**Option Agreement**"), as evidenced by that certain Memorandum of Option Agreement recorded in Book **5588**, Page **1918**, in the Office of the Clerk of Superior Court for Walton County, Georgia (the "Registry"). Declarant and KLLB acknowledge and agree that this Declaration constitutes a "Declaration" as defined in the Option Agreement. Declarant has agreed to grant KLLB certain rights and powers under this Declaration regarding the Optioned Property (as defined in the Option Agreement).

NOW, THEREFORE, in order to protect and enhance the value of Homes (as defined in Article I) in the community, Declarant, hereby declares that the real property described in **Exhibit "A"** attached hereto and by this reference incorporated herein is hereby subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied, mortgaged and otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments and liens, hereinafter set forth, which are for protecting the value and desirability of and which shall run with the title to, the real property hereby and hereafter made subject hereto and shall be binding on all persons having any right, title or interest in all or any portion of the real property now and hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title and assigns and shall be for the benefit of all owners of the property subject to this Declaration.

Article I

Definitions

The following words when used in this Declaration or in any Supplementary Declaration defined herein shall have the following meanings:

- 1.1. **"Approved Builder"** means Eastwood Homes of Georgia, LLC, a Georgia limited liability company, and any other home builder approved by Declarant for the construction of houses on Lots which home builder has been granted rights of Approved Builder hereunder by the Declarant in a written instrument. Declarant may grant rights of Approved Builder to one or several home builders.
- 1.2. **"Area of Common Responsibility"** The Common Area, together with such other areas for which the Association has or assumes maintenance responsibility.
- 1.3. **"Articles of Incorporation"** means The Articles of Incorporation of PINEHURST ESTATES HOMEOWNER'S ASSOCIATION, INC., a Georgia non-profit corporation, filed with the Georgia Secretary of State and incorporated herein by this reference, as may be amended from time to time.
- 1.4. **"Association"** means PINEHURST ESTATES HOMEOWNER'S ASSOCIATION INC., a Georgia non-profit corporation, its successors and assigns.
- 1.5. **"Board of Directors"** or "Board" means the appointed or elected body of the Association, vested with the authority to manage the affairs of the Association under the Georgia Nonprofit Corporation Code, O.C.G.A. 14-3-101 et seq.
- 1.6. **"Bylaws"** means the Bylaws of PINEHURST ESTATES HOMEOWNER'S ASSOCIATION INC., attached to this Declaration as **Exhibit "C"** and incorporated herein by this reference as may be amended from time to time.
- 1.7. **"Common Area"** means any and all real and personal property, easements and the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners
- 1.8. **"Community"** refers to that certain real property described in **Exhibit "A"** attached hereto, and such additions thereto as may be made by Supplementary Declaration as provided herein.
- 1.9. **"Community-Wide Standard"** means the standard of conduct, maintenance or other activity generally prevailing in the Community as initially established by Declarant.
- 1.10. **"Declarant"** means MTS ATL, LLC and its successors-in-title and assigns; provided that in a recorded instrument, such successor-in-title or assignee is designated as the Declarant hereunder by the then holder of all of the rights of Declarant hereunder; and, provided, further, upon the effective date of the designation of a successor Declarant, all rights of the former Declarant in and

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to such status as Declarant hereunder shall cease, it being understood that there shall be only one holder of the rights of Declarant hereunder at any one point in time.

- 1.11. **"Lot"** means any plot of land within the Community, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a single dwelling site, as shown on the subdivision plat(s) for the Community, recorded in the land records of Walton County, Georgia. The ownership of each Lot shall include, and there shall automatically pass with the title to each Lot as an appurtenance thereto, whether or not separately described membership in the Association and all of the rights and interest of an Owner in the Common Property, as herein provided.
- 1.12. **"Mortgage"** means any and all instruments used for the purpose of encumbering or conveying real property in the Community as security for the payment or satisfaction of an obligation, including, without limitation, any mortgage, deed to secure debt or deed of trust.
- 1.13. **"Mortgagee"** means the holder of a Mortgage.
- 1.14. **"Occupant"** means any Person occupying all or any portion of a Lot located within the Community for any period of time, regardless of whether such Person is a tenant of the Owner of such property.
- 1.15. **"Owner"** means the record owner, whether one or more Persons, of the fee title to any Lot located within the Community, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation.
- 1.16. **"Person"** includes any individual, individual acting in a fiduciary capacity, corporation, limited partnership, limited liability company, general partnership, joint stock company, joint venture, association, company or other organization, recognized as a separate legal entity under Georgia law.
- 1.17. **"Supplementary Declaration"** means an amendment or supplement to this Declaration which subjects additional property to this Declaration and/or imposes additional covenants, conditions, restrictions or easements on the land described therein.
- 1.18. **"Total Association Vote"** means the votes attributable to the entire membership of the Association (including the votes of Declarant) as of the record date for such action, but specifically excluding the votes of any Owners whose voting rights have been suspended as provided herein, regardless of whether or not such members are present or represented at the meeting, if any, where such votes are to be cast.

Article 2

Property Subject to This Declaration

- 2.1. **Property Hereby Subjected to This Declaration.** The real property which is, by the recording of this Declaration, subject to the covenants, conditions, restrictions and easements hereinafter set

forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied and encumbered subject to this Declaration is the real property described in **Exhibit "A"** attached hereto and by this reference made a part hereof.

- 2.2. **Unilateral Annexation by Declarant.** As the owner thereof or, if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option from time to time at any time until fifteen (15) years after the recording of this Declaration to subject all or any portion of the real property described in **Exhibit "B"** attached hereto and by this reference incorporated herein, to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the county in which the property to be annexed is located a Supplementary Declaration describing the property being subjected; provided that, so long as KLLB owns any of the Property subject to this Declaration, no property may be annexed into or otherwise made subject to this Declaration without the prior written consent of KLLB, which it may withhold in its sole and absolute discretion. Declarant may annex hereto the property contained in Declarant's land plan for the development as amended from time to time which property is a portion of the property described in **Exhibit "B"**. However, inclusion of property on Declarant's land plan or in **Exhibit "B"** shall not obligate the Declarant to subject such property to the Declaration, nor shall exclusion of property from the initial land plan bar Declarant from subjecting such property to the Declaration. Any annexation shall be effective upon the filing for record of a Supplementary Declaration unless a later effective date is provided therein. As long as covenants applicable to the real property previously subjected to this Declaration are not materially changed and as long as rights of existing Owners are not materially and adversely affected, the Declarant may unilaterally amend this Declaration to reflect the different character of any such annexed real property. If any land is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon such additional land nor shall such rights in any manner limit or restrict the use to which such additional land may be put by Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.
- 2.3. **Other Annexation.** With the exception of any property that may be unilaterally annexed by the Declarant in accordance with this Declaration, upon the written consent of: (a) the owner(s) thereof; the Declarant and KLLB, so long as it owns any property subject to this Declaration; (c) the Owners of at least two-thirds of the Lots, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association by filing a Supplementary Declaration describing the property being annexed for record in Walton County, Georgia. Any such Supplementary Declaration shall be executed on behalf of the Association by the President of the Association whose signature shall be attested by the Secretary of the Association. The annexation shall be effective only upon the filing for record of such Supplementary Declaration, unless a later effective date is provided therein.
- 2.4. **Withdrawal of Property.** Declarant reserves the right to amend this Declaration so long as it has a right to annex additional property pursuant to this Article for the purpose of removing any portion of the Community then owned by Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community, and provided that such withdrawal is with the consent of KLLB so long as KLLB owns any property subject to this Declaration. Any such

withdrawal shall be accomplished by the filing for record an amendment to this Declaration describing the property removed and shall be effective upon filing for record in the Office of the Clerk of Superior Court of Walton County, Georgia unless a later effective date is provided therein. Such amendment shall be executed by the Declarant and the Owner(s) of the property being removed, and so long as Declarant, or KLLB owns any property subject to this Declaration, Declarant and KLLB, and shall not require the vote or consent of any other Person.

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 have a membership in the Association. 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 or more Persons, shall have more than one (1) membership per Lot. Membership shall be appurtenant to and may not be separated from ownership of a Lot. The rights and privileges of membership, including the right to hold office, may be exercised by a member or the spouse of a member, but in no event shall more than one (1) Person representing a single membership hold office at the same time. This Section is not intended to prohibit the same individual from being both an officer and a director of the Association. Nothing in this Section shall restrict the number of votes cast or the number of the officers and directors appointed by the Declarant.
- 3.2. **Voting.** Members shall be entitled to cast one (1) vote for each Lot owned. When more than one Person holds an ownership interest in a Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary prior to any meeting or referendum. The vote attributable to a Lot shall be suspended in the event more than one Person seeks to exercise it. The Board of Directors may suspend the voting rights of an Owner for any period during which any past due assessment against any Lot of the Owner remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws or rules and regulations promulgated pursuant thereto.
- 3.3. **Notice of Sale or Acquisition.** Owners must keep the Association apprised of their name, address and telephone number. Accordingly, prior to the sale of a Lot, the Owner shall provide the Association with written notice of the name of the purchaser and the date, time and place of the closing. Upon acquisition of a Lot, each new Owner shall provide the Association with written notice of the name, mailing address and telephone number of the Owner and the names of the Occupants of the Lot. All Owners shall notify the Association of any change in name, address or telephone number.

Article 4

Assessments

- 4.1. **Purpose of Assessments.** The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners of Lots, including, without limitation, the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.
- 4.2. **Creation of the Lien and Personal Obligation for Assessments.** Each Owner of a 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) general assessments; (b) special assessments; and (c) specific assessments. All such assessments, together with late charges, interest (at a rate of ten percent [10%] per annum on the principal amount due) and costs of collection, including, without limitation, reasonable attorney's fees actually incurred, shall, from the time the sums become due and payable, be a charge on the land and shall be a continuing lien in favor of the Association on the Lot against which each assessment is made. The recording of this Declaration shall constitute record notice of the existence of the lien and no further recordation of any claim of lien shall be required. Each such assessment, together with such late charges, interest and costs, shall also be the personal obligation of the Person who was the Owner of the Lot at the time the assessment fell due. Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner 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 the grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings. No Owner may waive or otherwise exempt themselves from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. No diminution or abatement of any assessment shall be claimed or allowed by reason of any failure of the Association to take some action or perform some function required to be taken or performed by the Association, the obligation to pay assessments being a separate and independent covenant on the part of each Owner. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments. As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall include costs of collection, including, without limitation, reasonable attorney's fees actually incurred, and the award of attorney's fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-11(a)(2).
- 4.3. **General Assessments.** It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year. The Board shall cause the budget and the general assessments to be levied against each Lot for the year to be delivered to each member at least thirty (30) days prior to the due date of any general assessment. The budget and the general assessment shall become effective unless disapproved at a meeting by a majority of the Total Association Vote and the Declarant. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for any period, then and until such time as a budget shall have been determined, as provided herein, the budget in effect shall continue. General assessments shall be levied equally on all similarly situated Lots 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 for delinquents. Unless otherwise provided by the Board, the general assessment shall be paid monthly. General assessments include any sums the Board determines necessary for the

continued ownership, operation and maintenance of the Common Property, operating expenses of the Association, payment for any items of betterment and the establishment of reserve funds as the Board shall deem proper. General assessments may include, without limitation, sums for property taxes, insurance premiums, legal and accounting fees, management fees, charges for utilities (including, to the extent provided by the Association, all water supplied to the Community), cleaning and janitor services, Community trash collection as provided in this Declaration, landscape maintenance, expenses and liabilities incurred as provided herein and in the Articles of Incorporation and Bylaws for indemnification of officers and directors and in connection with the enforcement of rights and duties of the Association against Owners and others.

- 4.4. **Special Assessments.** In addition to the general assessment, the Board may, at any time, and in addition to any other rights it may have, a special assessment against all Owners, notice of which shall be sent to all Owners. Any special assessment which would cause the average total of special assessments levied in one (1) fiscal year to exceed Two Hundred Dollars (\$200.00) shall be approved by a majority of the Total Association Vote and the Declarant, and if KLLB owns any property subject to the Special Assessment, KLLB, prior to becoming effective. The Board may permit a special assessment to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.
- 4.5. **Specific Assessments.** The Board shall have the power to levy specific assessments as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. Fines levied pursuant to this Declaration and the costs of maintenance performed by the Association for which the Owner is responsible shall be specific assessments. The Board of Directors may also specifically assess Owners for Association expenses as follows: (a) expenses of the Association which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; (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; and (c) expenses of the Association which are attributable to or incurred by a particular Owner or the Occupants, guests, tenants, invitees or licensees of such Owner may be specifically assessed against such Owner and Lot thereof.
- 4.6. **Subordination of Liens to Mortgages.** The lien of all assessments authorized herein is hereby made subordinate to the lien of any first Mortgage placed on a Lot if, but only if, all assessments and charges with respect to such Lot authorized herein having a due date on or prior to the date of the Mortgage as filed of record have been paid. The lien hereby subordinated is only a lien as it relates to assessments and charges authorized hereunder having a due date subsequent to the date such Mortgage is filed of record and prior to the satisfaction, cancellation or foreclosure of such Mortgage or the sale or transfer of the Lot pursuant to any proceeding in lieu of foreclosure or the sale or transfer of the Lot pursuant to a sale under power contained in such Mortgage. Such subordination is merely a subordination and shall not relieve the Owner of the Lot of the personal obligation to pay all assessments coming due during such period of ownership; shall not relieve such Lot from the lien provided for herein (except to the extent a subordinated lien is extinguished as a result of such subordination as against a Mortgagee or such Mortgagee's assignee or transferee

or assignee by foreclosure or by sale under power); and no sale or transfer of such Lot to the Mortgagee or to any other Person pursuant to a decree of foreclosure, or pursuant to any other proceeding in lieu of foreclosure or pursuant to a sale under power, shall relieve any existing or previous Owner of such Lot of any personal obligation or relieve such Lot or any Owner of such Lot from liability for any assessment authorized hereunder that becomes due after such sale and transfer.

- 4.7. **Remedies of the Association.** Any assessments or installments thereof which are not paid when due shall be delinquent. In addition to the lien rights, the personal obligation of the then Owner to pay such assessments shall remain such Owner's personal obligation and shall also pass to such Owner's successors-in-title. Such Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which such Owner was obligated to pay immediately preceding the transfer or conveyance; and such and such successors-in-title shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such Owner and such successors-in-title creating any indemnification of the Owner or any relationship of principal and surety as between themselves. Any assessment or installment thereof that is delinquent for a period of more than ten (10) days shall incur a late charge in the amount of the greater of Ten (\$10.00) Dollars or Ten percent (10%) of the amount due and interest shall be imposed at a rate of ten percent (10%) per annum on the principal amount due. As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall include costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-11(a)(2). The Association may cause a notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date. In the event that the assessment remains unpaid after sixty (60) days, the Association may institute suit to collect such amounts and/or to foreclose its lien. The Association may file a claim of lien with the Office of the Clerk of Superior Court of Walton County, Georgia, but no such claim of lien shall be required to establish or perfect the lien for unpaid assessments. Each Owner, by acceptance of a deed vests in the Association 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 lien. The lien provided for in this Declaration shall be in favor of the Association and shall be for the benefit of all Owners. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. The Association may also suspend the membership rights of the delinquent Owner for any assessments or installments which are not paid, including the right to vote, the right of enjoyment in and to the Common Property (other than access to such Owner's Lot) and the right to receive and enjoy such servicing and other benefits as may then be provided by the Association, including without limitation, suspension of utility services provided by the Association, including but not limited to, the suspension of water service to a Lot, until all assessments, costs and re-connection charges are paid in full. Any such suspension shall not affect such member's obligation to pay assessments coming due during the period of such suspension and shall not affect the permanent lien on such Lot in favor of the Association
- 4.8. **Date of Commencement of Assessments.** Assessments shall commence when the Board of Directors first determines a budget and levies assessments. The assessments provided for herein shall commence as to a Lot on the first day of the month following the date a certificate of occupancy is issued on the Lot. The Declarant, , KLLB, or any builder which the Declarant has designated in writing as an Approved Builder shall be exempt from the payment of assessments on

any Lot on which the Declarant, , KLLB or the Approved Builder is the record title owner, provided, however, if any such Lot is occupied for residential purposes, assessments shall commence on the Lot as of the date of such occupancy. The exemption provided to the Approved Builder under this Section 4.8 shall be subject to the terms of Section 4.14 of this Declaration.

- 4.9. **Budget Deficits During Declarant Control.** For so long as the Declarant has the authority to appoint and remove the directors and officers of the Association, Declarant and/or Approved Builder may, but shall not be obligated to reduce the general assessment for any fiscal year by payment of a subsidy (i.e., deficit funding). Any deficit funding subsidy may be treated as a contribution, an advance against future assessments due or a loan from said Approved Builder. Any deficit funding subsidy and the characterization thereof shall be conspicuously disclosed as a line item in the income portion of the budget. In addition, an Approved Builder may loan funds to the Association to cover one-time common expenses of the Association, to cover Association operational shortfalls, to fund Association contract requirements, to fund amenity or entrance monumentation construction, up-fitting, or maintenance, to include lighting, parking, furniture, irrigation or such other reasonable expenses, as determined in the sole discretion of said Approved Builder, and any such loans and the debt service shall be disclosed in the budget as applicable. If characterized as a loan, the Approved Builder may charge and collect interest on the outstanding principal balance of the loan at a rate not to exceed the then prevailing rates for similar loans in the local area of the Community. Payment of a subsidy in any year shall not obligate an Approved Builder to continue payment of that subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant. No Mortgage secured by the Common Property or any of the improvements maintained by the Association shall be given in connection with such loan.
- 4.10. **Failure to Assess.** The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.
- 4.11. **Estoppel Letter.** The Association shall, within five (5) days after receiving a written request therefor and for a reasonable charge as may be permitted by law and established by the Board, to the amount of any unpaid assessments constituting a lien on a specified Lot. It is the intent of this provision to comply with O.C.G.A. Section 44-14-15(c), as amended. A certification letter signed by an officer of the Association or the Association's managing agent, if any, as to the amount of assessments due with respect to a Lot shall be binding upon the Association.
- 4.12. **Initiation Fee.** Upon conveyance of title to a Lot to the first Owner, other than conveyances to Declarant, KLLB, or an Approved Builder, and upon each and every conveyance thereafter, an initiation fee in the amount equal to the general assessment for the year in which the conveyance occurs, or such higher amount as may be set by the Board of Directors by resolution, for the Lot shall be collected from the purchaser at the closing of such transaction and paid to the Association. Notwithstanding the foregoing, an initiation fee shall not be collected in the following situations: 1) conveyances to the Declarant or a builder approved by the Declarant, said approved builder being designated as such in writing by the Declarant; 2) conveyances to the spouse of the Owner;

and 3) conveyances to an heir of the deceased Owner. The initiation fee shall constitute a specific assessment against the Lot, shall be in addition to, not in lieu of, the annual general assessment and shall not be considered an advance payment of such assessment. The initiation fee may be used by the Association for any purpose which provides a direct benefit to the Community, including, without limitation, for the payment of operating expenses of the Association and other expenses incurred by the Association pursuant to the provisions of this Declaration. Notwithstanding the foregoing, the initiation fee shall not apply to 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, but shall apply to the Owner acquiring title to the Lot from the foreclosing Mortgagee.

- 4.13. **Foreclosure Administration Fee.** It is recognized that foreclosures of mortgages on Lots create substantial administrative and other burdens on the Association. These additional burdens on the Association include, but are not limited to, having to monitor the status of mortgages and legal periodicals to determine when foreclosures occur, searching the Walton County, Georgia land records to determine the names of the purchasers at foreclosure sales, contacting the foreclosure purchasers/Owners regarding foreclosure-purchaser responsibilities and assessment obligations and updating Association records multiple times to deal with just a single Lot. Pursuant to this Declaration, the Association is authorized to assess individual Owners certain fees and expenses occasioned by and benefiting just those Owners or those Owners' Lots. In accordance with these provisions, and in addition to annual assessments, special assessments, initiation fee, and other charges provided for in this Declaration, except as otherwise specifically set forth in this Declaration as provided below, any Person who acquires a Lot at a foreclosure sale of the Mortgage on such Lot, or by deed in lieu of a foreclosure, will be required to pay the Association a "Foreclosure Administration Fee" of \$500.00, or such higher amount as may be set by the Board of Directors by resolution, at the time the foreclosure deed or deed in lieu of foreclosure is recorded in the Walton County, Georgia records. The Foreclosure Administration Fee shall constitute a specific assessment as described in this Declaration and shall be in addition to any outstanding assessments the Association is legally permitted to collect from the buyer at a foreclosure sale and/or the grantee/party receiving a deed in lieu of foreclosure.
- 4.14. **Approved Builder Exemption.** Following the commencement of assessments as set forth in Section 4.8, any Approved Builder who owns a Lot for the purpose of constructing a Home shall only pay one quarter (1/4) of the general assessment, and shall not be required to pay any other form of assessment or fee. Approved Builder shall pay the one quarter (1/4) general assessment at the closing of each Home to a first Owner.

Article 5

Maintenance: Common Property

- 5.1. **Owner's Responsibility.** Each Owner shall maintain and keep such Owner's Lot, dwelling and all improvements thereon in good repair, condition and order. Such maintenance shall include, without limitation, the following: prompt removal of all litter, trash, refuse and waste; landscaping on such Owner's Lot except for maintenance which is to be performed by the Association as expressly

provided hereunder; tree and shrub pruning; watering landscaped areas; keeping improvements and exterior lighting in good repair and working order; keeping driveways serving their respective dwelling in good repair (even if located on Common Property); complying with all governmental health and police requirements; maintenance of grading and storm water drainage as originally established on such Lot (notwithstanding any applicable local ordinances to the contrary); and maintenance and repair of exterior damage to improvements, including, without limitation, painting and pressure washing as needed. Owners shall be responsible for their respective roof and exterior maintenance of their respective dwellings at their own expense unless such maintenance obligations are assumed by the Association as provided in Section 5.2.

In addition, Owners shall maintain, repair and/or replace any pipe(s), wire(s), conduit(s) or other apparatus which serve only their Lot, whether said pipe(s), wire(s), conduit(s) or apparatus are located within or outside of a Lot's boundaries. Accordingly, Owners shall maintain, repair or replace as necessary the water line serving such Owner's Lot up to the water sub-meter or meter serving such Lot.

Each Owner shall also maintain any public right-of-way located between the Owner's Lot and the curb of the street(s) bordering such Lot. Such maintenance shall be performed consistent with this

Declaration and the Community Wide Standard established pursuant hereto. Each Owner shall perform applicable maintenance responsibilities hereunder in such manner so as not to unreasonably disturb other Lot Owners.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Property by an Owner or Occupant which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Property) shall be performed at the sole expense 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.

- 5.2. **Association's Responsibility.** The Association shall maintain, keep in good repair, replace and, in the Board of Directors' discretion, improve or alter the Common Property. This maintenance obligation shall include amenities, roads, paved access, alley ways and parking areas, greenbelts, trees, shrubs, grass, walks, drives and other improvements located on the Common Property. The Association shall also maintain and keep in good repair all water and sewer pipes or stormwater facilities in accordance with the provisions of this Section 5.2 which serve solely the Common Property, to the extent that such pipes and facilities are not maintained by public, private, or municipal utility companies. The Association shall maintain, repair and replace any sidewalks located on Common Property or Lots to the extent the sidewalks are not maintained, repaired and/or replaced by a local municipality. In addition, the Association shall maintain, keep in good repair, replace, and, in the Board of Directors' discretion, improve or alter any retaining wall serving more than one Lot and as shown on the recorded plats for the Community. The Association shall also maintain (whether or not constituting Common Property): (a) storm water detention/retention ponds and storm water drainage facilities serving the Community and which are not maintained by any municipal or governmental authority; (b) any signage or street lights serving the Community which are not maintained by any municipal or governmental authority; (c) any community mailboxes or central mailbox system; (d) all private Community streets, roads, paths, and off street

parking areas, if any, but not any driveways serving one Lot; (e) all water and sanitary sewer pipes or facilities that serve more than one Lot if and to the extent the same are not maintained on an ongoing basis by a governmental entity; (f) recreational facilities serving the Community, if any; (g) the gate system serving the Community, if any; and (h) any fencing located solely on Common Property and specifically excluding any portions of a fence located on an Owner's Lot that tie into or connect a fence located on the Common Property.

The Association shall have the right, but not the obligation, to assume additional maintenance responsibilities in the Community and to maintain public rights of way adjacent to the Community and other property not owned by the Association, if the Board of Directors in its sole discretion, determines that such maintenance would benefit the Community. This right shall include the right, but not the obligation, of the Association to assume maintenance of any fence located on a combination of Common Property and a Lot regardless of whether the fence is installed prior to the construction of a home. At any point thereafter, the Board can cease to maintain such fence and thereafter such maintenance obligation will revert back to the party originally responsible, therefore. The foregoing maintenance shall be performed consistent with the Community Wide Standard.

If, during the course of performing its maintenance responsibilities hereunder, the Board discovers that maintenance, repair or replacement is required of an item which is the Owner's responsibility, and such maintenance, repair or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at the Owner's sole expense, without prior notice to the Owner, such being deemed an emergency situation hereunder.

If the Board of Directors determines that the need for maintenance or repair on the Common Property is caused through the willful or negligent act of any Owner or Occupant or the family, guests, tenants, or invitees of such Owner or Occupant, then the Association may charge the cost of any such maintenance, repair, or replacement as a specific special assessment against the Owner's or Occupant's Lot and the Owner thereof.

Declarant, KLLB, the Association and their respective officers, directors, employees, representatives and agents 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 which may leak or flow from any portion of the Common Property or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, unless such injury or damage results directly and solely from the negligence or gross negligence of the Association. KLLB, Declarant, the Association and their respective officers, directors, employees, representatives and agents shall not be liable to any Owner, or any Owner's Occupant, invitee, 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 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.

The Association shall provide adequate maintenance of the Stormwater facilities located on the Property, including but not limited to the maintenance of all pipes, channels, or other conveyances built to convey stormwater to the stormwater facilities. Such maintenance shall include keeping the stormwater facilities and components thereof in good working condition so that such stormwater facilities continue to perform their design functions. The Association shall perform its maintenance in accordance with the Structural Control Maintenance Checklists as set forth in Appendix E of the Georgia Stormwater Management Manual, and any maintenance checklists, guidelines, or specifications as set forth by the applicable stormwater management devices as installed. The Association hereby grants to Walton County, a non-exclusive perpetual easement over, across, under, and through the property for the purpose of inspecting the stormwater facilities. Said obligations in this paragraph shall run with title to the Property and shall be binding upon the Declarant, KLLB, and the Association (as applicable) as the owner of the stormwater facilities. The Declarant, KLLB, and Association (as applicable) agrees to comply with the maintenance provisions pertaining to the stormwater facilities as set forth in this Section 5.2, and as more particularly set forth in that certain Stormwater Facility Maintenance Agreement between Pine Hurst Homes, LLC and Walton County, recorded in Book 5565, Page 471 in the Clerk of Superior County for Walton County, Georgia.

- 5.3. **Failure to Maintain.** If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her or its maintenance, repair or replacement obligations pursuant to this Section, then the Association shall give such Owner written notice of: (1) the Owner's failure or refusal; (2) the Association's right to provide necessary maintenance, repair, or replacement at the Owner's sole cost and expense; and (3) the maintenance, repair, or replacement deemed necessary by the Board. Unless the Board determines that an emergency exists or a violation is re-occurring for which notice previously has been issued hereunder, 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 within ten (10) days. If the Board determines that an emergency exists, a violation is re-occurring for which notice has been previously issued hereunder or an Owner has not complied with the demand given by the Association hereunder, the Association may perform any such maintenance, repair or replacement, the costs of which shall be a specific assessment against the Owner and such Owner's Lot. This provision shall not apply to any Lot owned by Declarant, Approved Builder, or KLLB, unless such Lot is improved with a dwelling and occupied as a residence.
- 5.4. **Maintenance Standards and Interpretation.** The Board of Directors may establish, interpret and enforce maintenance standards for the Community. These standards may vary over time; however, the variances shall not constitute a waiver by the Board of the right to establish and enforce maintenance standards under this Section. No Board decision or interpretation regarding maintenance standards shall constitute a binding precedent with respect to subsequent Board decisions or interpretations.
- 5.5. **Party Walls and Fencing.** Each wall or fence or other appurtenance, whether built as part of the original construction of the Lots or added pursuant to the Architectural Standards herein, which

shall serve and connect any two (2) adjoining Lots shall constitute a party wall or fence and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto. Except for maintenance which is the responsibility of the Association under Section 5.2 of this Declaration, the cost of reasonable repair and maintenance of a party wall or fence or appurtenance shall be shared by the Owners who make use of the wall or fence or appurtenance in equal proportions. If a party wall or fence or appurtenance is destroyed or damaged by fire or other casualty, then any Owner who is benefited by the wall or fence or appurtenance may restore it, and the other Owner who is benefited by the wall or fence or appurtenance shall contribute one-half of the cost of restoration, without prejudice, however, to the right of any Owner performing the restoration to call for a larger contribution from any other Owner benefitted by the restored wall or fence under any rule of law regarding liability for negligent or willful acts or omissions. In the event of any dispute arising concerning a party wall or fence or appurtenance, or under the provisions of this Section, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties and shall be a condition precedent to any right of legal action that either party may have against the other party.

- 5.6. **Conveyance of Common Property by Declarant to Association: No Implied Rights.** The Declarant may transfer or convey to the Association at any time and from time to time any personal property and any interest in improved or unimproved real property; provided, however, such conveyance shall also require the written consent of Declarant or KLLB so long as it owns any property subject to this Declaration. Such conveyance shall be deemed to be accepted by the Association upon delivery of any personal property or upon recordation of an instrument of conveyance of any interest in real property, and the property shall thereafter be Common Property to be used and maintained by the Association for the benefit of its members. The Association hereby constitutes and appoints the then Declarant as its agent and attorney-in-fact to accept on behalf of the Association any conveyance to the Association and to execute on behalf of the Association any and all documents, including, without limitation, deeds and transfer tax declaration forms, necessary or convenient to effectuate and document any such conveyance to or reconveyance from the Association. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise. The Declarant and KLLB shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section and shall have no duty or obligation to convey any property or property rights to the Association regardless of whether or not any such property has been made available for the use of Owners. The Declarant and KLLB may reserve, by lease, license, easement or otherwise such rights of use and enjoyment in and to all or any portion of the property so conveyed as Declarant or KLLB may reasonably require so long as such reservation is not materially inconsistent with the overall scheme of development for the Community. Neither the recordation of any subdivision plat nor the use by the Owners or maintenance by the Association of any property shall create any rights, easements or licenses, in the Association or the Owners, express or implied, unless and until any such property rights, easements or licenses are conveyed by the Declarant or the owner of such property to the Association or the Owners, as the case may be, by an instrument recorded in the real estate records of the county where the property is located. For so long as Declarant has the right to annex additional property pursuant to the Declaration, Declarant reserves the right to withdraw, remove,

relocate and/or change any boundaries of the Common Property, or any portion thereof, and the Association shall execute any documents necessary to modify any Common Property conveyed to the Association upon request by the Declarant; provided, however, such change in any boundaries of the Common Property shall also require the written consent of Declarant or KLLB so long as it owns any property subject to this Declaration.

- 5.7. **Partition.** The Common Property shall remain undivided and no Owner shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within the Community and without the written consent of all holders of all Mortgages encumbering any portion of the property, including, but not limited to, the Lots.
- 5.8. **Condemnation.** In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, the Association shall if reasonably possible and to the extent practicable restore or replace such improvements so taken on the remaining Common Property, unless within 60 days after such taking, an alternative plan is approved by at least 75% of the Total Association Vote and the consent of Declarant and KLLB, so long as it owns any property subject to this Declaration.. The provisions of this Declaration applicable to the replacement or restoration of damaged improvements on the Common Property shall also apply to and govern the actions to be taken in the event that the improvements are not restored or replaced after a condemnation.
- 5.9. **Liability.** Occupants and their guests shall use the Common Property and all portions of the Community not contained within a Lot at their own risk and shall assume sole responsibility for their personal belongings used or stored thereon. KLLB, the Association, the Declarant and their respective officers, directors, employees, representatives and agents shall not be held liable for personal injury to any person, nor for loss or damage to personal belongings used or stored on the Common Property or any other portion of the Community. KLLB, Declarant, the Association and their respective officers, directors, employees, representatives and agents shall not be liable for injury or damage to any Person or property (a) caused by the elements or by an Owner or any other Person, (b) resulting from any rain or other surface water which may leak or flow from any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, or (c) caused by any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall KLLB, Declarant, the Association and their respective officers, directors, employees, representatives and agents be liable to any Owner or Occupant for loss or damage, by theft or otherwise, of any property of such Owner or Occupant.

Article 6

Architectural Standards

- 6.1. **General.** No exterior construction, alteration or addition of any improvements of any nature whatsoever (including, without limitation, staking, clearing, excavation, grading, filling,

construction of impervious surface, building, exterior alteration of existing improvements, storm and screen doors, storm windows, fencing, change in the exterior color of any existing improvement and planting and removal of landscaping materials), shall be commenced or placed upon any part of the Community unless, installed by the Declarant or an affiliate of the Declarant, approved in accordance with this Article, or otherwise expressly permitted under this Declaration. Any Owner may remodel, paint or redecorate the interior of structures on the Lot without approval hereunder. However, modifications to the interior of porches, patios and similar portions of a structure visible from outside the Lot shall be subject to approval. This Article shall not apply to the activities of the Declarant, nor KLLB while it owns property subject to the Declaration, nor to affiliates of the Declarant, nor to improvements to the Common Property by or on behalf of the Association. This Article may not be amended without the written consent of the Declarant and KLLB, so long as it owns any property subject to this Declaration, until: (a) the Declarant no longer has the right to unilaterally annex additional property to the Community; and (b) each Lot has been improved with a dwelling for which a certificate of occupancy has been issued. Notwithstanding any other provision, Declarant is authorized to approve home plans for any Approved Builder for construction within the Community.

6.2. **Guidelines and Procedures.** Except as provided above, no exterior construction, addition or alteration shall be made unless and until plans and specifications shall have been submitted in writing to and approved by the Declarant. Such plans and specifications shall be of sufficient detail to allow the Declarant to make its- review and to the extent required by the Declarant shall show the nature, kind, shape, height, materials and location of the proposed improvement. The Declarant may adopt written architectural guidelines and application and review procedures, which may provide for review fees, or, in the Declarant's discretion, impact fees. The Declarant shall have sole and full authority to prepare and to amend, from time to time at its sole discretion and without notice, the architectural guidelines. The Declarant shall make the architectural guidelines available to Owners who seek to engage in construction upon all or any portion of the Community and such Owners shall conduct their operations strictly in accordance therewith. If the Declarant, or the Architectural Review Committee defined herein after the Declarant's rights terminate, fails to approve or to disapprove submitted plans and specifications within thirty (30) days after receipt of all required plans and specifications, such approval shall be deemed denied. The Declarant shall be the sole arbiter of such plans and may withhold approval for any reason, including, without limitation, purely aesthetic considerations, and it shall be entitled to stop any construction in violation of any provision of this Declaration. Plans and specifications are not approved for engineering or structural design or quality of materials and by approving such plans and specifications KLLB and the Declarant assume no liability or responsibility therefor or for any defect in any structure constructed from such plans and specifications. Additionally, any modifications or improvements made by an Owner shall be maintained, repaired and/or replaced by the Owner or their successors-in-title at such Owner's sole expense.

6.3. **Limitation of Liability.** Plans and specifications are not approved for engineering or structural design or quality of materials or for compliance with applicable building codes, permitting requirements, zoning conditions or other applicable governmental laws, ordinances and regulations governing construction in the Community and by approving such plans and specifications the Declarant, its successors and assigns, assumes no liability or responsibility therefor or for any defect in any structure constructed from such plans and specifications or for any violation of applicable building codes, permitting requirements, zoning conditions or for any other violation of

applicable governmental laws, ordinances and regulations governing construction within the Community. Neither KLLB, Declarant, the Association, nor the officers, directors, members, employees and agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them for approval or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every Person who submits plans and specifications and every Owner agrees that such Person or Owner will not bring any action or suit against KLLB, Declarant, the Association or the officers, directors, members, employees and agents of any of them to recover any damages and hereby releases, remises, quitclaims and covenants not to sue for all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

- 6.4. **No Waiver.** The approval of the Declarant of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring approval or consent of the Declarant, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications or drawings or matters whatever subsequently or additionally submitted for approval or consent.
- 6.5. **Variances.** Notwithstanding anything to the contrary contained herein, the Declarant or the Board shall be authorized to grant individual variances from any of the provisions of this Article 6 and the architectural guidelines promulgated pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case is dictated by unique circumstances, such as, but not limited to, topography, natural obstructions, hardship, aesthetic considerations or environmental considerations and would not be inconsistent with the overall scheme of development for the Community. No variance shall (a) be effective unless in writing, (b) be inconsistent with the overall scheme of development for the Community, or (c) estop the Declarant or the Board from denying a variance in other similar circumstances. For purposes of this provision, the inability to obtain approval of any governmental agency or the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.
- 6.6. **Enforcement.** Any structure or improvement placed or made in violation of this Article, including, without limitation, any construction, modification or alteration which does not conform to or is inconsistent with approved plans, shall be deemed to be nonconforming. Upon written request from the Declarant, Owners shall, at their own cost and expense, remove such nonconforming structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Declarant and its agents shall have the right to enter the property, remove the nonconforming structure or improvement, and restore the property to substantially the same condition as previously existed. In addition to, or in lieu of, the Association may elect to impose fines for non-compliance with this Article as provided in this Declaration. All costs, including, without limitation, attorney's fees, may be assessed against the applicable Lot as a specific assessment. As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall include costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-11(a)(2).

- 6.7. **Architectural Review Committee.** Until (a) the Declarant no longer has the right to unilaterally annex additional property to the Community; and (b) each Lot has been improved with a dwelling for which a certificate of occupancy has been issued, the Declarant, with the joinder and consent of KLLB so long as it owns any Property subject to this Declaration, shall have the sole right, power and authority under this Article. There shall be no surrender of this right except in a written instrument in recordable form executed by Declarant and KLLB, so long as it owns any property subject to this Declaration, and recorded in the land records of the Clerk of the Superior Court of Walton County, Georgia. Upon expiration or earlier surrender in writing of all or a portion of such right and authority, the Board of Directors shall automatically constitute the Architectural Review Committee of the Association and shall then have such jurisdiction over architectural control under this Article as may have been relinquished by the Declarant. The Declarant, may, in its sole discretion and at any point, partially surrender its rights hereunder for existing improvements to the Board of Directors and may retain its rights, power and authority under this Article as it relates to new construction. After the termination of all rights of Declarant hereunder, the Board of Directors shall have all right, power and authority to review and approve building and construction activity within the Community and this Article shall then be read and interpreted as if any reference to the authority of or action by the Declarant in this Article were a reference to the authority of or action by the Board of Directors.

Article 7

Use Restrictions and Rules

- 7.1. **Rules and Regulations.** The Board of Directors may, from time to time, with the consent of Declarant, and KLLB so long as it owns any Property subject to this Declaration, and without a vote of the members, promulgate, modify or delete rules and regulations applicable to the Community. Such rules and regulations shall be distributed to all Owners prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled or modified by a majority of the Total Association Vote and the consent of Declarant. This Section shall not apply to Declarant or KLLB unless it owns any Lot improved with a dwelling and occupied as a residence.
- 7.2. **Residential Use.** Each Lot shall be used for residential purposes exclusively. Leasing of a Lot for residential occupancy shall not be considered a business or business activity. No trade or business of any kind may be conducted in or from a Lot, except that the Owner or Occupant in residence at the Lot may conduct business activities within the house so long as the business activity: (a) does not otherwise violate the provisions of the Declaration, Bylaws or any rules and regulations promulgated pursuant thereto; (b) is not apparent or detectable by sight, sound or smell from the exterior of the Lot; (c) does not unduly increase traffic flow or parking congestion; (d) conforms to all zoning requirements for the Community; (e) does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (f) is consistent with the residential character of the Community; (g) does not constitute a nuisance or a hazardous or offensive use; and (h) does not threaten the security or safety of other residents of the Community, all as may be determined in each case in the sole discretion of the

Board of Directors. The Board may issue rules regarding permitted business activities. 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: (x) the activity is engaged in full or part-time; (y) the activity is intended to or does generate a profit; or (z) a license is required for the activity. Notwithstanding anything to the contrary herein, nothing in this Section 7.2 shall be construed as prohibiting the Declarant, or KLLB so long as KLLB owns any property subject to this Declaration, from maintaining model homes, speculative housing, sales offices or construction trailers in the Community.

7.3. **Signs.** No sign of any kind shall be erected or displayed within the Community without the prior written consent of the Declarant or, after the termination of the rights of Declarant hereunder, the Board of Directors. Notwithstanding the foregoing, the Board and the Declarant shall have the right to erect reasonable and appropriate signs. For-sale signs and security signs not larger than 18-inches by 18-inches and any signs required by legal proceedings may be erected upon any Lot. The provisions of this Section shall not apply to any Mortgagee in possession due to foreclosure of a first Mortgage or as grantee pursuant to any deed in lieu of such foreclosure. The Board may impose a fine of One-Hundred and Fifty and No/100 Dollars (\$150.00) per day for display of any sign in violation of this provision which is not removed within twenty-four (24) hours after written demand is delivered to the Owner of that Lot. The Declarant or the Board of Directors may promulgate rules and regulations governing the placement, types and duration of posting of signs, and specifically allowing for temporary signs.

7.4. **Vehicles: Parking.** Vehicles (other than emergency vehicles in the course of their duties) shall be parked only in appropriate parking spaces serving the Lot or other designated areas, if any. No on-street parking, other than in connection with special events as approved by the Board of Directors, shall be permitted within the Community. All parking shall be subject to such rules and regulations as the Board may adopt. The term "**vehicles,**" as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, golf carts, trucks, campers, buses, vans and automobiles. The term "**parking areas**" shall refer to the number of garage parking spaces and the spaces located in the driveway of each Lot. All Lots shall contain a garage; carports shall not be permitted. Garage doors should be kept closed at all times, except during times of ingress and egress from the garage. No vehicle may be left upon any portion of the Community, except in a garage or other area designated by the Board, for a period longer than five (5) days if it is not licensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five-day period, such vehicle may be removed from the Community by the Board of Directors. Any towed vehicle, boat, personal watercraft, recreational vehicle, motor home, trailer, motorcycle, minibike, scooter, go-cart, golf cart, commercial truck, camper, bus or mobile home regularly stored in the Community or temporarily kept in the Community, except if kept in a garage, for periods longer than 24 hours may be removed from the Community by the Board of Directors. Trucks with mounted campers which are used as a primary means of transportation shall not be considered recreational vehicles provided, they are used on a regular basis for transportation and the camper is stored out of public view upon removal. No eighteen-wheel trucks or the cabs of such trucks or trucks with a load capacity in excess of three quarters of a ton shall be parked, kept

or stored within the Community except during the time reasonably necessary to provide service or delivery within the Community.

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

If a vehicle is parked in a fire lane, is blocking another vehicle, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the Board or agent of the Association may have the vehicle towed immediately. If a vehicle is towed in accordance with this subparagraph, 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. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority herein to tow.

Notwithstanding anything to the contrary in this Section 7.4, KLLB, any Approved Builder, and Declarant, and their respective agents, contractors, subcontractors and assigns shall have the right, during regular business hours, to park vehicles on any and all streets within the Community as needed in order to facilitate the construction, development, maintenance and build out of the Community.

7.5. **Leasing.** Except as provided herein, the leasing of Lots shall be prohibited.

7.5.a. **Definitions.**

7.5.a.i. *"Authorized Corporate Occupant"* means the Occupant designated by an Owner of a Lot who is a corporation, limited liability company, partnership or trust or other legal entity not being a natural person. If the record title Owner of a Lot is a corporation, limited liability company, partnership or trust or other legal entity not being a natural person, the Owner shall designate in writing to the Board the name(s) of the Authorized Corporate Occupant, who will occupy the Lot. The name of each Authorized Corporate Occupant shall be designated in writing to the Board and may not be changed more frequently than once every 12 months without the Board's consent. A person's designation as an Authorized Corporate Occupant shall terminate automatically upon the termination of such person's relationship with the entity holding record title to the Lot. Occupancy of an entity-owned Lot by any person that does not qualify as an Authorized Corporate Occupant hereunder shall be unauthorized and shall be deemed to constitute leasing under this Section.

7.5.a.ii. *"Leasing"* means the occupancy of a Lot by any person(s) other than:

- 7.5.a.ii.A. The Lot Owner or a child, parent, grandparent, spouse or former spouse of an Owner, which relationship shall be demonstrated to the Board on request by providing a copy of a birth certificate or similar document satisfactory to the Board;
- 7.5.a.ii.B. An Authorized Corporate Occupant; or
- 7.5.a.ii.C. A roommate of any of the above who also occupies the Lot as his or her primary residence.

A person occupying a Lot only may be an Authorized Corporate Occupant if no rent or consideration is paid or provided to the Lot Owner by or for the Occupant. Additionally, a Lot may be considered to be leased hereunder even if no rent is paid to the Owner if the Occupant does not constitute one of the Occupants exempted from leasing above.

- 7.5.a.iii. *"Leasing Cap"* means the maximum total number of outstanding leasing permits but excluding hardship leasing permits that are permitted before additional leasing permits may be issued hereunder. The Leasing Cap shall be 20% of the Lots.
- 7.5.b. **Authorized Leasing.** may lease their Lots only if: (1) the Owner has received a leasing permit from the Board as provided below; (2) the Owner has received a hardship leasing permit from the Board as provided below; or (3) the Owner or Lessee is the Association. The leasing permit and hardship leasing permit are not intended as a way for the Association to approve or disapprove a particular tenant or Occupant, but a method to ensure that all leasing of Lots is strictly in compliance with the conditions and requirements specified in this Article and applicable zoning requirements. These conditions and requirements are of utmost importance in maintaining the high quality of the Community.
- 7.5.c. **Leasing Permits.** If any other Owner requests a Leasing Permit and complies with the conditions and requirements of this Section, the Board of Directors shall issue a Leasing Permit to the Owner within 15 days of the Owner's request and compliance with the terms hereof, in no more than 20% of the Lots have been issued Leasing Permits.

Owners who have been denied a Leasing Permit because the Leasing Cap is satisfied shall be placed on a waiting list to be issued such a permit, if they so desire, when the above conditions have been satisfied. 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.

The Board may refuse to issue any Leasing Permit or Hardship Leasing Permit if the Owner is shown on the Association's books and records to be delinquent in any assessment or charge or if the Owner is in violation of the Declaration, Bylaws or Association rules. Leasing Permits shall be valid only as to a specific Owner and Lot and shall not be transferable between either Owners or Lots.

- 7.5.d. **Hardships Leasing Permits.** If an Owner wishes to lease and does not satisfy the conditions and requirements for leasing under this Section, and the inability to lease will

result in an undue hardship to the Owner, then the Owner may apply to the Board for a Hardship Leasing Permit, for a term not to exceed one (1) year or as otherwise approved by the Board. The Board has sole discretion whether to grant a Hardship Leasing Permit, and the existence of a hardship does not guaranty that an Owner is entitled to or will receive a Hardship Leasing Permit; such Permit is discretionary. The Board shall have the authority to issue or deny requests for hardship leasing permits in its discretion after considering the following factors: (1) the nature, degree, and likely duration of the hardship, (2) the number of hardship leasing permits which have been issued to other Owners, (3) the Owner's involvement in creating the hardship and ability to cure the hardship, and (4) whether previous hardship leasing permits have been issued to the Owner.

7.5.e. **Expiration and Revocation of Permits.** Leasing Permits and Hardship Leasing Permits are automatically revoked upon the sale or transfer of the Lot to a third party (excluding sales or transfers to an Owner's spouse or former spouse). Leasing Permits also expire if the Lot is not leased as provided herein within 120 days of the issuance of the Leasing Permit. The Board also may revoke any Leasing Permit or Hardship Leasing Permit if the Owner is shown on the Association's books and records to be past due in any assessment or charge or if the Owner and/or the Lot occupant or any guest of the Owner or occupant violates the Declaration, Bylaws, Association rules or any applicable laws or ordinances.

7.5.f. **General.** Lots may be leased only in their 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 shall maintain in its files and, upon request, shall provide to any Owner a form that is deemed acceptable. There shall be no subleasing of Lots or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than six (6) months, except with written Board approval. Within seven (7) days after executing a lease agreement for the lease of a Lot, the Lot Owner shall provide the Board of Directors with: (1) a copy of the proposed lease; (2) the names, phone numbers, email addresses, work locations and work phone numbers of all of the proposed occupants of the Lot; (3) the Owner's address, and the Owner's phone number, email address, work location, work phone number and physical street address to be occupied by the Owner when the Lot is leased; and (4) such other information or lease administration fees as may be required by the Board. The Lot Owner must provide the lessee copies of the Declaration, Bylaws, and the rules and regulations promulgated pursuant thereto.

7.5.g. **Compliance With Declaration, Bylaws, and Rules and Regulations; Use of Common Property; and Liability for Assessments.** Any lease of a Lot shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner and each lessee, by occupancy of a Lot, covenants and agrees that any lease of a Lot 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 on the Lot:

7.5.g.i. *Compliance with Declaration. Bylaws. and Rules and Regulations.* The Owner and lessee shall comply with all provisions of the Declaration, Bylaws and Association rules and shall control the conduct of all other occupants and guests of the leased Lot in order to ensure such compliance. The Owner shall cause all occupants of his or her

Lot to comply with the Declaration, Bylaws and Association rules, and shall be responsible for all violations by such occupants, notwithstanding the fact that such Occupants are fully liable and may be sanctioned for any such violation.

If a Lot is leased or occupied in violation of this Section or if the Owner, lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation promulgated pursuant thereto, the Association's Board of Directors shall be authorized, in addition to all other available remedies, to levy fines against the lessee and/or the Owner, to suspend all voting and/or Common Property use privileges of the Owner, Occupants and unauthorized tenant(s) and to suspend all common services to the Lot paid for by the Association as a common expense, including water service to the Lot, subject to the provisions of this Declaration and the Bylaws.

If a Lot is leased or occupied in violation of this Section, the Association may require the Owner to evict the tenant. If the Owner, lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation promulgated pursuant thereto, such violation is deemed to be a default under the terms of the lease and shall authorize the Owner or the Association, as more fully described herein, 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. Alternatively, the Association may require the Owner to evict the violating tenant. 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.

- 7.5.g.ii. *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.
- 7.5.g.iii. *Liability for Assessments.* When a Lot Owner who is leasing his or her Lot 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 Article 4 herein 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.

7.5.h. **Applicability of this Section.** This Section shall not apply to any leasing transaction entered into by 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. Furthermore, for so long as Declarant is the Owner of any Lot, the provisions of this Section shall not apply to Declarant or the leasing of a Lot by Declarant, nor to any Lots leased by Declarant, any Approved Builder, or KLLB for use as model homes or sales offices. Declarant, KLLB, or any Owner that leases to Declarant shall be permitted to lease a Lot without being required to procure a Leasing Permit.

7.5.i. **Short-Term Rental and Other Rental Restrictions.** No Owner shall enter into any lease, rental, or other occupancy agreement for all or a portion of any residence for a duration less than six (6) months of continual occupancy. No Owner shall advertise or market all or a portion of any residence for any lease, rental or other occupancy for less than six (6) months of continual occupancy, or accept any compensation or payment for occupancies which are less than six (6) months (which restrictions do not bar any Owner guests from staying overnight or otherwise occupying a portion of residence where compensation or payment is not provided in exchange for such lodging from a guest to an Owner). This restriction is intended to bar any short-term rental of any form or type which involves Vacation Rentals by Owner, Airbnb, room rentals or other short-term rentals where compensation nor payment is paid regardless of whether any written documentation exists which memorializes any short-term accommodation arrangement.

7.6. **Animals and Pets.** No animals, livestock, exotic pets, poultry, or other fowl of any kind (whether domestic or exotic) shall be raised, bred or kept on any Lot, except that a reasonable number of dogs, cats, or other small in-door household pets (ex. Parakeets, fish, hamsters, gerbils) may be kept; provided, however, that they are not kept, bred, or maintained for any commercial purposes. "Reasonable number" shall mean not exceeding three (3) pets outdoors at any time. Any household pets must not constitute a nuisance or cause unsanitary conditions. No prohibited animals shall be allowed such as wolves, foxes, coyotes, hyenas, dingoes, jackals, and other undomesticated dogs; lions, tigers, leopards, jaguars, pumas, panthers, mountain lions, cheetahs, cougars, bobcats, lynxes, and other undomesticated cats, ferrets, weasels, minks, badgers, wolverines, skunks, and mongooses. Particular dog breeds are also prohibited: cane Corso (Italian Mastiff), Argentino (Argentinian Mastiff), any other Mastiff or Bull Mastiff breed, rottweiler, Pitbull, Doberman pinscher, Rhodesian ridgeback, chow-chow, bandog, kuvaz, Caucasian ovcharka, or any wolf-dog hybrids. This list may be amended with retroactive effect by a majority vote of the Board. Any non-prohibited pets shall be securely fenced upon the Owner's Lot so as to prevent them from trespassing upon other Lots in the Community; however, those pets that are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside. All applicable local laws or regulations including leash laws, shall be observed. In addition, after due notice, repeat offenders will be subject to a fine not to exceed Twenty-Five and NO/100ths (\$25.00) Dollars per incident. Pets are to be leashed in backyards. Dog houses must be in the rear

yard directly behind the residence in such a manner that it cannot be seen from the street on which the residence fronts. Pets shall be registered, licensed and inoculated as required by applicable law.

- 7.7. **Nuisance.** It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on a Lot. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition; nor shall any substance, thing or material be kept that will emit foul odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No activity that the Board of Directors determines to be noxious or offensive shall be carried on within the Community. No plants, animals, device or thing of any sort shall be maintained in the Community whose activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may, in the reasonable opinion of the Board of Directors, diminish or destroy the enjoyment of the Community by other Owners and Occupants.
- 7.8. **Unsightly or Unkempt Conditions.** The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken in any part of the Community.
- 7.9. **Antennae.** No exterior antenna, receiving dish or similar apparatus of any kind for receiving or transmitting of radio or video signals shall be placed, allowed or maintained upon any portion of the Community, including any Lot, unless approved in accordance with the provisions of the Architectural Standards hereof; provided, however, no such approval shall be necessary to install (a) antennas designed to receive direct broadcast satellite services, including direct-to-home satellite services, that are one meter or less in diameter; (b) antennas designed to receive video programming services via multi-point distribution services that are one meter or less in diameter or diagonal measurement; or (c) antennas that are designed and intended to receive television broadcast signals. Owners shall install any permitted antennae on the portion of the Lot which is least visible from public view unless an acceptable quality signal cannot otherwise be obtained.
- 7.10. **Guns.** The use of firearms in the Community shall be in accordance with all federal, state and local laws governing the use of firearms.
- 7.11. **Fences.** All fences shall have the written approval of the Architectural Review Committee prior to being erected on any Lot. Notwithstanding the foregoing, the Declarant, KLLB, and any Approved Builder shall have the right to erect fencing of any type, at any location, on any Lot during the period that such Lot is owned by Declarant, KLLB, or any Approved Builder, as applicable. No fence shall be erected on any Lot closer to any street right-of-way than the building setback lines shown upon the recorded map. All fences must be wood privacy style fences, capped with vertical boards, and shall not exceed six (6) feet. The Architectural Committee may modify acceptable materials from time to time, in its reasonably discretion. Once an approved fence or wall has been erected on a side Lot boundary line (a common boundary line shared with another Lot), that approved fence will be the only approved fence that may be erected on the common Lot line. No double fencing will be allowed on side or rear Lot lines. Fences are not permitted in the front and any permitted side yard fencing must tie into the home at the furthest back rear corners of the dwelling. All fences shall be kept well repaired and maintained consistent with the Community-

Wide Standard. In the event a fence is damaged or destroyed, the Owner thereof is responsible for immediately repairing or replacing such fence. Invisible fencing may be used for the restraint of pets in the rear yard. All wiring must be buried no less than six inches (6") inside the Lot's property lines. Regardless of the method of restraint used, owners are responsible for assuring that their pets do not run free. Owners are liable for any damage to persons or property caused by their pets.

- 7.12. **Air-Conditioning Lots.** No window air conditioning units maybe installed.
- 7.13. **Lighting.** Exterior lighting on any Lot shall not be permitted, except for: (a) approved lighting as originally installed on a Lot; (b) seasonal decorative lights; or (c) other lighting approved under and pursuant to the Architectural Standards.
- 7.14. **Artificial Vegetation.** Play Equipment. Exterior Sculpture and Similar Items. No artificial vegetation shall be permitted on the exterior of any property. No hammock, statuary, play equipment (including, without limitation, basketball goals), exterior sculpture or fountains may be erected on any Lot, without the prior written approval in accordance with the Architectural Standards hereof and/or compliance with written guidelines established therein, as applicable.
- 7.15. **Flags.** No flags may be displayed on any Lot without prior written approval in accordance with the provisions of the Architectural Standards; provided, however no such approval shall be required to display the flag of the United States of America and the current flag of the State of Georgia on a Lot in accordance with the provisions of the U.S. Flag Code (36 US Code 10) and usual and customary practice. The Board of Directors of the Association may promulgate reasonable rules and regulations with respect to the display of flags in the Community, including, without limitation, regulating the size of flags that may be displayed.
- 7.16. **Green Energy Improvements.** The installation of solar panels or other "green energy" improvements ("Green Energy Improvements") to the roof or exterior of a dwelling shall be permitted in accordance with applicable law after approval by the Architectural Review Committee, based upon the Owner providing pictorial and other requested details to the Architectural Review Committee regarding location(s) of Green Energy Improvements placement, visibility, color and information on the vendor(s) designing and installing such improvements. Provided that the following restrictions do not prevent the reasonable use of the applicable Green Energy Improvements, as determined in the sole discretion of the Association, any such Green Energy Improvements shall (i) not be visible from the right-of-way in front of the applicable dwelling; (ii) shall be flush mounted on the far back side or rear of the roof of the dwelling (positioned as low as possible on the rear side of the roof); and (iii) be installed to be as unobtrusive as possible. Upon any such approval for the installation of Green Energy Improvements, the Owner of such Lot, its successors and assigns, shall thereafter be responsible for the installation, maintenance and repair of the Green Energy Improvements and any and all damage caused to the dwelling or to adjacent dwelling, if applicable, during the installation, maintenance or repair of such Green Energy Improvements, and, as a condition to such approval, Declarant and/or Architectural Review Committee may require the Owner of the subject Lot to enter into a license or other agreement relative to same. KLLB, Declarant, the Association and their respective officers, directors, employees, representatives and agents shall not be responsible for the installation, maintenance or repair of Green Energy Improvements installed by an Owner. Should the Association have a reasonable need to perform roof or exterior maintenance, such Owner shall remove and reaffix

Green Energy Improvements installed on such Owner's Lot, solely at the Owner's expense, when such removal is reasonably necessary, as determined in the sole discretion of the Association, to perform roof or exterior maintenance.

- 7.17. **Clotheslines.** No exterior clotheslines of any type shall be permitted upon any Lot.
- 7.18. **Window Treatments.** All Lot windows shall have window treatments and any portion thereof visible from outside the Lot shall be white or off-white in color, unless otherwise approved in accordance with the Architectural Standards. No sheets or foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades or for any other purpose.
- 7.19. **Storm and Screen Doors and Windows.** Owners shall not add storm and screen doors and storm windows on any Lot without prior approval in accordance with the provisions of the Architectural Standards hereof.
- 7.20. **Drainage.** Catch basins, retention ponds, detention ponds, drainage easement areas and related drainage facilities are for the purpose of controlling the natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner may obstruct or alter the drainage flows after location and installation of catch basins, retention ponds, detention ponds, drainage swales, storm sewers or storm drains without approval in accordance with the Architectural Standards hereof.
- 7.21. **Garbage Cans, Firewood, Etc.** All garbage cans, firewood and other similar items shall be stored within the garage of the Lot and not within view of the street. All rubbish, trash and garbage shall be regularly removed and shall not be allowed to accumulate. The Association may contract with a private trash collection company to pick up all usual and customary household trash on a regular basis. In the event the Association contracts with a private trash collection company, each Owner shall be obligated to use such company. The expense for trash pick-up may be billed to each individual Lot as a specific assessment, or the garbage provider may bill each Owner individually. Trash and recycling receptacles shall be placed at the curb no earlier than 5:00 p.m. the day before pick up and shall be removed within twenty-four (24) hours, unless the Board of Directors provides additional time for placing the trash and/or recycling containers on the curb and removal of same. Trash pick-up shall also be subject to such reasonable rules and regulations as the Board of Directors may adopt.
- 7.22. **Subdivision of Lot.** No Lot shall be subdivided or its boundary lines changed except with the prior written approval in accordance with the provisions of the Architectural Standards. Declarant, however, hereby expressly reserves the right to subdivide and/or revise and re-record the subdivision plat of any Lot(s) with the consent of the Owner of the affected Lot(s) and KLLB, so long as it owns any property subject to this Declaration, and to approve the revision and re-recording of any plat of any Lot(s) owned by any builder or developer, including, but not limited to, changing any Lot to Common Property or creating a public or private street over any Lot or property that was formerly a Lot, without the consent of any Person, other than the Owner(s) of such Lot(s) and KLLB, so long as it owns any property subject to this Declaration.
- 7.23. **Garage Sales.** No garage sale, carport sale, yard sale, flea market, or similar activity shall be conducted in any portion of the Community without the prior written consent of the Board of

Directors. If so permitted, any such activities shall be subject to all reasonable conditions that the Board may impose.

- 7.24. **Creek Buffer.** Portions of the Community, as shown on the recorded subdivision plat(s) for the Community, may contain a creek or stream buffer. If applicable, land disturbing activities shall not be conducted within any creek or stream buffer area, except with prior written approval under Article 6 hereof and in compliance with Georgia law, including, without limitation, the Control of Erosion and Sedimentation Act, O.C.G.A. Section 12-7-1 et seq., as amended from time to time.
- 7.25. **Wetlands Ponds Creeks and Streams.** Except as provided herein, all wetlands, streams, creeks and storm water retention or detention ponds within the Community shall be used for aesthetic amenities and storm water drainage only, no other use thereof, including, without limitation, swimming, ice skating, playing or use of personal flotation devices, and other recreation, shall be permitted without the written consent of the Board of Directors. The Association, KLLB, and/or Declarant and their respective officers, directors, employees, representatives and agents shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of creeks, ponds, or streams within the Community. For this purpose, "wetlands" means any area labeled as wetlands on a recorded plat for the Community or otherwise designated as wetlands by the Declarant or the Board of Directors. No Owner shall have any right to place rocks, stones, trash, garbage, sewage, wastewater, rubbish, debris, ashes or other refuse in any storm water retention or detention ponds, creek or stream within the Community, or any other Common Property. Applicable governmental agencies, the Declarant and the Association, shall have the sole right to control the water level of all other bodies of water located within the Community and to control the growth and eradication of plants, fowls, reptiles, animals, fish and fungi in and around any storm water retention or detention ponds, wetlands, streams or creeks within the Community. Owners shall have no riparian or littoral rights with respect to the waters in any creek or stream within the Community and shall not be permitted to withdraw any water from any creek or stream as may exist in the Community without the prior written consent of the Board of Directors.
- 7.26. **Conservation Area.** The Association, KLLB, and/or the Declarant and their respective officers, directors, employees, representatives and agents shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized loss use of any Conservation Area within the Community. For this purpose "Conservation Area" means the areas identified as "Primary Conservation Space", if any, on the plats for PINEHURST ESTATES as maybe recorded in the Walton County, Georgia land records or otherwise designated as such by the Declarant or the Board of Directors and which is or may be encumbered by a conservation restriction so that it remains generally a natural, undisturbed area with passive recreational uses and easements which are consistent with the county standards for preservation of open space as conservation property to be Common Property as that term is defined herein. No Owner shall have any right to place rocks, stones, trash, garbage, sewage, wastewater, rubbish, debris, ashes, or other refuse in any Conservation Area.

Article 8

Insurance and Casualty Losses

- 8.1. **Hazard Insurance on Common Property.** The Board of Directors shall obtain hazard insurance for all insurable improvements on the Common Property. This insurance shall include, at a minimum, coverage for fire, wind, storm, hail, vandalism, malicious mischief and civil commotion and shall be in an amount sufficient to cover the full replacement cost of such insurable improvements. Alternatively, the Board may purchase "all risk" coverage in like amounts. In the event of any damage to the Common Property caused or occasioned by the acts of an Owner or Owners, said Owner or Owners shall be responsible for all costs of repair or related deductible under the Association's insurance. Said costs shall constitute a specific assessment and shall be a binding personal obligation of the responsible Owner and a lien against the Lot.
- 8.2. **Association Liability Insurance.** The Board shall obtain a public liability policy applicable to the Common Property covering the Association, KLLB, 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, with a combined single limit of at least \$1,000,000.00.
- 8.3. **Directors' and Officers' Liability Insurance.** The Board shall obtain a Directors' and Officers' liability insurance policy with a limit of at least \$1,000,000.00.
- 8.4. **Fidelity. Insurance.** The Board shall obtain a fidelity bond or dishonesty insurance on Directors, Officers, employees, and other persons handling or responsible for the Association's finds, regardless of whether they are compensated by the Association. If reasonably available, the fidelity bond or dishonesty insurance shall cover at least one-quarter of the annual assessments from all members plus the reserve funds in the custody of the Association at any time during the term of the bond or policy. The bond or policy must provide that it may not be canceled, substantially modified or subject to non-renewal without at least 30-days prior written notice to the Association.
- 8.5. **Additional Association Insurance.** The Board may obtain such additional insurance as it deems appropriate such as construction code endorsements, steam boiler coverage and flood insurance, if and to the extent necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.
- 8.6. **Premiums and Deductibles on Association Policies.** Premiums for all Association insurance shall be a common expense to the Community. The policies may contain reasonable deductibles. Deductibles shall not be subtracted from the face amount of the policies in determining whether the insurance equals the full replacement cost of the insurable improvements.
- 8.7. **General Insurance Provisions.** In addition to any other terms the Board deems appropriate, all Association insurance shall be governed by the following provisions:
- 8.7.a. All policies shall be written with a company licensed to do business in Georgia;
- 8.7.b. All policies on the Common Property shall be in the name of the Association for the benefit of itself and its members, and for as long as either Declarant and/or KLLB own any property subject to this Declaration, shall name Declarant and/or KLLB as an additional insured;

- 8.7.c. The Board shall have exclusive authority to adjust losses under all Association insurance policies;
- 8.7.d. The insurance carried by the Association shall be primary and shall not be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees; and
- 8.7.e. All hazard insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if reasonably available.

8.8. **Individual Lot Owner Insurance.** Each Owner shall carry hazard insurance on the Owner's Lot and the structures thereon meeting the same requirements as set forth herein for insurance on the Common Property.

8.9. **Damage and Destruction.**

- 8.9.a. *In General.* Immediately after the damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board of Directors shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessary to comply with applicable building codes.
- 8.9.b. *Repair and Construction.* Any damage or destruction to property required to be covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five percent (75%) of the Total Association Vote and the Declarant and KLLB, so long as it owns any property subject to this Declaration, otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's members, levy a special assessment the Owners of all Lots. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association. In the event that it should be determined in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

Article 9

Mortgagee Provisions

- 9.1. **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 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 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 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 the Owner of the encumbered 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; and (d) any proposed action that would require the consent of a specified percentage of eligible Mortgage holders.
- 9.2. **Audit.** Upon request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements of the Association within 90 days of the date of the request.
- 9.3. **No Priority.** No provision of this Declaration or the Bylaws gives any Owner or other party priority over any rights of a 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.
- 9.4. **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 that Owner's Lot.

Article 10

Easements

- 10.1. **General.** Each Lot shall be subject to those easements, if any, shown or set forth on the recorded subdivision plat for the Community, as amended from time to time as well as the easements now or hereafter established by Declarant or KLLB in this Declaration or by any other document recorded in the Office of Superior Court of Walton County, Georgia; provided, however, that no such recorded document shall be effective without the prior written consent of Declarant or KLLB, so long as it owns any property subject to this Declaration.

- 10.2. **Easements for Use and Enjoyment.** Every Owner, in addition to Declarant and KLLB so long as it owns any Property subject to this Declaration, shall have a right and easement of ingress and egress, use and enjoyment by the (Owner and the Occupants of the Owners Lot in and to the Common Property which shall be appurtenant to and shall pass with the title to each Lot, subject to the following:
- 10.2.a. the right of the Association to suspend the right of an Owner to use the Community recreational facilities, if any, for any period during which any past due assessment against any Lot of the Owner remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws or rules and regulations promulgated pursuant thereto;
 - 10.2.b. the right of the Association to charge reasonable admission and other fees for the use of Community recreational facilities to non-members, if any, to limit the number of Persons who may use the Community recreational facilities, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by authorized users and their guests and invitees;
 - 10.2.c. the right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon and, upon the affirmative vote of the Owners of at least two-thirds of the Lots (other than Declarant) and the consent of Declarant and KLLB, so long as it owns any property subject to this Declaration, to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property; 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 the benefit of KLLB, Declarant or any Owner or the holder of any Mortgage encumbering any Lot in the Community. Regardless of any contrary provision in this Declaration or in any such Mortgage given by the Association, the exercise of any rights by the holder of such Mortgage 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 KLLB, Declarant or any Owner or the holder of any Mortgage encumbering any Lot in the Community;
 - 10.2.d. the right of the Association, acting through the Board of Directors and without a vote of the members, to dedicate or grant licenses, permits, easements and rights-of-way over, under and through the Common Property as may be reasonably necessary to or desirable for the ongoing operation and maintenance of the Community;
 - 10.2.e. the right of the Association to dedicate or transfer all or any portion of the Common Property upon the approval of the Owners of at least two-thirds of the Lots (other than Declarant) and the Declarant; provided, however, the Declarant may unilaterally, or if the Declarant is no longer authorized to appoint the Board of Directors, the Association may, with the express consent of the Declarant, convey all or any portion of the Common Property as provided herein without a vote of the members; provided however, that the prior written

consent of KLLB is also required, so long as it owns any property subject to this Declaration;

- 10.2.f. all other rights of KLLB, the Association, the Declarant, Owners and Occupants set forth in this Declaration or in any deed conveying Common Property to the Association; and
- 10.2.g. all encumbrances and other matters shown by the public records affecting title to the Common Property, including, without limitation, those easement and usage rights reserved or granted to the adjacent property.
- 10.3. **Easements for Encroachment and Overhang.** There is hereby reserved, for the benefit of each Lot, a reciprocal appurtenant easement for encroachment and overhang between adjacent Lots and between a Lot and adjacent Common Property, due to the original construction or the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than three (3) feet, as measured from any point on such common boundary; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, Occupant, or the Association, other than the Declarant in the original construction of the Lots.
- 10.4. **Easements for Driveway Encroachment.** There is hereby reserved appurtenant easements for encroachment as between each Lot and such portion or portions of the driveway serving an adjacent Lot due to the placement or settling or shifting of the driveway constructed, reconstructed, or altered thereon (as approved under the provisions of the Architectural Standards) to a distance of not more than three (3) feet, as measured from any point on the common boundary between adjacent Lots along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner or Occupant after the initial construction of improvements by Declarant.
- 10.5. **Easement for Utilities and Retaining Wall - Association and Declarant.** There is hereby reserved to KLLB, the Declarant, and granted to the Association a blanket easement upon, across, above and under all property within the Community for access, ingress, egress, installation, alteration, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television system, or security system which the Declarant or the Association might decide to have installed to serve the Community. Declarant, the Association or the designee of either, as the case may be, may install, repair, replace and maintain or authorize the installation, repairing, replacing and maintaining of such wires, conduits, cables and other equipment related to the providing of any utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Declarant or the Board shall have the right to grant such easement; provided, however, that no such recorded document shall be effective without the prior written consent of Declarant or KLLB, so long as it owns any property subject to this Declaration. In addition, there is hereby reserved to KLLB, the Declarant and granted to the Association a blanket easement upon, across, above and through all property within the Community for access, ingress, egress, repair, maintenance, replacement and improvement of the retaining wall or walls

and related improvements, serving more than one lot in the Community and as shown on the recorded plats.

- 10.6. **Easement for Utilities- Lot Owner.** Declarant and KLLB hereby establish for the benefit of each Lot a nonexclusive easement for access to and installation, maintenance, repair, replacement and use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving such Lot and situated in, on or under any other Lot or the Common Property. The Board of Directors, and without a vote of the Owners, shall have the right, power and authority to grant permits, licenses, utility easements, and other easements, permits or licenses necessary or desirable for the proper maintenance or operation of the Community under, through, or over the Lots and/or the Common Property as may be reasonably necessary to or desirable for the ongoing operation of the Community. In the event that any Owner desires access to another Lot to install, maintain, repair or replace any utility pipe, wire, cable, conduit, utility line, flue or duct, the Owner shall contact the Owner of such other Lot(s) at least two (2) days in advance of the date that access is needed and attempt to agree on a convenient date and time for access by the Owner and the Owner's contractors. Access in emergency situations shall be granted immediately upon request. Any Owner of a Lot to which access is needed under this Section shall not unreasonably withhold, condition or delay such access. Rights exercised pursuant to this easement shall be exercised with a minimum of interference to the quiet enjoyment of affected Lots, reasonable steps shall be taken to protect such Lots and the property of the Owners and Occupants thereof, and damage shall be repaired by the Person
- 10.7. **Easement for Emergency Entry.** The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons and to inspect for the purpose of ensuring compliance with this Declaration, the Bylaws, and rules of the Association, which right may be exercised by any member of the Board, the officers, agents, employees, and managers of the Association and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire or other hazard in an emergency situation and in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Association, but shall not authorize entry into the interior living space of any Lot without permission of the Owner.
- 10.8. **Easement for Association Maintenance.** KLLB hereby grants to Declarant, and the Association a perpetual easement across all Lots, and portions of the Property, as may be reasonably necessary for the maintenance required hereunder, including as may be necessary to exercise the right of entry in accordance with the terms hereof. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of Lots, reasonable steps shall be taken to protect such property and damage shall be repaired by the Declarant, the Association, or its contractors (as applicable) at their sole expense. Except in an emergency situation, entry to the interior of a Lot shall only be during reasonable hours and after notice to the Owner.
- 10.9. **Easement for Lot Maintenance.** KLLB and Declarant hereby reserve for the benefit of each Lot reciprocal appurtenant easements between adjacent Lots for the purpose of maintaining or repairing the improvements located on each Lot which easement shall extend to a distance of five (5) feet as measured from any point on the common boundary between the Lots. The easement shall be used only for such period of time as is reasonably necessary in order to complete the maintenance or

repair. The Owner exercising this easement right shall be liable for the prompt repair of any damage to the Lot over which this easement is exercised which arises out of such maintenance or repair work.

- 10.10. **Easement for Drainage.** There is hereby reserved to Declarant and KLLB, and granted to the Association and Declarant, a blanket easement for creating and maintaining satisfactory drainage across the Community; provided however such easement area shall not include any portion of a Lot upon which the foundation of a dwelling is located. This easement shall include the right to construct and maintain catch basins, retention ponds, detention ponds, drainage swales, storm sewers, storm drains, sloping banks, cut or fill. Neither KLLB, the Declarant, the Association or any Owner constructing according to plans and specifications approved under the Architectural Standards hereof shall have any liability to any Owner due to the increased flow or increased velocity of surface water resulting from approved construction on a Lot.
- 10.11. **Easement During Construction and Sale Period.** Notwithstanding any provisions now or hereafter contained in this Declaration, the Bylaws, Articles of Incorporation, use restrictions, rules and regulations, architectural guidelines, and amendments thereto, KLLB grants an easement across the Community for Declarant and any Approved Builder 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 or convenient for Declarant's development, construction and sales activities, including, but not limited to: the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Community, including, without limitation, any Lot; the right to tie into any portion of the Community with streets, driveways, paths, parking areas and walkways; 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, cable television, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; 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; the right to convert Lots (with the consent of the Owner thereof) to Common Property; the right to construct utilities and other improvements on Common Property; the right to carry on sales and promotional activities in the Community; and the right to construct and operate business offices, signs, construction trailers, model residences and sales offices. Declarant may use Lots, offices or other buildings owned or leased by Declarant as model homes. This Section shall not be amended without the Declarant's written consent until the Declarant's rights hereunder have terminated as herein provided and the written consent of Declarant and KLLB, so long as it owns any property subject to this Declaration.
- 10.12. **Right to Notice of Design or Construction Claims.** No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within the Property in connection with or in anticipation of any potential or pending claim, demand or litigation involving that design or construction unless Declarant and any Approved Builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the applicable Owner to discuss the Owner's concerns and conduct their own inspection.

- 10.13. **Easement to Inspect and Right to Correct.** KLLB grants to Declarant, and the Approved Builders and others it may designate, the right to inspect, monitor, test, redesign and correct any structure, improvement or condition that may exist on any portion of the Property, including Lots or dwellings, and a perpetual, nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise that right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a dwelling shall be permitted without the consent of the Owner. The person exercising this easement shall promptly repair, at that person's own expense, any damage resulting from such exercise.
- 10.14. **Easement for Private Streets, Sidewalks and Signs.** KLLB and Declarant hereby reserve, and grant, convey, declare, create, impose and establish a perpetual, non-exclusive right-of-way easement for vehicular and pedestrian access, ingress and egress over and across the private streets (if any) within the Community, as depicted on the subdivision plat(s) recorded in the Office of the Clerk of Superior Court of Walton County, Georgia. The right-of-way easement herein granted shall permit joint usage of such easement by (a) the Owners and Occupants, (b) the legal representatives, successors and assigns of the Owners, and (c) invitees and licensees of the Owners and Occupants. KLLB hereby expressly reserves for itself, its successors and assigns, all rights and privileges incident to the ownership of the fee simple estate of any right-of-way easement area which are not inconsistent with the rights and privileges herein granted, including, without limitation, the right to maintain one or more proprietary signs on the easement area and the right to grant additional non-exclusive easements to third parties, over, under and across the easement area. KLLB hereby reserves for itself, and for the benefit of Declarant, and grants to the Association as Common Property, the perpetual nonexclusive right and easement upon, over and across those utility easement areas and private streets and roads for the installation, maintenance, and use of such streets and roads, sidewalks, traffic directional signs, grading for proper drainage of said streets and roads, and related activities and improvements.
- 10.15. **Easement for Governmental Agencies, and Services.** KLLB and Declarant hereby establish a non-exclusive perpetual right of access over the Property for the benefit of governmental entities acting for the purpose of ensuring public safety and welfare, including, but not limited to the purpose of law enforcement, fire protection, animal control, emergency services, garbage collection, and public or private mail and package delivery.
- 10.16. **Declarant Consents.** Notwithstanding any provision of any of the governing documents, so long as KLLB owns any of the property subject to this Declaration, any provision in the Governing Documents that requires the consent of Declarant as a condition to the execution and/or recordation of any document affecting the property subject to this Declaration, or the taking of any other action that affects the property subject to this Declaration, also shall require the prior written consent of KLLB, which it may withhold in its sole and absolute discretion.
- 10.17. **Termination of Option Agreement.** Notwithstanding any provision of this Declaration, effective upon the Termination Date (as defined below), KLLB automatically shall become the Declarant under this Declaration, in which event all references therein to "Declarant" thereafter shall mean and refer only to KLLB or its successors or assigns, and after which event Declarant (or its successors or assigns) no longer shall be the Declarant under this Declaration or be entitled to exercise any of the rights, powers, and authority of the Declarant under this Declaration. Declarant

agrees that the recording of a Notice of Termination (as defined below) in the Registry by KLLB shall constitute an assignment from Declarant (or its successors or assigns) to KLLB of all of the rights, powers, and authority of the Declarant under this Declaration. KLLB shall not be liable to any person for any act or omission of Declarant, including without limitation Declarant's failure to pay any amounts owing or to be paid or reserved for under this Declaration or as may otherwise be required by statute or at law or to perform any act or obligation required to be performed by Declarant under this Declaration or as may otherwise be required by statute or at law, arising prior to the Termination Date, and KLLB shall assume the obligations under this Declaration only for matters and obligations arising or to be performed from and after the Termination Date, and KLLB is hereby released and discharged from any and all obligations under this Declaration accruing prior to the Termination Date. As used herein, "Notice of Termination" shall have the meaning given such term in the Option Agreement. As used herein, "Termination Date" shall mean the date on which occurs the termination of the Option Agreement prior to the purchase by Declarant from KLLB of all of the Optioned Property, as evidenced by KLLB recording in the Registry a Notice of Termination

Article 11

General Provisions

- 11.1. **Enforcement.** Each Owner and Occupant shall comply strictly with the Bylaws, rules and regulations and use restrictions promulgated pursuant thereto, as amended or modified from time to time, and with the covenants, conditions, easements and restrictions set forth in this Declaration, the recorded subdivision plat for the Community and in the deed to such Owner's Lot. The Board of Directors may impose fines or other sanctions for violations of the foregoing, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration, the Bylaws or the rules and regulations promulgated pursuant thereto shall be grounds for an action to recover sums due for damages or injunctive relief or both, including, without limitation, reasonable attorney's fees actually incurred, maintainable by the Association, the Declarant or an aggrieved Owner. Failure by the Declarant, the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to record in the appropriate land records a notice of violation of the Declaration, Bylaws, rules and regulations, use restrictions or design guidelines promulgated pursuant thereto and to assess the cost of recording and removing such notice against the Lot of the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.
- 11.2. **Duration.** The covenants, conditions, restrictions and easements contained in this Declaration shall run with and bind the Community and each Lot therein and shall inure to the benefit of and shall be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by law; provided, however, if and to the extent that, Georgia law limits the period during which covenants restricting land to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time, any such provision(s) shall be (a)

automatically extended for successive periods of twenty (20) years (or the maximum period allowed by Georgia law, if less), unless a written instrument signed by the then Owners of at least two-thirds (2/3) of the Lots, and if during the Declarant Control Period (as defined in the Bylaws), the Declarant, and while KLLB owns any property subject to the Declaration, KLLB, has been recorded within the two (2) years immediately preceding the beginning of a twenty (20) year renewal period agreeing to terminate the same; or (b) extended, renewed, modified or terminated as otherwise provided herein or by applicable law.

- 11.3. **Occupants Bound.** All provisions of the Declaration, Bylaws, rules and regulations, use restrictions and architectural guidelines promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants and the guests and invitees of Owners and Occupants. The Owner shall be responsible for insuring that the Occupants, the guests, invitees and licensees of the Owner and Occupant strictly comply with all provisions of the Declaration, Bylaws, rules and regulations, use restrictions and architectural guidelines promulgated pursuant thereto.
- 11.4. **Self-Help.** In addition to any other remedies provided for herein, KLLB, the Association, the Declarant, the Architectural Review Committee or their respective duly authorized agents shall have the power to enter upon any Lot or any other portion of the Community to abate or remove any structure, thing or condition which violates this Declaration, the Bylaws, the rules and regulations or the use restrictions promulgated pursuant thereto. Unless an emergency situation exists, the violating Owner shall be given ten (10) days written notice of the intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after giving any notice required by law. All costs of self-help, including, without limitation, reasonable attorney's fees actually incurred, shall be assessed against the violating Owner as a specific assessment. As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall include costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-1 l(a)(2).
- 11.5. **Termination of Rights of Declarant.** The rights of Declarant to take, approve or consent to actions under this Declaration, the Articles of Incorporation and the Bylaws shall cease and be of no further force and effect upon the earlier of: (a) the date that the Declarant no longer owns any property in the Community and a certificate of occupancy has been issued for a dwelling on each Lot in the Community; or (b) the date of recording by Declarant in the real estate records of Walton County, Georgia of a written instrument terminating all of Declarant's rights hereunder.
- 11.6. **Amendment.** This Declaration may be amended unilaterally at any time and from time to time by Declarant for any of the following purposes; provided, however, while KLLB owns any property subject to this Declaration, Declarant shall obtain the prior written consent of KLLB, which shall not be unreasonably withheld: (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute: rule or regulation or judicial determination which shall be 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 such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such 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 private insurance company, including without limitation, the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs, 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 Lot unless the Owner of such Lot consents thereto in writing. Further, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, so long as KLLB owns any property subject to this Declaration, Declarant shall obtain the prior written consent of KLLB; and further provided, that any such amendment shall not materially adversely affect the substantive rights of any Owners hereunder nor shall it adversely affect title to any Lot without the consent of the affected Owner. The Board of Directors, with the written consent of KLLB and/or the Declarant if KLLB or the Declarant shall own any Lot(s) or any portion of the additional property described in **Exhibit "B"** and without a vote of the members, may amend this Declaration for the sole purpose of electing to be governed by and thereafter complying with the provisions of the Georgia Property Owner's Association Act, O.C.G.A. 44-3220 et seq. In addition to the above, this Declaration may be amended upon the affirmative vote or written consent of Owners of at least two-thirds of the Lots and the consent of KLLB and/or Declarant if KLLB or the Declarant shall own any Lot(s) or have the right to annex any additional property described in **Exhibit "B"**. Amendments to this Declaration shall become effective upon recordation unless a later effective date is specified therein. The consent of the Declarant to any amendment shall be evidenced by the execution of said amendment by Declarant- The consent of the requisite number of Owners to any amendment shall be evidenced by the execution of the amendment by said Owners, or, in the alternative, the sworn statement of the President or any Vice President or the Secretary of the Association attached to or incorporated in the amendment, which sworn statement states unequivocally that the consent of the required number of Owners was obtained and that any notices required by this Declaration, the Bylaws, the Articles of Incorporation and Georgia law were given.

- 11.7. **Gender and Grammar.** The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine or feminine pronoun shall include the neuter, masculine and feminine.
- 11.8. **Severability.** Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and, to this end, the provisions of this Declaration are declared to be severable.
- 11.9. **Captions.** The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.
- 11.10. **No Merger.** There shall be no merger of any of the covenants, conditions, restrictions or easements created or reserved hereby with the fee estate of Declarant, by reason of the fact that Declarant may own or hold the estate or interest both encumbered and benefited by such covenants, conditions, restrictions or easements and no such merger shall occur unless and until Declarant, while owning

all of the estate or interests shall execute a written statement or instrument affecting such merger and shall duly record the same.

- 11.11. **Notices.** Notices provided for in this Declaration or the Articles or Bylaws shall be in writing and shall be provided to an Owner as outlined in the Bylaws. Owners shall keep the Association advised of their current address, electronic mail address and phone numbers where they can be reached. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice sent. Notices to the Declarant or the Association as provided for in this Declaration or the Articles or Bylaws shall be in writing and shall be addressed to the Declarant or the Association at the address of their respective registered agent on file with the Secretary of State of Georgia.
- 11.12. **Perpetuities.** If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.
- 11.13. **No Discrimination.** No action shall be taken by the Declarant, the Association or the Board of Directors which would discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or disability.
- 11.14. **Indemnification.** To the fullest extent allowed by the Georgia Nonprofit Corporation Code, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee member against any and all expenses, including, but not limited to, attorney's fees, imposed upon or reasonably incurred by any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee member may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.
- 11.15. **Agreements.** Subject to the prior approval of Declarant and KLLB, so long as KLLB owns any property subject to this Declaration, 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.

- 11.16. **Variances.** Notwithstanding anything to the contrary contained herein, the Board of Directors 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 is warranted and would not be inconsistent with the overall scheme of development for the Community.
- 11.17. **Litigation.** No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by at least seventy-five percent (75%) of the Total Association Vote and the consent of Declarant and KLLB, so long as Declarant or KLLB owns any property subject to this Declaration. This Section shall not apply to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided herein, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made unilaterally by the Declarant as provided herein or is approved by the percentage votes necessary to institute proceedings as provided above; provided, however, so long as KLLB owns any property subject to this Declaration, Declarant shall obtain the prior written consent of KLLB.
- 11.18. **Security.** ALL OWNERS, OCCUPANTS, GUESTS, LICENSEES, AND INVITEES, AS APPLICABLE, ACKNOWLEDGE THAT KLLB, DECLARANT, APPROVED BUILDER, THE ASSOCIATION, AND ITS BOARD OF DIRECTORS DO NOT REPRESENT OR WARRANT THAT ANY SAFETY OR SECURITY MEASURES WILL BE IMPLEMENTED IN THE COMMUNITY OR, IF IMPLEMENTED, THAT SUCH SAFETY OR SECURITY MEASURES MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR THAT ANY SUCH SAFETY OR SECURITY MEASURES WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THEY ARE DESIGNED. EACH OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE ACKNOWLEDGES AND UNDERSTANDS THAT KLLB, DECLARANT, APPROVED BUILDER, ASSOCIATION, THE BOARD OF DIRECTORS ARE NOT INSURERS OR PROVIDERS OF SAFETY OR SECURITY AND SHALL HAVE NO DUTY TO PROVIDE ANY SAFETY OR SECURITY ON THE COMMON AREA OR OTHERWISE; AND THAT EACH OWNER, OCCUPANT, GUEST, LICENSEE AND INVITEE ASSUMES ALL RISKS OF PERSONAL INJURY AND PROPERTY DAMAGE ACKNOWLEDGES THAT KLLB, DECLARANT, APPROVED BUILDER, ASSOCIATION AND THE BOARD OF DIRECTORS HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, GUEST, LICENSEE OR INVITEE RELIED UPON ANY REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR SECURITY MEASURES IMPLEMENTED OR APPROVED.

[Signature Pages to Follow]

DEED B: _____ P: _____ 11/10/2025
Page 43 of 58

IN WITNESS WHEREOF, the Declarant herein hereby executes this instrument under seal, this 10th day of November 2025

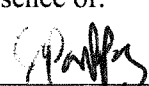
DECLARANT:

MTS ATL, LLC, a Georgia limited liability company

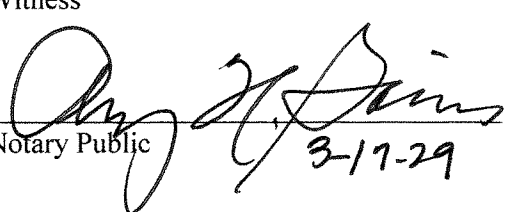


Kevin Hutchins, CFO

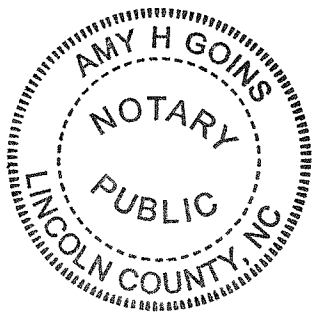
Signed, sealed and delivered
this 10th day of November, 2025
in the presence of:



Witness



Notary Public 3-17-29

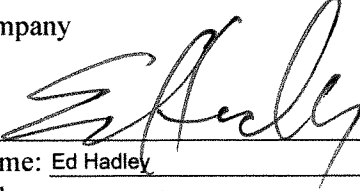


DEED B: _____ P: _____ 11/10/2025
Page 44 of 58

IN WITNESS WHEREOF, KLLB hereby executes this instrument under seal, this 10th day
of November, 2025

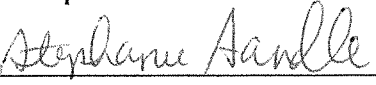
KLLB:

KL LB BUY 3 LLC a Delaware limited liability
company


Name: Ed Hadley

Title: Authorized Signatory

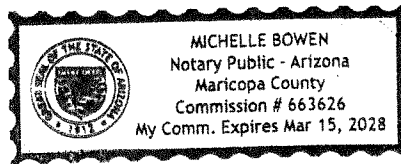
Signed, sealed and delivered
this 10th day of November, 2025
in the presence of:



Witness



Notary Public



DEED B: _____ P: _____ 11/10/2025
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EXHIBIT "A"

Property Description

ALL that tract or parcel of land lying and being in Land Lot 48 of the 4th District, Brooks 421ST GMD, Walton County, Georgia, containing 69.95 acres, more or less, as shown on that plat of survey entitled "Boundary Survey: Karen Maxson", prepared and certified by James D. Quattlebaum, GRLS No. 2970, dated December 16, 2016, as recorded in the Office of The Clerk of Superior Court for Walton County, Georgia, Plat Book 112, at Page 97, said plat being incorporated herein by reference and being made a part of this description

DEED B: _____ P: _____ 11/10/2025
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EXHIBIT "B"

Description of Additional Property

Any real property located within 5,000 feet of any boundary of the Property.

EXHIBIT "C"**BYLAWS****BYLAWS OF
PINEHURST ESTATES HOMEOWNER'S ASSOCIATION, INC.****Article 1****Name. Membership. Applicability and Definitions**

- 1.1. **Name.** The name of the corporation shall be PINEHURST ESTATES HOMEOWNER'S ASSOCIATION, INC., a Georgia non-profit corporation (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 PINEHURST ESTATES SUBDIVISION (such Declaration, as amended, 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.

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 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 to mail or to cause to be delivered to the Lot of each member (as in the records of the Association as of the record date) a 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 Georgia Nonprofit Corporation Code (O.C.G.A. Section 14-3-101, et seq.) or other applicable law (the "Governing Law"), the purpose(s) thereof. If an Owner wishes notice to be given at an address other than 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 (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 signed by the member, 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 during ordinary business hours at the Association's principal office or at such other reasonable place as may be specified in the notice. 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, dated, and filed with the Secretary before the appointed time of each meeting. 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 of written revocation signed by the member; (c) receipt by the Secretary 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 11 months from the date of the proxy appointment, unless a shorter period is specified in the proxy form.
- 2.11. **Quorum.** The presence, in person or by proxy, of members entitled to cast at least 25% 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, setting forth the action so taken, shall be signed 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. If less than unanimous consent is obtained, the approval shall be effective ten days after the Secretary gives written notice of the approval to all members who did not sign a consent. Each signed consent 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 Governing Law, 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 written ballot as provided herein. The Association shall deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot 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 written ballot received by the Association may not be revoked. Approval by written ballot 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 written 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 18 years of age or older. Except for directors appointed by the Declarant, each director must be an Owner of a Lot and be a member or the spouse or partner 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 fifteen (15) 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 Lot shall be the actual number of Lots shown on the recorded subdivision plats for the Lot regardless of any different number of Lots shown from time to time on the land use plan. The Declarant shall notify the Association when the final subdivision plat for the Lot has been recorded.
- 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 "Declarant Control Period"), the Board of Directors shall consist of three (3) directors as determined by Declarant in writing from time to time. After the termination of the Declarant Control Period, 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. The members of the Board of Directors shall hold office until the annual meeting of the membership thereafter (or pursuant to Section 2.12 or Section 2.13 in lieu of a meeting), or until their successors can be elected. At the first annual meeting after the Declarant's right to appoint directors and officers terminates (or pursuant to Section 2.12 or Section 2.13 in lieu of a meeting), the members shall elect three (3) directors. The two candidates with the most votes shall be elected for a term of two years and the

one candidate with the least amount of votes shall be elected for a term of one year. Thereafter, each elected director shall serve a term of two years. Directors shall serve until such time as his or successor can be elected or he or she resigns.

- 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 30 days may be removed by a majority vote of the remaining directors. This Section shall not apply to directors appointed by Declarant.
- 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 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; or (c) by telephone communication (including facsimile), either directly to the director or to the director's home or office. 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 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 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, 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.
- 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 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, Articles of Incorporation, 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:
- 3.18.a. preparation and adoption of an annual budget in which there shall be established the contribution of each member to the common expenses;
 - 3.18.b. making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;
 - 3.18.c. providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;

- 3.18.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;
 - 3.18.e. collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
 - 3.18.f. making and amending rules and regulations;
 - 3.18.g. opening of bank accounts on behalf of the Association and designating the signatories required;
 - 3.18.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;
 - 3.18.i. obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
 - 3.18.j. G) 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
 - 3.18.k. authorization of 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. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager. The term of any management agreement shall not exceed one 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 of the annual budget of the Association.
- 3.21. **Fining or Suspension Procedure.** The Board shall not impose a fine or suspension (a late charge shall not constitute a fine) unless and until the procedure outlined herein has been followed. However, this shall not be required for the following: (1) late charges on delinquent assessments; (2) suspension of voting rights if an Owner is shown on the Association's records to be more than 30 days delinquent in any payment due the Association; (3) suspension of the right to use the Common Property; and (4) suspension of utility services, in which case the late charge and foregoing suspensions shall be automatic.

- 3.21.a. Written notice shall be delivered to the member by personal delivery or first- class or certified mail sent to the address of the member shown on the Association's records, specifying:
- 3.21.a.i. the nature of the violation, the fine or suspension 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 or suspension will take effect;
 - 3.21.a.ii. that the violator may, within ten (10) days from the date of the notice, request a hearing before the Board regarding the fine or suspension imposed;
 - 3.21.a.iii. the name, address and telephone numbers of a person to contact to request a hearing;
 - 3.21.a.iv. that any statements, evidence, and witnesses may be produced at the hearing; and
 - 3.21.a.v. that all rights to have the fine or suspension reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.
- 3.21.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. Except for the display of unapproved signs, the fine or suspension shall run from the date that a decision is made by the Board at the conclusion of the hearing or such later date as the Board may determine.

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.
- 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

- 5.1. **Committees.** The Board may appoint such committees as it deems appropriate, or as provided in the Declaration, to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

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, the Declaration or these Bylaws.
- 6.3. **Conflicts.** If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, the Declaration and these Bylaws, the provisions of Georgia law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.
- 6.4. **Notices.** Unless otherwise prohibited by these Bylaws or the Declaration, all notices and other communications required by the Declaration or Bylaws shall be in writing and shall be given by:
- 6.4.a. Personal delivery;
 - 6.4.b. United States mail, first class, postage prepaid;
 - 6.4.c. Statutory overnight delivery;
 - 6.4.d. Electronic mail;
 - 6.4.e. Facsimile; or
 - 6.4.f. A secure web site, provided that notice shall be deemed given via web site only upon proof that the addressee has retrieved the message.

Notices given by one of the methods described above shall be given:

- 6.4.g. If to the Lot Owner, to the address, electronic mail address or facsimile number that the Owner has designated in writing and filed with the Secretary, or info such address has been designated, at the address of the Lot of such Owner; or

- 6.4.h. If to an Occupant, to the address, electronic mail address or facsimile number that the Occupant has designated in writing with the Secretary or, if no such address has been designated, at the address of the Lot occupied.
- 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 of at least two-thirds (2/3) of the Total Association Vote and the consent of Declarant, during the Declarant Control Period, and KLLB while KLLB owns any property subject to the Declaration.

No Amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant, or the assignee of such right or privilege. Further, no amendment may remove, revoke, or modify any right or privilege of KLLB without the written consent of KLLB, or the assignee of such right or privilege, while KLLB owns any property subject to the Declaration.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of PINEHURST ESTATES
HOMEOWNER'S ASSOCIATION, INC., a Nonprofit Corporation;

That the foregoing constitutes the Bylaws of said Association, as duly adopted by the Board
of Directors and the members of the Association on the 10th day of November, 2025.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of
said Association this 10th day of November, 2025.



Kevin Hutchins, Secretary [SEAL]