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Fee Amt: $25.00 Page 1 of 67
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Sheila Studdard Clerk of Court

Participant ID: 8275172789

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Return to: Stacy Hanley [Space Above Reserved for Recording Data]
Lefkoff, Duncan, Grimes, McSwain, Hass & Hanley, P.C.
3715 Northside Parkway, Building 300, Suite 600
Atlanta, GA 30327

DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS AND EASEMENTS FOR LIBERTY NORTH SUBDIVISION

THIS DECLARATION DOES NOT AND IS NOT INTENDED TO CREATE A CONDOMINIUM WITHIN THE MEANING OF THE GEORGIA CONDOMINIUM ACT, O.C.G.A 44-3-70, *ET SEQ.*, NOR A PROPERTY OWNER'S DEVELOPMENT WITHIN THE MEANING OF THE GEORGIA PROPERTY OWNERS ASSOCIATION ACT, O.C.G.A 44-3-220, *ET SEQ.*

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND

EASEMENTS FOR

LIBERTY NORTH SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LIBERTY NORTH SUBDIVISION is made the date signed below by **FAYETTE LIBERTY NORTH, LLC**, a Georgia limited liability company (hereinafter referred to as "Declarant").

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property"). Declarant intends by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property within the Property. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Property, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Property as is now or hereafter subjected to this Declaration.

Declarant hereby declares that all the property described in Exhibit "A" shall be held, sold, used, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration. This Declaration shall be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

Section 1. Architectural Review Board" or "ARB" shall mean the Liberty North Architectural Review Board, as further set forth in Article VII hereof.

Section 2. "Area of Common Responsibility" shall mean the Common Area, together with those areas, if any, which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contract, or agreement, become the responsibility of the Association.

Section 3. "Articles of Incorporation" or "Articles" shall mean the Articles of Incorporation of Liberty North Homeowners' Association, Inc., as filed with the Secretary of State of the State of Georgia.

Section 4. "Association" shall mean Liberty North Homeowners' Association, Inc., a Georgia non-profit corporation, its successors, or assigns.

Section 5. "Association Legal Documents" shall mean the Articles of Incorporation, the Declaration, the Bylaws, in addition to all rules and regulations promulgated by the Board, the Design Guidelines, and all Plats, as may be amended from time to time.

Section 6. "Board of Directors" or "Board" shall mean the body responsible for administration of the Association, selected as provided in the Bylaws.

Section 7. "Builder" shall mean any Person who purchases one or more Lots for the purpose of constructing improvements for subsequent sale to consumers or purchases one or more parcels of land within the Community for further subdivision, development, and resale in the ordinary course of such Person's business and who is designated, in writing, by the Declarant as a Builder. Any Person occupying or leasing a Lot for residential purposes shall cease to be considered a Builder with respect to such Lot immediately upon occupation of the Lot for residential purposes, notwithstanding that such Person originally purchased the Lot for the purpose of constructing improvements for subsequent sale to consumers and was originally designated a Builder.

Section 8. "Bylaws" shall mean the Bylaws of Liberty North Homeowners' Association, Inc., attached hereto as Exhibit "B" and incorporated by reference, as they may be amended from time to time.

Section 9. "Class B Control Period" shall mean the period of time during which the Class "B" Member is entitled to appoint the members of the Board of Directors, as provided in Article III, Section 2(b) hereof.

Section 10. "Common Area" shall mean (i) all personal property owned by the Association and shall also include all personal property in which the Association holds possessory or use rights and (ii) all real property and interests in real property, together with any improvements situated thereon, intended for the common use and benefit of the Association, and/or the Owners of the Property, and designated as Common Area in this Declaration, on a subdivision plat or other document recorded in the Fayette County, Georgia records by Declarant, or after the Class B Control Period, by the Association. For avoidance of any doubt, the Common Area shall include any private streets or alleys within the Community. Common Area may be owned or leased by the Association or dedicated to the Association on a subdivision plat or may be owned by another Person with the Association having a right or easement therein (for example, part or all of a private stormwater drainage easement located on either a Lot or real property that is not part of the Property and that serves more than one (1) Lot or a right of the Association to use of a portion of a public street right of way pursuant to an encroachment agreement).

Section 11. "Common Expenses" shall mean shall mean and refer to all of the actual and estimated expenses and liabilities of the Association for owning, leasing, administering, maintaining, managing, operating, insuring, repairing, and replacing the Common Area (including unpaid General Assessments and Special Assessments not paid by the Owner responsible for payment), and performing its rights and responsibilities under law and any governing documents for the Association, together with any other expenses incurred by the Association as are specifically provided for elsewhere in this Declaration or are otherwise reasonably incurred by the Association in connection with the Association or Common Area or for the benefit of the Owners.

Declarant's cost to acquire and improve the Property or the Common Area are not Common Expenses.

Section 12. "Community" shall mean the real property described in Exhibit "A" attached hereto together with any real property annexed pursuant to Article XIII herein. The term Community shall have the same meaning as the definition of "Property" as set forth herein. "Community" and "Property" are interchangeable terms in this Declaration.

Section 13. "Community-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the Community. Such a standard may be more specifically determined by the Board of Directors and the ARB.

Section 14. "Declarant" shall mean FAYETTE LIBERTY NORTH, LLC, a Georgia limited liability company or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibit "A" hereof for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided, however, there shall be only one Person entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

Section 15. "Design Guidelines" shall mean the design and construction guidelines and application and review procedures applicable to the Property promulgated and administered pursuant to Article VII hereof.

Section 16. "General Assessment" shall mean assessments levied on all Lots subject to assessment under Article V hereof to fund Common Expenses for the general benefit of all Lots, as more particularly described in Article V hereof.

Section 17. "Lot " shall mean a portion of the Property, whether improved or unimproved, which may be independently owned and conveyed, and which is intended for development, use and occupancy as a residence for a single family.

Section 18. "Majority" shall mean those votes, Owners, Members, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

Section 19. "Master Plan" shall mean the land use plan or development plan for the Community as such plan may be amended from time to time by the Declarant. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of additional property from the Master Plan bar its later annexation in accordance with this Declaration.

Section 20. "Member" shall mean a Person entitled to membership in the Association pursuant to Article III, Section 1 hereof.

Section 21. "Mortgage" shall mean a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 22. "Mortgagee" shall mean a beneficiary or holder of a Mortgage.

Section 23. "Mortgagor" shall mean any Person who gives a Mortgage.

Section 24. "Occupant" shall mean any person staying overnight in a dwelling on a Lot for a total of more than 30 days, either consecutive or nonconsecutive, in any calendar year.

Section 25. "Owner" shall mean one or more Persons who hold the record title to any Lot, including the Declarant, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is owned by more than one Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner.

Section 26. "Person" shall mean a natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.

Section 27. "Plats" shall mean those plats of the survey relating to the Property filed in the Fayette County, Georgia land records. All of the Plats of survey are incorporated herein by this reference.

Section 28. "Property" shall mean the real property described in Exhibit "A" attached hereto together with any real property annexed pursuant to Article XIII herein.

Section 29. "Special Assessment" shall mean assessments levied in accordance with Article V, Section 5 hereof.

Section 30. "Specific Assessment" shall mean assessments levied in accordance with Article V, Section 6 hereof.

Section 31. "Supplemental Declaration" shall mean an instrument filed in the Fayette County, Georgia land records which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

ARTICLE II
PROPERTY RIGHTS

Section 1. Common Area Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) The Association Legal Documents, as they may be amended from time to time, and subject to any restrictions or limitations contained in any deed conveying such property to the Association;

(b) The right of the Declarant and/or the Board of Directors to adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area, limiting the times of use of Common Areas, and/or prohibiting use of certain uses on the Common Area of portions thereof;

(c) The right of the Board to suspend the right of an Owner to use the Common Area or any recreational facilities within the Common Area as set forth in Article XVII hereof;

(d) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements, if any, set forth in this Declaration, in the Board's discretion removing such Common Area from this Declaration;

(e) The right of the Board to impose reasonable membership requirements and charge reasonable membership admission or other fees for the use of any facility situated upon the Common Area or any other portion of the Common Area;

(f) The right of the Declarant and/or the Board to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees, and guests upon payment of use fees, if any, established by the Board; and

(g) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements, if any, set forth in this Declaration.

Section 2. Extension and Assignment of Use Rights. Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall be deemed to have membership in the Association. No Owner, whether one or more Persons, shall have more than one membership per Lot owned. In the event a Lot is owned by more than one Person, all Co-Owners shall be entitled to the privileges of membership, subject to the restrictions on voting set forth in Section 2 of this Article and in the Bylaws, and all such Co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners hereunder. The membership rights and privileges of an Owner who is a natural person may be exercised by the Member or the Member's spouse. The membership rights of an Owner which is a corporation, partnership or other legal entity shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

Section 2. Voting. The Association shall have two classes of membership, Class "A" and Class "B" as set forth below.

(a) Class "A." Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall be entitled to one equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof; there shall be only one vote per Lot.

In any situation where a Member is entitled personally to exercise the vote for his Lot and there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised as such Co-Owners determine among themselves and advise the Secretary of the Association in

writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

(b) Class "B." The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration and the Bylaws, are specified elsewhere in the Declaration and the Bylaws. The Class "B" Member shall be entitled to appoint all members of the Board of Directors during the Class B Control Period, which shall continue until the first to occur of the following:

(i) when 100% of the total number of Lots permitted by the Master Plan for the Community have certificates of occupancy thereon and have been conveyed to Persons other than a Builder; or

(ii) twenty (20) years from the date this Declaration is recorded; or

(iii) when, in its sole discretion, the Declarant so determines and voluntarily relinquishes such right in a written instrument executed by the Declarant and recorded in the Fayette County public land records.

ARTICLE IV
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and common landscaped areas), and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard. The Association shall be responsible for maintenance of, and insurance and taxes on, property identified on the Plats as being Common Area or possible future Common Area, during all times that such property is made available by Declarant for use by Owners, notwithstanding that such property may not yet have been conveyed to the Association.

Section 2. Personal Property and Real Property for Common Use. The Association, through the action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Declarant shall convey to the Association improved or unimproved real estate located within the Property, personal property and leasehold and other property interests. Such conveyance shall be deemed to be acceptance by the Association upon delivery of any personal property or upon recordation of a limited warranty deed conveying any interest in real property in a completed and well-maintained "as is" condition, and the property shall thereafter be Common Area to be used and maintained by the Association "as is" and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions or limitations set forth in the deed of conveyance.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Property, including, but not limited to, rules and regulations governing the use of the Common Area, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Such regulations and use restrictions shall be binding upon all Owners, Occupants, invitees, and

licensees, if any, until and unless overruled, cancelled, or modified in a regular or special meeting of the Association by the vote of Members representing a majority of the total Class "A" votes in the Association and by the Class "B" Member, so long as such membership shall exist.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws. The Association may also exercise every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5. Governmental Interests. During the Class B Control Period, the Declarant may designate sites within the Property for public or quasi-public facilities. No membership approval shall be required for such designation. The sites may include Common Area, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by the Declarant. The sites may include other property not owned by Declarant provided the owner of such property consents.

Section 6. Indemnification. To the fullest extent permitted under the law, the Association shall indemnify every officer, director, ARB member and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, ARB member or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation or Georgia law.

The officers, directors, ARB members 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 and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). 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 present or former officer, director, ARB members or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 7. Security. The Association may, but shall not be obligated to, maintain, or support certain activities within the Property designed to make the Property safer than they otherwise might be. Neither the Association, the Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Property. Neither the Association, the Declarant, nor any successor Declarant shall be held liable for any loss or damage for failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measure, including any mechanism or system for limiting access to the Property cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges and

understands and covenants to inform its tenants and all Occupants of its Lot that the Association, its Board of Directors, ARB members, committee members, Declarant, and any successor Declarant are not insurers and that each Person using the Property assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

ARTICLE V
ASSESSMENTS

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time be specifically authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 9 of this Article. There shall be four types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Lots; (b) Special Assessments as described in Section 5 below; (c) Specific Assessments as described in Sections 6 below; and (d) Capitalization Assessments as described in Section 11 below. Each Owner, other than Declarant or a Builder , by acceptance of a deed or conveyance for any portion of the Property, is deemed to covenant and agrees to pay these assessments.

All assessments, together with interest (at a rate not to exceed the highest rate allowed by Georgia law) late charges, costs, and reasonable attorneys' fees actually incurred, shall be a charge on the land and shall be a continuing lien upon each Lot against which the assessment is made until paid, as more particularly provided in Section 6 of this Article. Each such assessment, together with interest, late charges, costs, and reasonable attorneys' fees actually incurred, also shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose. In the event of a transfer of title to a Lot, the grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance. However, no first priority Mortgagee who obtains title to a Lot pursuant to the foreclosure of such Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments and charges due and unpaid, including but not limited to any late charges, interest, fines, attorneys' fees or other charges against such Lot. The Association shall respond in writing within five business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee, as a prerequisite to the issuance of such a statement. Such a written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein, if such statement is reasonably relied upon in connection with the issuance of any Mortgage on such Lot.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges

levied on his Lot, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

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

Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and initial sales of Lots by Declarant or any Builder shall continue, Declarant or any Builder will not be obligated to pay General Assessments, Specific Assessments or Special Assessments, and Capitalized Assessments on any lots owned by the Declarant or a Builder. On an annual basis, the Declarant shall fund any budget deficient pursuant to Section 2 of this Article.

Section 2. Budget Deficits during Class "B Control Period." During the Class B Control Period, if the annual General Assessment does not cover the Common Expenses for that fiscal year, thereby creating a budget deficit, the Declarant shall fund the budget deficit by either: 1) the payment of a subsidy; or 2) a loan to the Association. Any subsidy will be conspicuously disclosed as a line item in the income portion of the common expense budget. The amount of the subsidy shown on the budget shall be an estimate only and the Declarant will only be obligated to fund such subsidy to the extent of any actual budget deficit. Any such loan from the Declarant to the Association shall be interest free and shall be disclosed in the budget of the Association for the year in which it is obtained, in the financial statements, and in the books and records of the Association.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant or other entities for the payment of some portion of the Common Expenses.

Section 3. Computation of General Assessment. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a budget separately prepared as provided in Section 3 of this Article. General Assessments include any sums the Board determines necessary for the continued ownership, operation and maintenance of the Common Area, improvements to the Common Area, operating expenses of the Association, payment for any items of betterment and the establishment of reserve funds as the Board shall deem proper.

The General Assessment shall be levied equally against all Lots and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In

addition, the Board shall consider the number of Lots subject to assessment under Section 7 hereof on the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a copy of the budget and notice of the amount of the General Assessment to be levied against each Lot for the following year to be delivered to each Owner at least 30 days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Members representing at least seventy-five (75%) percent of the total Class "A" votes in the Association. During the Class B Control Period, budget and assessment shall become effective unless disapproved at a meeting by Members representing at least seventy-five (75%) percent of the total Class "A" votes in the Association and the Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Paragraph 2(B) of the Bylaws, which completed petition must be presented to the Board within ten days after delivery of the notice of assessments.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved, or the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined, the budget in effect for the immediately preceding year shall continue for the current year. Additionally, the Board may adjust the budget during the fiscal year as it deems appropriate by delivering the adjusted budget to the Members at least 30 days before the assessment due date thereunder. Each adjusted budget shall become effective unless disapproved by the Members as provided above.

Section 4. Reserve Budget and Capital Contribution. Upon the termination of the Class B Control Period, the Board of Directors shall annually prepare a reserve budget which considers the number and nature of replaceable assets in the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual General Assessments, as appropriate, over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Section 2 of this Article.

Section 5. Special Assessments.

(a) Unbudgeted Expenses. In addition to other assessments authorized hereunder, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise specifically provided in this Declaration, any Special Assessment greater than $500 per Lot per year must first be approved by Members representing at least 51% of the total votes allocated to Lots which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved if the Board so determines.

(b) Costs to Cure Non-Compliance. The Association may levy a Special Assessment against any Lot to reimburse the Association for costs incurred by the Association, including, but

not limited to, attorneys' fees, in bringing the Lot into compliance with the Association Legal Documents. Such Special Assessments may be levied upon the vote of the Board and after notice to the Lot Owner.

Section 6. Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Lots: (a) receiving benefits, items, or services not provided to all Lots within the Property that are incurred upon request of the Owner of a Lot for specific items or services relating to the Lot; or (b) that are incurred as a consequence of the conduct of less than all Owners, their Occupants, licensees, invitees, or guests.

Section 7. Lien for Assessments. The Association shall have a lien against any Lot to secure payment of delinquent assessments, as well as interest, late charges, and costs of collection, including reasonable attorneys' fees actually incurred. Such lien shall be prior and superior to all other liens, except: (a) the liens of all taxes, bonds, property, assessments, and other levies which by law would be superior; and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages and any lien of the Association) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure in accordance with Georgia law.

The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at the foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot. During the period in which a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any assessments thereafter becoming priority due. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien as to any installments of such assessments which became due prior to such sale or transfer. Where the Mortgagee holding a first priority Mortgage of record or other purchaser of a Lot obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be personally liable for the share of the Common Expenses or assessments by the Association chargeable to such Lot which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8 below, including such acquirer, its successors, and assigns.

Section 8. Delinquent Assessments. All assessments and charges not paid on or before the due date shall be delinquent, and the Owner shall be in default. In addition to the powers set forth below for collection of unpaid assessments and charges, the Association shall be entitled to exercise all other rights and remedies provided by law and in equity to satisfy an Owner's debt.

If any assessment or charge, or any part or installment thereof, is not paid in full within ten (10) days of the due date, or such later date as may be provided by the Board of Directors:

(a) a late charge as of $25.00, or an amount established by the Board, may be imposed without further notice or warning to the delinquent owner;

(b) interest in the amount of 18%, or in an amount set by the Board, shall accrue from the due date;

(c) the Board may accelerate and declare immediately due any unpaid installments of that Owner's assessments and charges. Upon acceleration, the Owner shall lose the privilege of paying such assessments and charges in installments, unless the Board otherwise reinstates such privilege in writing. If the Association has pending legal action against an Owner for unpaid assessments or charges, then no notice shall be required to accelerate unpaid installments of any annual or special assessments that come due during any fiscal year after such legal action commences, until all amounts owed are paid in full or the Board otherwise reinstates such privilege in writing; and

(d) the Association may bring legal action to collect all sums owed under the Declaration and Georgia law.

(e) If assessments or other charges, or any part thereof, remain unpaid more than 30 days after the due date, the Owner's right to vote and use any recreational facilities within the Common Area are suspended automatically until all amounts owed are paid in full or the Board of Directors otherwise reinstates such rights in writing.

(f) If part payment of assessments or other charges is made, the amount received may be applied first to post-judgment attorneys' fees, costs, and expenses, then to costs and attorneys' fees not reduced to a judgment, then to interest, then to late charges, then to delinquent assessments and then to current assessments. Late charges may be assessed on delinquencies that are created by the application of current payments to outstanding delinquent assessments or charges.

Section 9. Date of Commencement of Assessments.

(a) Assessments shall commence as to each Lot on the day on which such Lot is conveyed to a Person other than the Declarant or a Builder. Neither the Declarant nor a Builder who purchases a Lot for the purpose of construction of a residence and resale of a Lot and residence shall be responsible for the payment of any type of assessment; provided, however, assessments shall commence on Lots containing occupied residences that are owned by Declarant or a Builder on the first day of the month following the occupancy of the Lot. The first Assessment shall be adjusted according to the number of months then remaining in that fiscal year. Subsequent assessments shall be due and payable on the first business day of the Association's fiscal year, unless provided otherwise by the Board of Directors.

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

Section 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 the General Assessment 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.

Section 11. Capitalization of Association. Upon acquisition of record title to a Lot by the first Owner thereof other than the Declarant, and upon each subsequent conveyance of a Lot other than from an Owner to the spouse of such Owner, a contribution (the "Capitalization Assessment") shall be made by or on behalf of the purchaser to the working capital of the Association in the amount as may be determined by the Board, which amount shall not be more than the annual General Assessment per Lot for that year. The Capitalization Assessment shall be in addition to, not in lieu of, the annual General Assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. The Capitalization Assessment shall be due at the time of each such conveyance.

Section 12. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of General Assessments and Special Assessments:

(a) All Common Area; and

(b) All property dedicated to and accepted by any governmental authority or public utility, including without limitation public schools, public streets, and public parks, if any.

ARTICLE VI
MAINTENANCE

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. The Area of Common Responsibility shall include, but need not be limited to:

(a) the Common Area;

(b) all landscaping, trees and other flora, parks, amenity areas, structures, improvements, sidewalks, trails, pathways situated upon the Common Area, if any;

(c) in the Board's discretion, other landscaping within public rights of way within or abutting the Property, and landscaping and other flora within any public utility easement within the Property (subject to the terms of any easement agreement relating thereto);

(d) any street trees, all landscaping, and other flora, irrigation, entry monument, entry lighting and sidewalks located within the Property, whether located on a Lot or Common Area and property fronting Georgia State Route 279.

(e) all furnishings, equipment, and other personal property of the Association;

(f) all detention and retention ponds, streams and/or wetlands located within the Property which serve as part of the drainage and storm water retention system for the Property, whether or not such pond, stream and/or wetland is located on Common Area or a Lot. Such maintenance shall include any retaining walls, bulkheads, or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith (to the extent not maintained by any governmental entity);

(g) The centralized mailbox systems for the Community whether located on the Common Area or a Lot; and

The Association may, as a Common Expense, maintain other property and improvements which it does not own, including, but not limited to, landscaping on Lots, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. For example, the Association may maintain any fence, wall, entry feature or sign serving to enhance or designate the entry into the Property, regardless of whether such improvements are not located within the Common Area or the Property.

The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (a) such maintenance responsibility is otherwise assumed by or assigned to an Owner, or (b) such property is dedicated to any other local, state or federal governmental or quasi- governmental entity; provided, however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Lots as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the owner(s) thereof.

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 Area of Common Responsibility is caused through the willful or negligent act of any Owner or Occupant or his or her family, guests, tenants, or invitees, 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.

The Association and the Declarant 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 Area of Common Responsibility 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. The Association and the Declarant shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Article 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 or the Declarant 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.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Lot and all structures, parking areas, and other improvements comprising the Lot, as well as any right-of-way area located between such Lot and any immediately adjacent street, in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association. With respect to any Lot owned by any Person other than Declarant, such maintenance responsibility shall include, but is not limited to:

(a) removing all litter, debris, and trash;

(b) mowing lawns on a regular basis with the grass level no higher than 3.5" on Lots with residential dwellings constructed and no more than 12" on vacant Lots or Lots under construction;

(c) pruning of trees, shrubs and bushes with no shrub or bush covering exterior windows;

(d) removing promptly and replacing any dead plant material, and keeping flower beds weed free; and

(e) installing and maintaining pine straw or mulch in flower beds and non-grassed areas with no bare dirt exposed.

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

Section 3. Builder's Responsibility. With respect to any Lot owned by a Builder upon which a dwelling has not yet been constructed or is being constructed, such maintenance responsibility shall include, but is not limited to:

(a) removing all litter, debris, and trash from Lots except for construction material temporarily stored on Lots; and

(b) maintaining all silt fence and other erosion control devices; and

(c) mowing lawns on a regular basis with the grass level no higher than 3.5" on Lots with residential dwellings constructed and no more than 12" on vacant Lots or Lots under construction.

Section 4. Failure to Maintain. If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her maintenance, repair or replacement obligations pursuant to this Paragraph, then the Association may give the 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 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 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 provide any such maintenance, repair or replacement, the costs of which shall be a specific special assessment against the Owner and the Lot.

Section 5. Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association, and/or an Owner shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities hereunder.

ARTICLE VII
ARCHITECTURAL STANDARDS

Section 1. General. No exterior structure or improvement shall be placed, erected, installed or made upon any Lot or adjacent to any Lot where the purpose of the structure is to service such Lot, and no improvements shall be permitted except in compliance with this Article, and with the prior written approval of the appropriate reviewing body under Section 3 below, unless a Builder is exempted from the application and approval requirements pursuant to Section 2 below.

Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Lot, or to paint the interior of his Lot any color desired. However, modifications or alterations to the interior of screened porches, patios, and similar portions of a Lot visible from outside the Lot shall be subject to approval.

This Article shall not apply to the activities of the Declarant, nor to construction or improvements or modifications to the Common Area by or on behalf of the Association.

This Article may not be amended without the Declarant's written consent so long as the Declarant owns any property subject to this Declaration.

Section 2. Builder Approval. Notwithstanding anything contained in Article VII to the contrary, the Declarant may grant a Builder a blanket, written approval for all plans and specifications showing the nature, kind, shape, color, size, materials of all proposed homes to be constructed on the Lots by the Builder. If the Declarant grants the blanket approval, the Builder will be exempted from the requirement to submit individual architectural review requests for each Lot. The approval and exemption provided in this Section 2 shall be personal to the Builder to whom the approval and exemption is granted and shall not be assignable or transferrable. The blanket approval and exemption shall be irrevocable and binding on the Declarant, ARB, and the Association as to any Lots owned by the Builder; provided, however, the Builder constructs the homes substantially in accordance with the plans and specifications originally approved by the Declarant.

Section 3. Architectural Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by the Architectural Review Board, the members of which need not be Members of the Association or representatives of Members and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board of Directors. The Board of Directors may establish reasonable fees to be charged by the committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

The ARB shall have exclusive authority for review and approval of all construction of, or modifications to, on any portion of the Property. During the Class B Control Period, the Declarant may retain the right to appoint all members of the ARB, which may consist of one or more Persons, who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in a recordable form executed by the Declarant. Upon the expiration or surrender of such right, the Board shall appoint the members of the ARB who shall thereafter serve and may be removed in the Board's discretion.

Section 4. Guidelines and Procedures.

(a) The Declarant may prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines") which shall be applicable to all construction activities within the Property and all modifications on or to Lots at the Property. The Design Guidelines may contain general provisions applicable to all of the Property, as well as specific provisions which vary from one portion of the Property to another depending upon the location, unique characteristics, and intended use thereof. The Design Guidelines are intended to

provide guidance to Owners regarding matters of particular concern to the committees in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the ARB or the Board and compliance with the Design Guidelines does not guarantee approval for any application.

Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the Declarant and Board are expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines more or less restrictive. The ARB shall make the Design Guidelines available to Owners who seek to engage in development or construction within the Property.

(b) Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed construction and modifications on Lots shall be submitted to ARB for review and approval or disapproval. In reviewing each submission, the ARB may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things.

If the ARB fails to approve or to disapprove such application within 45 days after the application and all required information have been submitted, the Owner submitting the application may issue written notice, via certified mail, to the Association President, informing the President of the Owner's intent to proceed with the modification as identified in the application. Unless the Association issues a written disapproval of the application within 10 days of receipt of the Owner's notice, the approval will not be required, and this subparagraph will be deemed complied with as to the items specifically identified in the application. However, even if the requirements of this Section are satisfied, nothing herein shall authorize anyone to construct or maintain any modification that is otherwise in violation of the Association Legal Documents, or of any applicable zoning or other laws. Except as provided in this Section, no approval of construction or any modification shall be valid unless issued in writing. Owners may not rely on any verbal approval or statements from any person as the approval required for a modification, including Declarant and/or members of the Board or ARB.

Section 5. Specific Guidelines and Restrictions.

(a) Exterior structures and improvements shall include, but shall not be limited to, staking, clearing, excavation, grading or other site work; installation of utility lines or drainage improvements; initial construction of any dwelling or accessory building; exterior alteration of existing improvements; basketball hoops; swing sets or similar sports and play equipment; clotheslines; garbage cans; wood piles; swimming pools; gazebos or playhouses; window air-conditioning units or fans; hot tubs; solar panels; antennas; satellite dishes or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind; hedges, walls, dog runs, animal pens, or fences of any kind, including invisible fences; artificial vegetation or sculpture; and planting or removal of landscaping materials, such list not being indicative that any particular item will be permitted at the Property. Notwithstanding the foregoing, the Declarant and the Association shall regulate antennas, satellite dishes, or any other apparatus for the

transmission or reception of television, radio, satellite, or other signals of any kind only in strict compliance with all federal laws and regulations.

(b) In addition to the foregoing activities requiring prior approval, the following items are strictly regulated, and the ARB shall have the right, in its sole discretion, to prohibit or restrict these items within the Property. Each Owner must strictly comply with the terms of this Section unless approval or waiver in writing is obtained from the appropriate reviewing body. The ARB may, but is not required to, adopt specific guidelines as part of the Design Guidelines or rules and regulations which address the following items:

(i) Signs. No "for sale" or "for rent" signs are permitted on the Property, except with written approval of the ARB. No other sign of any kind shall be erected by an Owner or occupant without the prior written consent of the ARB, as applicable, except: (1) such signs as may be required by legal proceedings; and (2) not more than one professional security sign of such size deemed reasonable by the ARB in its discretion. Unless in compliance with this Section, no signs shall be posted or erected by any Owner or Occupant within any portion of the Property, including the Common Area, any Lot or any structure or dwelling located on the Common Area or Lot if such sign would be visible from the exterior of such structure or dwelling as determined by the ARB.

The Declarant and the ARB reserve the right to prohibit signs and/or to restrict the size, content, color, lettering, design, and placement of any approved signs. All authorized signs must be professionally prepared. This provision shall not apply to any entry, directional, or other signs installed by the Declarant or a Builder, or its duly authorized agent as may be necessary or convenient for the marketing and development of the Property, including, without limitation, "for sale" signs.

(ii) Tree Removal. No trees more than four inches in diameter at a point two feet above the ground shall be removed without the prior written consent of the ARB; provided, however, any trees, regardless of their diameter, that are located within 10 feet of a drainage area, a residence or a driveway, or any diseased or dead trees needing to be removed to promote the growth of other trees or for safety reasons may be removed without the prior written consent of the ARB. The ARB may adopt or impose requirements for, or condition approval of, tree removal upon the replacement of any tree removed. Approval from the ARB does not replace any governmental requirements or approvals from any governmental arborist or other authority.

(iii) Lighting. Exterior lighting visible from a public street shall not be permitted except for: (1) approved lighting as originally installed on a Lot: (2) one approved decorative post light; (3) pathway lighting; (4) porch lighting; (5) streetlights in conformity with an established street lighting program for the Property; (6) seasonal decorative lights during the usual and common season; or (7) front house illumination of model homes. All streetlights shall be installed or aimed so as to minimize the potential for either a disabling glare to drivers or pedestrians or a nuisance glare to neighboring properties.

(iv) Temporary or Detached Structures. Except as may be permitted by Declarant during initial construction, or the ARB thereafter, no temporary house, dwelling, garage, shed, barn, or outbuilding shall be placed or erected on any Lot..

In addition, no modular home or manufactured home shall be placed, erected, constructed, or permitted in the Property. "Modular home and manufactured home" shall include, without limitation, any prefabricated or pre-build dwelling which consists of one or more transportable sections or components and shall also be deemed to include manufactured building, manufactured home, modular building, modular home, modular construction, prefabricated construction, and such other similar types of construction as determined by the ARB. The placement of prefabricated and transportable sections onto a permanent foundation and inspection of the resulting structure by the building inspector shall not exempt such structure from this prohibition. Prefabricated accessory structures, such as sheds and gazebos, are not permitted unless approved by the ARB in strict accordance with Article VII of this Declaration.

(v) Utility Lines. Overhead utility lines, including lines for cable television, are not permitted except for temporary lines as required during construction and lines installed by or at the request of the Declarant.

(vi) Centralized Mailbox Systems. Centralized Mailbox Systems ("CMS") will be constructed on a portion of the Common Area or a Lot for the benefit of all Owners. Each Owner will have one mailbox unit at least two (2) access keys The ARB reserves the right to approve the style, design, color and location of any CMS installation, repair, or replacement. By accepting a deed to a Lot, each Owner agrees that the ARB may remove any unapproved adornment or alteration of any mailbox unit within the CMS. Each Owner must use the CMS exclusively for the U.S. Postal Service. Owners are not permitted to install a mailbox upon any Lot.

(vii) Minimum Dwelling Size. The Design Guidelines may establish a minimum square footage of enclosed, heated, and cooled living space for residential dwellings. Upon written application by the Owner, the ARB may waive the minimum square footage requirement if, in the ARB's sole discretion, the resulting appearance of such residential dwelling will preserve and conform to the overall appearance, scheme, design, value and quality within the Property.

(viii) Water Facilities. No individual water supply system shall be permitted within the Property.

(ix) Fences and Hedges. All fences and hedges shall be installed in accordance with the Design Guidelines and, unless otherwise approved by the ARB, shall be located at least two feet inside the property line.

Section 6. No Waiver of Future Approvals. Except as set forth in Section 2 of this Article, the approval of the ARB of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ARB, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters subsequently or additionally submitted for approval or consent.

Section 7. Construction Period. An Owner of a Lot must commence construction within one year of purchase of the Lot. After commencement of construction, each Owner shall diligently continue construction to complete such construction in a timely manner. The initial construction of all structures must be completed with one (1) year after commencement of construction, unless extended by the ARB in its sole discretion. All other construction shall be completed within the time limits established by the ARB at the time the ARB approves the project.

Section 8. Variance. The Board or ARB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate, and no variance shall: (a) be effective unless in writing; (b) be contrary to the restrictions set forth in this Declaration; or (c) estop the ARB from denying a variance in other circumstances. For the purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 9. Limitation of Liability. Review and approval of any application pursuant to this Article may be made on the basis of aesthetic considerations only, and the ARB shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the ARB, or member or agent of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

Section 10. Enforcement. Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the land to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot, and collected as a Special Assessment pursuant to Article V, Section 5 hereof.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Property. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this Section.

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

ARTICLE VIII
USE RESTRICTIONS

The Property shall be used only for residential, recreational, and related purposes, which may include, without limitation, offices for any property manager retained by the Association or business offices for a Builder, the Declarant, or the Association consistent with this Declaration. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

Section 1. Rules and Regulations. In addition to the use restrictions set forth in this Article, the Board may, from time to time, without the consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Property. Such rules shall be distributed to all Owners and Occupants 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 in a regular or special meeting by a Majority of the Members, and during the Class B Control Period, by the written consent of the Declarant.

Section 2. Residential Use. Each Lot shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any portion of the Property, except that the Owner or Occupant residing in a dwelling on a Lot may conduct ancillary business activities within the dwelling so long as:

(a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the dwelling;

(b) the business activity does not involve visitation or deliveries to the Lot by employees, clients, customers, suppliers, couriers, mail carriers, or other business invitees in greater volume than would normally be expected for a Lot without business activity;

(c) the business activity does not involve use of the Common Area, except for necessary access to and from the Lot by permitted business invitees;

(d) the business activity is legal and conforms to all zoning requirements for the Property; the business activity does not increase any insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; and

(e) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other Owners or Occupants, as determined in Board of Director's discretion.

The Association has no liability for any business activity in the Property. The Association also has no liability for any action or omission by it, its directors, officers, agents, representatives and/or vendors, which may adversely impact an Owner's or Occupant's business activity. Each Owner and Occupant hereby releases and holds harmless the Association, its directors, officers, agents, representatives and/or vendors, for any interruption or suspension of, or any damages to,

any business activities conducted on the Lot. Owners and Occupants shall obtain whatever supplemental insurance may be necessary to protect their business assets, business continuity and business interests on their Lots. The Association is not obligated to obtain any insurance coverage for any Owner's or Occupant's business activity.

The term "business," as used in this provision, shall include, without limitation, any occupation, work or activity that involves the provision of goods or services to persons other than the provider's family for a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required, therefore.

Section 3. Number of Occupants. No more than two Occupants per bedroom are permitted in the dwelling, as such bedrooms are depicted on the plans for such dwelling approved by the applicable governmental agency. Upon written application, the Board of Directors shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988.

If an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person, the Owner shall designate in writing to the Board the name(s) of the person(s) who will occupy the dwelling on the Lot. The designated person(s) to occupy the dwelling may not be changed more frequently than once every 12 months without the Board's written consent.

Section 4. Subdivision of Lots. No Lot may be subdivided into a smaller Lot without the prior written approval of the Board of Directors or the Declarant.

Section 5. Use of Common Area. There shall be no obstruction of the Common Area, nor shall anything be kept, parked, or stored on or removed from any part of the Common Area without the express written consent of the Board of Directors. The Association may remove and either discard or store any unauthorized personal property left or kept on the Common Area and the Association shall have no obligation to return, replace or reimburse the owner for such property. The Association is not liable to any Person for any loss of, theft of, or damage to any personal property.

The Board may allow an Owner or Occupant to temporarily reserve portions of the Common Area. Such Owner or Occupant, on behalf of himself or herself and his or her guests and family, assumes all risks associated with such use of the Common Area and all liability for any damage or injury to any person or property as a result of such use. The Association shall not be liable for any damage or injury resulting from such use.

Section 6. Prohibition of Damage and Illegal Conduct. Without prior written consent of the Board of Directors, nothing shall be done or kept in the Property which would increase the Common Expenses, damage the Common Area, or be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body. Noxious, destructive, offensive, hazardous, or unsanitary activity shall not be carried on in the Property, as such activity or conduct may be defined in the Association's rules and regulations.

Section 7. Firearms. The display or discharge of firearms on the Common Area is prohibited, except: (1) by law enforcement officers; or (2) to transport lawful firearms across the Common Area to or from a Lot. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types.

Section 8. Pets. No Owner or Occupant may keep any animals other than a reasonable number of generally recognized household pets in the Property, as determined in the sole discretion of the Board of Directors. No Owner or Occupant may keep, breed, or maintain any pet for any commercial purpose in the Property. Pets may not be left unattended outdoors. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors in areas that are not fully enclosed by a fence. Feces left by pets on the Common Area or on any Lot must be removed promptly by the owner of the pet or the person responsible for the pet.

No potbellied pigs are permitted in the Property. No animals that the Board determines to be dangerous may be brought onto or kept in the Property. If the Board determines that an Owner's or Occupant's pet endangers any person or other pet or creates a nuisance or unreasonable disturbance in the Property, the Board may require that the pet be permanently removed from the Property upon seven days' written notice to such Owner or Occupant. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet and/or obtain a court order requiring the Owner or Occupant to do so. Notwithstanding the above, the Board may remove any pet without prior notice to the pet's owner if, in the Board's sole discretion, the pet presents an immediate danger to health, safety or property in the Property.

Any Owner or Occupant who keeps or maintains any pet in the Property agrees to indemnify and hereby holds harmless the Association, its directors, officers, and agents, from any loss, damage, claim or liability of any kind or character whatsoever related to such pet. The Board may establish additional rules regarding pets in the Property, which may include restrictions on the breeds, number and/or size of permitted pets.

Section 9. Parking. No Owner or Occupant may keep or bring into the Property more than a reasonable number of vehicles per Lot, as determined in the sole discretion of the Board of Directors. Vehicles may only be parked in garages, driveways on Lots, designated parking spaces, or other areas authorized in writing by the Board. Vehicles may not be parked on any grass or landscaped areas on Lots or Common Area. No more than 2 vehicles may be parked on a driveway unless with written board approval.

Disabled and stored vehicles are prohibited from being parked in the Property, except in garages. For purposes of this Section, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains in the Property, other than in a garage, for 14 consecutive days or longer without prior written consent of the Board.

Boats, jet-skis, trailers, buses, taxis, hearses, limousines, recreational vehicles, motor homes, campers, panel trucks, trucks with a cargo-load capacity of one ton or more, full-size vans (excluding vans used by handicapped persons, mini-vans or sport utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), vehicles containing visible evidence of commercial use (such as tool boxes, tool racks, ladders, ladder racks or tow winches), and vehicles with commercial writings on their

exteriors (except for law enforcement vehicles marked as such) are also prohibited from being parked in the Property, except: (1) in garages or as otherwise approved by the Board; or (2), in the case of service vehicles, on a temporary basis during daytime business hours or during emergencies for the purpose of serving a Lot. The Board may establish additional rules regarding vehicles and parking in the Property, which may include restrictions on the number of vehicles which may be parked in the Property.

If any vehicle is parked in the Property in violation of this Section or the Association's rules, the Board or agent of the Association may tow or boot the vehicle after 24 hours written notice. Such notice shall: (1) be placed on the vehicle; (2) specify the nature of the violation; (3) warn of possible towing or booting; and (4) state the name and telephone number of a person to contact regarding the violation. If 24 hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six months of such notice, the Board or agent of the Association may have the vehicle towed or booted in accordance with the original notice and without further notice. If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Lot or dwelling, is obstructing the flow of traffic, or otherwise creates a hazardous condition, no notice shall be required, and the vehicle may be towed or booted immediately.

The Association has no liability for any towing or booting in accordance with this Section. Each Owner and Occupant hereby releases and holds harmless the Association, its directors, officers, agents, and representatives, for any claim or damage from any such towing or booting. The Association's right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines.

Notwithstanding anything to the contrary in this Section 9, a Builder, the Declarant, and their affiliates and their respective agents, subcontractors and assigns shall have the right, during regular business hours, to park vehicles anywhere in the Community as needed in order to facilitate the construction, development, maintenance, marketing and build out of the Community.

Section 10. Rubbish and Trash. Owners and Occupants shall regularly remove all rubbish and trash from the Lot. No rubbish or trash shall be placed on the Common Area, except as provided herein. Rubbish and trash shall be disposed of in appropriate sealed bags and placed in proper receptacles for collection. The Board may establish additional rules regarding placement of trash cans for pick-up and/or storage, including requiring trash removal in the Property from a single vendor and establishing schedules for trash can placement and trash pickup.

Section 11. Unsightly or Unkempt Conditions. Owners and Occupants are prohibited from engaging in activities which cause disorderly, unsightly, or unkempt conditions on the Common Area or outside of a dwelling in the Property, such as the assembly and disassembly of motor vehicles and other mechanical devices. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the dwelling. Only appropriate outdoor items, such as neatly stacked firewood, potted plants, patio furniture and grills may be kept outside the dwelling on any Lot. Owners and Occupants shall maintain such items in a neat and attractive condition, as determined in the Board's sole discretion.

Section 12. Yard Sales. No yard sale, garage sale, flea market or similar activity shall be conducted in the Property without the prior written consent of the Board of Directors and subject

to all reasonable conditions that the Board may impose. However, Owners and Occupants may conduct estate sales or similar sales entirely within their dwellings not more than once in any 12-month period.

Section 13. Garages. If garage space is available, Owners and Occupants should park their cars and other motor vehicles in the garage before parking in the driveway. Garage doors also should remain closed when not in use for ingress, egress, or garage use, or when the Owner or Occupant is not outside on the Lot. Garage conversions are prohibited. The Board may establish additional rules regarding garages.

Section 14. Window Treatments. Unless otherwise approved in writing by the Board of Directors, all windows on a dwelling on a Lot which are exposed to a street, or another dwelling shall have customary and appropriate window treatments. The Board may establish additional rules regarding window treatments, such as requirements for the location, type, and exterior color of window treatments.

Section 15. Antennas and Satellite Dishes. Except as provided below or otherwise approved by the Board of Directors, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used, or maintained outdoors in any portion of the Property. Direct broadcast satellite ("DBS") antennas and multi-channel multi-point distribution services ("MMDS") one meter or less in diameter and television broadcast service antennas may be installed in accordance with rules and regulations of the Federal Communication Commission ("FCC") and the Association. Any such device shall be installed in the least conspicuous location available on the Lot that permits reception of an acceptable quality signal.

Section 16. Playground. No jungle gyms, swing sets, or similar playground equipment shall be erected or installed on any Lot without prior written approval of the ARB in accordance with Article VII hereof. Any playground or other play areas or equipment furnished by the Association or erected within the Property shall be used at the risk of the user. The Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 17. Pools. No above-ground swimming pools shall be erected, constructed, or installed on any Lot. Jacuzzis, whirlpools, or spas approved pursuant to Article VII shall not be considered an above-ground pool for the purposes of this Section.

Section 18. Fences. No hedges, walls, dog runs, animal pens, or fences of any kind shall be permitted on any Lot except as approved in accordance with Article VII of this Declaration.

Section 19. Artificial Lakes, Exterior Sculpture, and Similar Items. No artificial vegetation or permanent flagpoles shall be permitted on the exterior of any portion of the Property. No exterior sculpture, fountains, flags and temporary flagpoles, birdhouses, birdbaths, other decorative embellishments, or similar items shall be permitted unless approved in accordance with Article VII of this Declaration; provided, however, the American flag will be allowed subject to reasonable restrictions as established by the ARB.

Section 20. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. Each Owner and Occupant shall ensure that any drainage grating and/or headwalls on the Owner's Lot are clear of obstruction and debris. Furthermore, no Owner or Occupant may obstruct or rechannel the drainage flows across the Owner's Lot.

Section 21. Erosion Control; Contamination. No Owner or Occupant shall engage in any activity which creates erosion or siltation problems or causes contamination of or damage to any stream, water course or any other Lot in the Property. Each Owner and Occupant shall be liable for all damages and restoration costs resulting from such unauthorized activity.

Section 22. Impairment of Easements. No Owner or Occupant shall impair any easement existing in the Property or do any act or allow any condition to exist which will adversely affect the other Lots or their Owners or Occupants.

Section 23. Sight Distance at Intersections. All property located at street intersections shall be landscaped and kept so as to permit safe sight across the street corners. No vehicle, fence, wall, hedge, shrub, tree, or other landscaping shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 24. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Property shall be installed, constructed, or operated within the Property. However, the Declarant and the Association shall have the right to draw water from such sources for the purpose of irrigating the Area of Common Responsibility. All sprinkler and irrigation systems serving Lots shall draw upon public water supplies only and shall be subject to approval in accordance with Article VII of this Declaration. Private irrigation wells are prohibited on the Property.

Section 25. Grading, Drainage and Septic Systems. No Person shall alter the grading of any Lot without prior approval pursuant to Article VII of this Declaration. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. The Declarant hereby reserves for itself and the Association a perpetual easement across the Property for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent. Septic tanks and drain fields, other than those installed by or with the consent of the Declarant, are prohibited within the Property.

Section 26. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article VII hereof. No windmills, wind generators, or other apparatus for generating power from the wind shall be erected or installed on any Lot.

Section 27. On-Site Fuel Storage. No on-site storage of gasoline, heating, or other fuels shall be permitted on any part of the Property. However, up to five gallons of fuel may be stored

on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment.

Section 28. Water and Mineral Operations. No oil or water drilling, oil or water development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on any Lot. No derrick or other structure designed for use in boring for water, oil, natural gas, or other minerals shall be erected and maintained or permitted on any Lot.

Section 29. Laws and Ordinances. Every Owner and Occupant of any Lot, their guests, and invitees, shall comply with all laws, statutes, ordinances, and rules of federal, state, and municipal governments applicable to the Property. Any violation may be considered a violation of this Declaration. However, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances, and rules.

ARTICLE IX
LEASING AND SELLING

Section 1. Leasing Defined. **"Leasing"** means the occupancy of a Lot by any person(s) other than:

(1) the Owner or a parent, child, brother, sister, grandparent, grandchild, or 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;

(2) a trustee or beneficiary of an Owner that is a trust, provided that no rent or other consideration is paid or provided to the Owner in connection with that occupancy;

(3) an officer, director, shareholder, member or employee of an Owner that is a corporation; a manager or member of an Owner that is a limited liability company; a partner of an Owner that is a partnership; or a trustee or beneficiary of an Owner that is a trust (collectively "Authorized Corporate Occupant"); provided the Owner receives no rent or other consideration for such occupancy. 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 written 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; or

(4) a roommate of any of the above who also occupies the Lot as his or her primary residence.

A Lot may be considered to be leased hereunder even if no rent is paid to the Owner. For the purpose of this provision, any lease purchase arrangements, or lease with an option to purchase, shall be considered a lease as defined hereunder and shall be subject to the provisions herein.

Section 2. General Leasing Provisions.

a. Notice and Approval. All leases shall be in writing and in a form approved by the Board of Directors prior to the effective date of the lease. At least seven days before entering into

a lease, the Owner shall provide the Board with: (1) a copy of the proposed lease; (2) the names, phone numbers, work locations and work phone numbers of all of the proposed Occupants of the Lot; (3) the Owner's primary residence address and phone number, work location and work phone number; and (4) such other information required by the Board. If the form of a lease is disapproved, the Board shall notify the Owner what changes are required to bring the lease into compliance with the Association Legal Documents. Nothing herein gives the Board the right to approve or disapprove of a proposed Occupant; the Board's approval or disapproval shall be limited to the form of the proposed Occupant. Within 10 days after executing a lease for a Lot, the Owner shall provide the Board with a copy of the executed lease.

b. Lease Terms. Lots may be leased only in their entirety; no rooms or fractions of Lots may be leased without prior written Board approval. 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 one year, except with written Board approval.

c. Liability for Assessments; Compliance. The Owner must provide the Occupant copies of the Association Legal Documents. The following provisions are incorporated into each lease of any Lot, whether or not expressly stated therein, and into the terms of any tenancy or occupancy even if no written lease or agreement exists between the Owner and the Occupant:

d. Compliance with Association Legal Documents. The Owner and each Occupant shall comply with all provisions of the Association Legal Documents. The Owner and Occupants are responsible for violations by any guests of the Lot and may be sanctioned for any such violation.

If a Lot is leased or occupied in violation of the Association Legal Documents, or if the Owner, Occupant, or guest violates the Association Legal Documents, the Association's Board of Directors shall be authorized to take all enforcement actions against the Owner and/or Occupant authorized under the Association Legal Documents.

e. Use of Recreational Facilities. The Owner transfers and assigns to the Occupant, for the term of the lease, all rights and privileges the Owner has to use any recreational facilities on the Common Area.

f. Liability for Assessments. When an Owner who is leasing his or her Lot fails to pay an assessment or any other charge to the Association when due, the delinquent Owner hereby consents to the assignment of any rent received from the Occupant during the period of the delinquency. In such case, upon request by the Board, the Occupant shall pay to the Association all unpaid assessments and other charges payable during and prior to the term of the lease and any other period of occupancy. However, the Occupant 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 the Occupant shall reduce, by the same amount, the Occupant's obligation to make monthly rental payments to the Owner. If the Occupant fails to comply with the Board's request to pay assessments or other charges, such failure shall be deemed a violation of the Declaration and, in addition to all other enforcement rights, the Occupant shall pay to the Association all amounts authorized under the Declaration as if the Occupant were the Owner of the Lot. 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.

g. Enforcement. If a Lot is leased or occupied in violation of the Association Legal Documents, or if the Owner, Occupant, or guest violates the Association Legal Documents, such violation is deemed to be a default under the terms of any lease or occupancy and the Association may require the Owner to evict the Occupants. In addition to all other remedies permitted by this Declaration, such default authorizes the Owner and/or the Association, as the Owner's delegate and attorney-in-fact, to terminate the lease and/or occupancy and to evict all Occupants, without liability, in accordance with Georgia law. In any such eviction action by the Association, the Association may terminate the Occupancy rights upon 15 days' notice, notwithstanding any notice requirement in the lease or occupancy terms. Once the Association invokes its right to terminate the lease or occupancy and evict the Occupant(s), the Owner no longer has the right to extend or revive the terminated occupancy in any way.

h. Declarant Leasing. Except for Section 3 above, Article IX will not apply to any leasing transaction entered into by Declarant, any successor Declarant, or a Builder.

Section 3. Notice of Sale or Transfer of Title. In the event that any Owner desires to sell or otherwise transfer title to his or her Lot, such Owner shall give the Board of Directors at least seven days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot coming due prior to the date upon which such notice is received by the Board of Directors including assessment obligations, notwithstanding the transfer of title to the Lot.

ARTICLE X
INSURANCE AND CASUALTY LOSSES

Section 1. Insurance by Owners.

(a) By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner other than a Builder covenants and agrees with all other Owners and with the Association that the Owner shall maintain: (1) blanket all-risk property insurance on such Owner's Lot and improvements thereon insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, wind and hail, and flood; and the total amount of such insurance after application of any deductibles shall be not less than one hundred percent (100%) of the Restoration Costs (as defined herein) of the insured property at the time the insurance is purchased and at each renewal date; (2) liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Lot and improvements thereon; and (3) insurance insuring personal property, additional living expense, and any other coverage obtainable to the extent and in the amount such Owner deems necessary to protect his own interest. If the insurance described in this Section 1(a) is not reasonably available, the Owner promptly shall cause notice of that fact to be hand-delivered or sent by United States certified mail, return

receipt requested, to the Association. Each Owner further covenants and agrees that in the event of damage to or destruction of structures comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article VII of this Declaration. Alternatively, the Owner shall clear the Lot of all debris and ruins and thereafter shall maintain the Lot in a neat and attractive, landscaped condition consistent with the Community Wide Standard. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds.

(b) An insurer that has issued an insurance policy under this section shall, upon written request, issue a certificate or memoranda of insurance to the Association.

(c) The Owner shall be responsible for the cost of restoration of any improvement on such Lot in excess of insurance proceeds received by such Owner

Section 2. Insurance by the Association. The Association shall obtain and maintain insurance coverage required by law and, unless prohibited by law, obtain and maintain insurance covering the following, the cost of which will be a Common Expense:

(a) Property insurance on the Common Area insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils; and the total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies;

(b) Flood insurance covering loss or damage to the areas of the Property owned by the Association in the event it is located in Flood Zone A or V as defined by the Federal Emergency Management Agency ("FEMA"). The Association may obtain such insurance through any available governmental programs providing for such coverage.

(c) General liability insurance covering loss or damage to Persons or property arising out of or in connection with the use, ownership or maintenance of the Common Area. Such insurance shall cover the acts or omissions of the Association, its officers, directors, employees, contractors, agents or invitees on or about or in connection with the Lots or adjoining driveways and walkways. The coverage amount for such insurance shall be required by the Board, but with a minimum combined single limit liability of not less than $2,000,000 for each accident or occurrence.

(d) If the insurance described in this section is not reasonably available, the Association promptly shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Owners. The Association may carry any other insurance it deems appropriate to protect the Association or the Owners.

(e) Any loss covered by the property policy under this section shall be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any Mortgagee. The insurance trustee or the Association shall hold any insurance proceeds in trust for Owners and

lienholders as their interests may appear. The proceeds shall be disbursed first for the restoration of the damaged property, and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely restored, or the Association is dissolved.

(f) An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit.

(g) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner, mortgagee or beneficiary under a mortgage or similar instrument.

Section 3. Other Insurance to be Maintained by the Association.

(a) To the extent reasonably available, the Association shall maintain fidelity coverage against dishonest acts by the Association's officers, employees and others who are responsible for handling funds of the Association. If the Association contracts with another Person to receive and disburse the monies of the Association, then such Person shall have adequate fidelity coverage against dishonest acts and the existence of such coverage shall satisfy the requirement of this paragraph. Any such fidelity coverage shall name the Association as an obligee, shall be written in such amount as the Board shall deem appropriate, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar term.

(b) To the extent obtainable at reasonable cost, the Association shall maintain appropriate insurance to protect Board and officers of the Association from personal liability arising in connection with their duties and responsibilities in such capacities on behalf of the Association.

(c) The Association shall maintain workers compensation with respect to its employees, if any, as required by law.

(d) The Association may obtain insurance against such other risks as the Board shall deem appropriate.

Section 4. Restoration After Casualty.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Property owned by the Association covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the Restoration Costs of such damaged or destroyed portion of the Property.

Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Members representing at least seventy-five (75%) percent of the total votes of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made

available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Property shall be cleared of all debris and ruins and maintained by the Association, or the Owners, as applicable, in a neat and attractive, landscaped condition consistent with the standards prevailing in the neighborhood.

If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s), as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. If the damage or destruction to the Common Area for which 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 may, without the necessity of a vote of the Members, levy a special assessment as set forth in this Declaration.

As used in this Declaration, "Restoration Costs" means the cost of repairing, replacing, restoring or reconstructing all loss, damage or destruction to the applicable portion of the Property (including the deductible under any applicable insurance policies) or any part thereof, including all costs of adjusting the loss; inspections, investigations and reports as to the damage; permit and inspection fees, architectural and engineering fees; fees of the Association's representative; demolition, removal and disposal fees; costs of securing and protecting the portions of the Property to be restored; accounting fees and costs; and attorneys' fees and costs; construction costs, and the Association's fees and costs for reviewing the plans for the restoration and holding and disbursing the insurance proceeds and other funds.

ARTICLE XI
NO PARTITION

Except as is permitted in this Declaration or amendments hereto, there shall be no judicial partition of the Common Area or any part thereof. No Person acquiring any interest in the Property, or any part thereof shall seek any judicial partition unless the Property or such portion thereof have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE XII
CONDEMNATION

Whenever any Common Area is taken by, or conveyed in lieu of condemnation to, any authority having condemnation or eminent domain power, the Board of Directors shall give notice

thereof to each Owner. If any structure on the Common Area is so taken or conveyed, the Board shall arrange for and supervise the prompt reconstruction of such structure, to the extent sufficient Common Area is available, with such improvements or modifications it deems appropriate, unless 80% of the Owners vote not to do so.

If proceeds from the condemning authority are not sufficient to defray the Board's estimated or actual costs of reconstruction, including, but not limited to, any professional fees and premiums for construction bonds the Board deems necessary, the Board may levy a special assessment against all Owners without the necessity of a membership vote or compliance with any other requirements for approval of special assessments in this Declaration. Any surplus funds remaining after the reconstruction is completed shall be common funds of the Association to be used as determined by the Board.

ARTICLE XIII
ANNEXATION AND WITHDRAWAL OF PROPERTY

Section 1. Annexation without Approval of Membership. Subject to the consent of the owner thereof, the Declarant has the unilateral right, privilege, and option during the Class "B" Membership to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of any real property located within Fayette County, Georgia by filing for record in the public records of Fayette County, Georgia a Supplementary Declaration in respect to the property being annexed. Any such annexation shall be effective upon the filing for record of such Supplementary Declaration unless otherwise provided herein.

Nothing in this Declaration shall require the Declarant or any successor to submit additional property to this Declaration or to develop any additional property in any manner whatsoever.

Section 2. Annexation with Approval of Membership. Subject to the consent of the owner thereof, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Members representing a majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose and the consent of the Declarant, so long as Declarant owns property subject to this Declaration.

Annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the public records of Fayette County, Georgia. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

Section 3. Withdrawal of Property. The Declarant reserves the right to amend this Declaration unilaterally at any time during the Class B Control Period without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Property then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in

the plans for the Property desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Property.

Section 4. Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the property submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property and shall require the written consent of the owner(s) of such property, if other than the Declarant.

Section 5. Amendment. This Article shall not be amended without the prior written consent of the Declarant so long as the Declarant owns a portion of the Property.

ARTICLE XIV
EASEMENTS

Section 1. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lot due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, Occupant, or the Association.

Section 2. Easements for Utilities, Etc. There are hereby reserved unto Declarant, so long as the Declarant owns any portion of the Property, the Association, and the designees of each (which may include, without limitation, Fayette County, Georgia and any utility) access and maintenance easements upon, across, over, and under all of the Property to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats of the Property. Notwithstanding anything to the contrary herein, this easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Lot, and any damage to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or Occupant.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier, electric company, and natural gas supplier easements across all the Common Area for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the dwelling on any Lot. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Section 3. Right of Entry. The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance pursuant to Article VI hereof, and to inspect for the purpose of ensuring compliance with the Association Legal Documents which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, 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 the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any single family dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

Section 4. Easement for Entrance Features. There is hereby reserved to the Association and its designee, an easement and right over and upon the Community and specifically each Lot which is bounded by the right-of-way providing primary access to the Property and every other Lot located at the corner of a street intersection in the Property for ingress to, egress from, installation, construction, landscaping and maintenance of entry features and similar streetscapes for the Property. This easement right shall include, but not be limited to, the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around the entry features and the right to grade the land under and around the entry features. Owners shall not alter, remove, or add improvements to any entry features on any Lot, or any part of any easement area associated therewith without the prior written consent of the Board of Directors.

Section 5. Easement for Association Maintenance. There is hereby reserved to the Association and its designee, a perpetual easement and right over and across all Lots as may be reasonably necessary for the maintenance required hereunder, including, but not limited to, maintenance of any water line, detention, or stormwater drainage facilities. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of the Lots and reasonable steps shall be taken to protect such property.

Section 6. Easement During Class B Control Period. Notwithstanding any provisions nor or hereafter contained in this Declaration, the Bylaws, Articles of Incorporation, use restrictions, rules and regulations, architectural guidelines, and amendments thereto, Declarant reserves an easement across the Property for Declarant to maintain and carry on, upon such portion of the Property as Declarant may reasonably deem necessary, such facilities and activities as in the reasonable opinion of Declarant, which shall not be detrimental to a Builder, 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 Property, including, without limitation, any Lot;

the right to tie into any portion of the Property 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 construction or installed in, on, under and/or over the Property; the right to grant easements over, under, in or on the Property, including without limitation the Lots, for the benefit of neighboring properties for the purpose of tying into and/or otherwise connection and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Property; the right to convert Lots (with the consent of the Owner thereof) to Common Area; the right to construct utilities and other improvements on Common Area; the right to carry on sales and promotional activities in the Property; 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 been terminated as herein provided.

Section 7. Easement for Street and other Signs. There is hereby reserved to the Declarant, the Association, and the designee of either, an easement over and upon all of the Property (including the Lots) for ingress to, egress from, installation, construction, landscaping and maintenance of street signs and other signs for the Property, including the entrance monument and sign for the Property. The easement and rights herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers, and other vegetation around all street signs.

Section 8. Pedestrian Easements. Declarant hereby expressly reserves perpetual, non-exclusive pedestrian easements for access to the Area of Common Responsibility for the benefit of the Association and Owners if and to the extent any such easement is shown on any plat for the Property recorded by Declarant in the land records of the county where the Property is located.

Section 9. Public in General. The easements and rights created in this Paragraph do not, are not intended to, and shall not be construed to create any easements or rights in or for the benefit of the general public; provided, however, nothing set forth herein shall in any way limit or restrict any existing easements or rights already granted to the public as such easements or rights are previously recorded in the Fayette County, Georgia records. The Board of Directors hereby reserves the right to close temporarily, to the extent reasonably practicable, upon fifteen (15) days prior written notice (which may be given by posting in conspicuous locations upon the relevant portion of the Property), all or any portion of the Property that, in the reasonable opinion of the Board, may be legally necessary to prevent a dedication thereof, or any accrual of any rights therein, in the general public or in any Person other than the Persons for which such easements are expressly created in this Declaration.

Section 10. General. Each Lot shall be subject to those easements, if any, shown or set forth on the recorded Plats for the Property, as amended from time to time as well as the easements now or hereafter established by Declarant in this Declaration or by any other documents filed for record in the Office of the Clerk of Superior Court of Fayette County, Georgia.

Section 11. Easement for Drainage. There is hereby reserved to the Declarant and granted to the Association a blanket easement across the Property for creating and maintaining satisfactory storm water drainage in the Property; provided, however, such easement area shall not

include any portion of the Property within the boundaries of any improvements within the Property owned by a party other than the Association. 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. It is anticipated that increased storm water run-off across downstream property will result from the construction of impervious surface within or adjacent to the Property. Neither the Declarant, any Builder, or the Association or any Owner constructing according to plans and specifications approved hereunder shall have any liability to any Owner due to the increased flow or increased velocity of surface water resulting from approved construction within the Property.

Section 12. Easement over Lots and Common Area for Access, Use and Maintenance of Centralized Mailbox Systems. There is hereby reserved to the Declarant, Association, and all Owners a perpetual, non-exclusive easement and right over and across those portions of the Lots and the Common Area as may be reasonably necessary for access, ingress, and egress to, and use, maintenance, repair, and replacement of the Centralized Mailbox Systems. Such access, ingress, egress, use, maintenance, repair, and replacement shall be performed with a minimum of interference to the quiet enjoyment of the Owners of the affected Lots.

ARTICLE XV
MORTGAGEE PROVISIONS

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

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby 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 Property, 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 a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or Bylaws relating to such Lot or the Owner or Occupant which is not cured within 60 days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws which is not cured within 60 days;

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

Section 2. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 4. Applicability of Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Association Legal Documents.

Section 5. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Section 6. FHA/VA Approval. As long as there is a Class "B" membership, the following actions shall require the prior approval of the Federal Housing Administration or the Veterans Administration, if either such agency is insuring or guaranteeing the Mortgage on any Lot: dedication of Common Area, mortgaging of Common Area, or material amendment of this Declaration as applicable to Mortgages on Lots.

ARTICLE XVI
DECLARANT'S RIGHTS

(a) Transfer of Declarant's Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or in the Bylaws, as applicable. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public records of Fayette County.

(b) Class B Control Period. Notwithstanding any provisions contained in the Declaration, Bylaws or Articles of Incorporation of the Association, use restrictions, rules and regulations, design guidelines, and any amendments thereto, during the Class "B Control Period, Declarant reserves an easement across all property in the Property for Declarant to maintain and carry on, upon such portion of the Property as Declarant may reasonably deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's development, construction, and sales activities related to property described on Exhibits "A" to this Declaration, including, but without limitation:

(i) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Property, including, without limitation, any Lot;

(ii) the right to tie into any portion of the Property with driveways, parking areas and walkways;

(iii) the right to tie into and/or otherwise connect and use (without a tap on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Property;

(iv) the right to grant easements over, under, in or on the Property, 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 Property;

(v) the right to carry on sales and promotional activities in the Property;

(vi) the right to erect and maintain signs (including, but not limited to, "For Sale;"

(vii) signs, directional signs, marketing, and other promotional signs); and

(viii) the right to construct and operate business offices, construction trailers, model residence on a Lot, and sales offices. Declarant may use Lots, offices, or other buildings owned or leased by Declarant as model residences and sales offices.

Notwithstanding anything to the contrary stated herein, for so long as the Declarant owns any property for development and/or sale within the Property or has the unilateral right to annex additional property into the Property pursuant to Paragraph 16(a) hereof, Declarant shall have the right to retain one or more dumpster(s) on any portion of the Property, including on a Lot.

Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense. This subparagraph shall not be amended without the Declarant's express written consent until the Declarant's rights hereunder have been terminated as hereinabove provided.

So long as the Declarant continues to have rights under this Article, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and written consent. Any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the public records.

This Article, and any provision of the Declaration or Bylaws affording Declarant any right, power, or privilege, may not be amended without the express written consent of the Declarant. However, the rights contained in this Article shall terminate upon the expiration of the Class B Control Period.

(c) Builder. A Builder shall have the same easement rights as Declarant necessary for the construction and sales activities of Lots, including, without limitation, those easement rights granted to Declarant in this Paragraph or Article XIV. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or in the Bylaws, as applicable. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the land records of Fayette County, Georgia.

(d) Class "B" Membership. So long as the Class "B" membership exists, the Class "B" Member shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Class "B" Member, would tend to impair rights of the Declarant under the Association Legal Documents, or interfere with development of, construction on, or marketing of any portion of the Property, or diminish the level of services being provided by the Association. This right to disapprove is in addition to, and not in lieu of, any right to approve or disapprove specific actions of the Association, the Board or any committee as may be granted to the Class "B" Member or the Declarant in the Association Legal Documents.

The Class "B" Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address the Class "B" Member has registered with the secretary of the Association, which notice complies with the Bylaws and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws set forth in reasonable particularity the agenda to be followed at such meeting. The Class "B" Member may, in writing, waive its right to receive notice in the same manner as provided in the Bylaws.

The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Class "B" Member, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee.

No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements set forth above have been met and the time period set forth below has expired.

The Class "B" Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Class "B" Member

exercises its right to disapprove. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

ARTICLE XVII
AUTHORITY AND ENFORCEMENT

Section 1. Compliance with Association Legal Documents. All Owners, Occupants and their guests shall comply with the Association Legal Documents. The Association, and in an appropriate case, one or more aggrieved Owners, may take action to enforce the terms of the Association Legal Documents directly against all violating Persons. However, if an Owner's family member, guest or Occupant violates the Association Legal Documents, the Association, in its sole discretion, is permitted to enforce the terms of the Association Legal Documents against: (1) only the Owner; (2) only the violating family member, guest or Occupant; or (3) both the Owner and the violating family member, guest or Occupant. Notwithstanding anything herein to the contrary, the Owner of the Lot is always ultimately responsible for his or her own actions and the actions of all family members, Occupants, and guests of such Lot.

Nothing herein shall be construed to affect the rights of an aggrieved Owner or Occupant to proceed independently for relief from interference with his or her personal or property rights against a Person violating the Association Legal Documents. The Board of Directors may, in its discretion, require the aggrieved Owner or Occupant to independently pursue all available remedies under Georgia law against the Violator before the Association intervenes and commences enforcement action against such Violator.

Section 2. Types of Enforcement Actions. In the event of a violation of the Association Legal Documents, the Association shall have the power to take any or all of the following actions separately or simultaneously; provided, however, all suspensions and fines shall comply with the procedures described below and nothing herein shall authorize the Association or the Board to deny ingress and egress to or from a Lot:

(a) Suspend all violators' rights to use the Common Area;

(b) Suspend the voting rights of a violating Owner;

(c) Impose reasonable fines against all violators, which shall constitute a lien on the violating Owner's Lot;

(d) Use self-help to remedy the violation;

(e) Bring an action for permanent injunction, temporary injunction and/or specific performance to compel the violator to cease and/or correct the violation; and

(f) Record in the Fayette County land records a notice of violation identifying any uncured violation of the Association Legal Documents regarding the Lot.

Section 3. Suspension and Fining Procedure. Except as provided below, before imposing fines or suspending the right to use the Common Area or the right to vote, the Association shall give a written violation notice to the violator as provided below.

(a) Violation Notice. The written violation notice to the violator shall:

(i) Identify the violation, suspension(s) and/or fine(s) being imposed; and

(ii) Advise the violator of the right to request a violation hearing before the Board of Directors to contest the violation or request reconsideration suspension(s) or the fine(s).

Notwithstanding the violator's right to request a violation hearing, suspension(s) and/or fine(s) shall commence on the date of the written violation notice, unless a later date is specified in such notice.

(b) Violation Hearing. If the violator submits a written request for a violation hearing within 10 days of the date of the violation notice described above, then the Board of Directors shall schedule and hold, in executive session, a violation hearing. If a violator fails to timely request a violation hearing, such violator loses the right to contest the violation and request reconsideration of the suspension(s) and/or the fine(s). If a violator timely requests a violation hearing, the violator shall have a reasonable opportunity to address the Board regarding the violation; provided, however, the Board may establish rules of conduct for the violation hearing, including but not limited to, limits on the amount of time one person can speak and limits on the number of participants who may be present at one time. The minutes of the violation hearing shall contain a written statement of the results of such hearing.

(c) No Violation Notice and Hearing Required. No violation notice or violation hearing shall be required to:

(i) impose late charges on delinquent assessments;

(ii) suspend a violating Owner's voting rights if the violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the violating Owner's right to vote shall be automatic and shall continue until the violation no longer exists or the Board of Directors otherwise reinstates such rights in writing;

(iii) suspend a violator's right to use the Common Area if the violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the violator's right to use the Common Area shall be automatic (which shall allow the Association to tow and/or boot a violator's vehicle located on the Common

Area without complying with the Suspension and Fining Procedures described above);

(iv) engage in self-help in an emergency;

(v) impose fines for each day of a continuing violation, in which case, each day the violation continues or occurs again constitutes a separate violation and fine(s) may be imposed on a per diem basis without any further notice to the violator; or

(vi) impose fines if the same violation occurs again on the same Lot, in which case fine(s) may be imposed on a per diem basis without any further notice to the violator.

Section 4. Self-Help. In addition to all other enforcement rights granted herein, the Board of Directors may elect to enforce any provision of the Association Legal Documents by self-help without the necessity for compliance with the Suspension and Fining Procedures described above.

By way of example and not limitation, the Association or its duly authorized agent shall have the authority to tow vehicles that are in violation of parking regulations and enter a Lot or any portion of the Common Area to abate or remove any structure, thing or condition that violates the Association Legal Documents. Unless an emergency exists, before exercising self-help, the Association shall give the violator at least two days prior written notice. Such notice shall request that the violator remove and abate the violation and restore the Lot to substantially the same condition that existed prior to the structure, thing or condition being placed on the Lot and causing the violation. Such removal, abatement and restoration shall be accomplished at the violator's sole cost and expense. If the same violation occurs again on the same Lot, the Association may exercise self-help without any further notice to the violator.

Section 5. Injunctions and Other Suits at Law or in Equity. All Owners agree and acknowledge that there may not be adequate remedies at law to enforce the Association Legal Documents. Therefore, in addition to all other enforcement rights granted herein, the Association is hereby entitled to bring an action for permanent injunction, temporary injunction and/or specific performance to compel a Violator to cease and desist and/or correct any violation, and to recover its attorneys' fees actually incurred in such action if it substantially prevails.

Section 6. Costs and Attorneys' Fees for Enforcement Actions. In any action taken by the Association to enforce the Association Legal Documents, the Association shall be entitled to recover from the Violator, any and all costs incurred by the Association, including but not limited to attorneys' fees actually incurred, all of which shall constitute a lien against the violating Owner's Lot.

Section 7. Failure to Enforce. The Board of Directors has the sole discretion to decide which, if any, enforcement action to pursue against each Violator. The failure of the Board to enforce any provision of the Association Legal Documents shall not be deemed a waiver of the right of the Board to do so thereafter. No right of action shall exist against the Association for failure to enforce if the Board of Directors determines that:

(a) the Association's position is not strong enough to justify taking enforcement action;

(b) a particular violation is not of such a material nature as to be objectionable to a reasonable person;

(c) a particular violation is not of such a material nature to justify the expense and resources to pursue or continue to pursue enforcement action;

(d) the aggrieved Owner or Occupant asserting a failure of enforcement has not independently pursued all available individual remedies under Georgia law; or

(e) the Association enforces only against an Owner for the violation of the Owner's family member, guest or Occupant or the Association does not enforce against the Owner and enforces only against the violating family member, guest, or Occupant.

ARTICLE XVIII
GENERAL PROVISIONS

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Property, their respective legal representatives, heirs, successors, and assigns, for a term of 20 years from the date this Declaration is recorded. After such time the covenants and restrictions shall be automatically extended for successive periods of 10 years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of 10 years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; or (v) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner consents thereto in writing. So long as the Declarant still owns property described in Exhibit "A" for development as part of the Property, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

(b) By Owners. Thereafter and otherwise except where a higher vote is required for action under any other provision of this Declaration, the Declaration may be amended by the

affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Association holding 66-2/3% of the total eligible vote thereof. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Fayette County, Georgia land records.

i. Default Member Approval Procedure After Nonresponse. It is recognized that, when Owners fail to participate in an amendment vote because of apathy or other reasons which are not based on any disagreement with a proposed amendment, vital amendments to the Declaration may have no chance of approval, with the supermajority voting requirements established under the Act. It also is recognized that supermajority voting requirements are important for Owner actions which are as significant as amending this Declaration. To balance these competing concerns, this subsection establishes a mechanism which provides every eligible Owner an opportunity to issue a vote of approval, disapproval, or abstention on proposed amendments to the Declaration, but also a realistic mechanism for approving important amendments, without the damaging consequences of Owner nonresponse.

The Board shall issue notice of all proposed amendments to each Owner. With each such notice, the Board shall include a copy of the proposed amendment, along with a consent form, ballot in lieu of a meeting, or directed proxy, each complying with any requirements of the Georgia Nonprofit Corporation Code, O.C.G.A. § 14-3-1, et seq., giving Owners an opportunity to vote for, vote against or abstain from voting on the proposed amendment.

If the amendment is not approved by sufficient vote or defeated by sufficient vote within 60 days of such notice, then the board may seek to obtain default approval from Owners under this subsection. In such case, the Board shall, by certified mail, send or issue a default approval notice to all Owners who have not voted or returned consents or ballots on a proposed amendment within the 60-day period. The default approval notice shall include a consent form or ballot, as provided above, along with a statement that the Owner's failure to return an executed consent form or ballot, marked with a vote for, a vote against, or an abstention from voting on the amendment, within 30 days of the date of such notice, will be deemed consent to such amendment. If the Board does not receive such consent or ballot within the time specified, the Owner will be deemed to have consented to and approved the amendment.

Notwithstanding the foregoing, the Board of Directors, and during the Class B Control Period with the written consent of the Declarant , may amend this Declaration and the Bylaws for the sole purpose of electing to be governed by the provisions of the Georgia Property Owner's Association Act, O.C.G.A. 44-3-220 *et seq.*

Section 3. Severability. Invalidation of any provision or portion of a provision of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 5. Use of the Word "Liberty North." "Liberty North" is a service mark of the Association. No person shall use the term "Liberty North" or any derivative in any printed or promotional material without the Association's prior written consent. However, Owners may use the term "Liberty North "℠ in printed or promotional matter where such term is used solely to specify that particular property is located within the Property. Any use of the name "Liberty North "℠ shall be in a manner in which proprietary rights to such name are protected.

Section 6. Compliance. Every Owner and Occupant of any Lot shall comply with all lawful provisions of this Declaration, the Bylaws, and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Lot Owner(s). In addition, the Association may avail itself of any and all remedies provided in this Declaration or the Bylaws. No provision of this Declaration shall relieve or modify Declarant's contractual obligations.

Section 7. Disclosures. Each Owner acknowledges the following:

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

(b) The property lines of Lots which abut creeks, streams or other waters may change over time due to natural causes.

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

(d) No representations are made regarding the zoning (if any) of adjacent property, or the category to which adjacent property may become zoned to in the future.

(e) No representations are made regarding the schools that currently or may in the future serve the property.

(f) Since in every neighborhood, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Property that an Owner or occupant may find objectionable and that it shall be the sole responsibility of the Owners and occupants to become acquainted with neighborhood conditions that could affect the Property.

(g) All Owners and occupants acknowledge and understand that the Declarant will be constructing/renovating portions of the Property and engaging in other construction

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

SIGNATURE PAGE OF DECLARANT

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this day 5 of August, 2024.

DECLARANT:

FAYETTE LIBERTY NORTH, LLC, a Georgia limited liability company

By: _____ (SEAL)
Richard Ferry, Manager

Sworn to and subscribed before me.
This 5 day of August,
2024.

_____
Witness

_____
Notary Public

[Notary Seal]

MICHELE WILSON
NOTARY PUBLIC
CARROLL COUNTY, GEORGIA
COMMISSION EXPIRES
APRIL 3, 2027

Exhibit "A"

LEGAL DESCRIPTION OF SUBMITTED PROPERTY

ALL THOSE TRACTS OR LANDS OF PARCELS OF LAND SITUATE, LYING AND BEING IN LAND LOT 230 OF THE 13TH DISTRICT OF FAYETTE COUNTY, GEORGIA, BEING IDENTIFIED AS 'TRACT 2" AS PER A PLAT OF SURVEY PREPARED BY MOORE BASS CONSULTING, RLS #2964, CAPTAINED BOUNDARY SURVEY FOR FAYETTE LIBERTY NORTH, LLC. SAID "TRACT 2" SHALL HAVE AN ACREATE OF 5.00 ACRES. A COPY OF WHICH SAID PLAT IS RECORDED IN PLAT BOOK 100, PAGE 323IN THE OFFICE OF THE CLERK OF SUPERIOR COURT OF FAYETTE COUNTY, GEORGIA.

TOGETHER WITH:

ALL THAT TRACT or parcel of land lying and being in Land Lot 230 of the 13th District, Fayette County, Georgia, and being shown as Tract 1 containing 36.02 acres per that certain Boundary Survey for Liberty North LLC prepared by Moore Bass Consulting, Robert J. Debien, Georgia RLS #2964, dated 05/21/2018, and being more particularly described as follows:

COMMENCE at a one-half inch open top pipe found at the intersection common to Land Lots 219, 220, 229 and 230, aforesaid District and County; proceed thence along the land lot line common to Land Lots 219 and 230 south 89°14'35" east 549.91 feet to a one inch rod found on the southwesterly right of way of Georgia State Route 279 (a/k/a Old National Highway) (100' right of way); thence leaving said land lot line and proceed thence along said right of way south 44°42'47" east 839.40 feet to a one-half inch rebar set; thence leaving said right of way and proceed south 52°54'08" west 977.95 feet to a one-half inch rebar set; proceed thence south 44°42'47" east 224.69 feet to a one-half inch rebar set; proceed thence north 52°54'08" east 977.95 feet to a one-half inch rebar set on the southwesterly right of way of Georgia State Route 279; proceed thence along said right of way south 44°42'47" east 273.25 feet to a three-quarter inch open top pipe found; thence leaving said right of way and proceed north 86°14'24" west 108.03 feet to a three-quarter inch open top pipe found; proceed thence south 00°48'38" east 597.66 feet to a three quarter inch open top pipe found; proceed thence north 89°17'28" west 1412.46 feet to a one-half inch rebar found on the land lot line common to Land Lots 229 and 230; proceed thence along said land lot line the following courses and distances: north 00°46'37" east 1495.60 feet to a one-half inch rebar found; north 01°03'46" east 35.21 feet to the POINT OF BEGINNING.

EXHIBIT "B"

BYLAWS
OF
LIBERTY NORTH HOMEOWNERS' ASSOCIATION, INC.

These Bylaws may be used only in connection with the ownership and sale of property at Liberty North Subdivision and the operation of the Liberty North Homeowners' Association, Inc.

1. GENERAL PROVISIONS

A. Applicability.

These Bylaws provide for the self-government of Liberty North Homeowners' Association, Inc. in accordance with the Articles of Incorporation filed with the Secretary of State of Georgia, and the Declaration of Covenants, Conditions, Restrictions and Easements for Liberty North Subdivision recorded in the Fayette County, Georgia land records ("Declaration").

B. Name.

The name of the corporation is Liberty North Homeowners' Association, Inc. ("Association").

C. Definitions.

The terms used herein shall have their generally accepted meanings or the meanings specified in the Declaration.

D. Membership.

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

E. Entity Members.

If an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director or other designated agent of such corporation, manager or member of such limited liability company, partner of such partnership, beneficiary or other designated agent of such trust, or representative of such other legal entity shall be eligible to represent such entity in the affairs of the Association, including, without limitation, serving on the Association's Board of Directors. Such person's relationship with the Association, and any office or directorship held, shall terminate automatically upon the termination of such person's relationship with the entity that is the Owner of the Lot. Termination of the person's relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy may be filled in accordance with these Bylaws.

F. Voting.

The voting rights of the Members shall be as set forth in the Declaration, which voting rights are specifically incorporated herein. Unless otherwise required by the Declaration, the affirmative vote of a Majority of the votes cast at a meeting at which a quorum is present shall be the act of the Membership.

If a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, if any Owner or Occupant of the Lot is in violation of the Association Legal Documents, or if the voting rights for such Lot have been suspended, the Owner of such Lot shall not be eligible to: (1) vote, either in person or by proxy; (2) act as proxy for any other Owner; (3) issue a written ballot or written consent; (4) be elected to the Board of Directors; or (5) vote as a Director (if serving on the Board of Directors). In establishing the total number of eligible votes for a quorum, a majority, or any other purpose, such Lot shall not be counted as an eligible vote.

G. Electronic Communications.

(1) Records and Signatures.

Whenever the Association Legal Documents require that a document, record, or instrument be "written" or "in writing," the requirement is deemed satisfied by an electronic record if the Board of Directors has affirmatively published regulations permitting an electronic record or document as a substitute for a written item.

Whenever the Association Legal Documents require a signature on a document, record or instrument, an electronic signature satisfies that requirement only if: (a) the Board of Directors has affirmatively published regulations permitting an electronic signature as a substitute for a written signature; and (b) the electronic signature is easily recognizable as a secure electronic signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (c) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

(2) Verification and Liability for Falsification.

The Board of Directors may require reasonable verification of any electronic signature, document, record, or instrument. Absent or pending verification, the Board may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not clearly authentic. Neither the Board of Directors nor the Association shall be liable to any Owner or any other Person for accepting or acting in reliance upon an electronic signature or electronic record that the Board reasonably believes to be authentic or rejecting any such item which the Board reasonably believes not to be authentic. Any Owner or Person who negligently, recklessly, or intentionally submits any falsified electronic record or unauthorized electronic signature shall fully indemnify the Association for actual damages, reasonable attorneys' fees actually incurred, and expenses incurred as a result of such acts.

2. MEMBERSHIP MEETINGS AND ACTIONS

A. Annual Meetings.

An annual or special meeting shall be held within shall be held not more than 240 days after the date of which 100% of the Lots have been improved with a dwelling approved for occupancy and have been conveyed to Persons other than Builders, or when, in its discretion, the Class "B" member so determines. Subsequent annual meetings shall be set by the Board to occur during the fourth quarter of the Association's fiscal year, with the date, time, and location to be set by the Board of Directors. No annual membership meeting shall be set on a legal holiday.

B. Special Meetings.

Special membership meetings may be called for any proper and lawful purposes at any time by the Board of Directors or upon written petition of 25% of the Owners. Any such written petition by the Owners must identify the special meeting purpose on each page of the petition and must be for a purpose on which the Association membership is authorized to act under these Bylaws or the Declaration. The petition, with original signatures, must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of Owners have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special membership meeting for all lawful purposes stated in the petition, at a date, time and location selected by the President. The Secretary shall send notice of such special membership meeting in accordance with these Bylaws within 30 days of the date of delivery of the petition to the Secretary. Except as provided herein, no business may be conducted at a special membership meeting unless notice thereof is included in the meeting notice.

C. Notice of Meetings.

The Secretary shall give notice of each annual or special membership meeting to the record Owner or Owners of each Lot, or to the Lot address, at least 21 days prior to each annual membership meeting and at least 10 days prior to each special membership meeting. The notice shall state the date, time, and location of the meeting, and for any special meeting, the purpose of the meeting. Giving notice as provided in these Bylaws shall be considered proper service of notice.

D. Waiver of Notice.

Waiver of notice of a membership meeting shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any membership meeting, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of improper notice of the date, time, and location thereof and of any specific business being conducted at such meeting, unless such Owner specifically objects to improper notice at the time the meeting is called to order or the Owner objects to improper notice of the specific business before the business is put to a vote.

E. Quorum.

The presence, in person or by proxy at the beginning of the meeting, of Owners entitled to cast 25% of the eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned

and shall not need to be reestablished. In establishing the total number of eligible votes for a quorum, if a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or if the voting rights for a Lot have been suspended, that Lot shall not be counted as an eligible vote.

F. Adjourned and Reconvened Meetings.

Any membership meeting may be adjourned, to be reconvened at a later date or time, by vote of the Owners holding a majority of the vote represented at such meeting, regardless of whether a quorum is present. Any business that could have been transacted properly at the original session of the meeting may be transacted at the reconvened session. No additional notice of such reconvened session shall be required if the original session is adjourned for a period not exceeding 10 days.

G. Proxies.

Any Owner entitled to vote may do so by written proxy. To be valid, a proxy must be signed, dated, and presented to the Board of Directors at or before registration at the membership meeting for which it is to be used. The Board may accept proxies by whatever means it deems acceptable. A proxy is revoked only if: (1) the Owner giving the proxy attends the meeting in person and requests the proxy back during registration for the meeting (attendance alone does not invalidate the proxy); (2) the Owner giving the proxy signs and delivers to the Board a written statement revoking the proxy or substituting another person as proxy; or (3) before the proxy is exercised, the Board receives notice of the death or incapacity of the Owner giving the proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

H. Action Taken Without A Meeting.

In the Board's discretion, any action that may be taken by the Owners at any annual or special membership meeting may be taken without a meeting by written ballot or written consent as provided below.

(1) Written Ballot.

A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the vote cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the vote of approval equals or exceeds that which would be required to approve the matter at a meeting at which the total vote cast was the same as the vote cast by ballot.

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

Except for amendments to recorded Association Legal Documents that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written ballot shall be effective upon the receipt of the affirmative vote necessary to take such action.

(2) Written Consent.

Approval by written consent shall be valid only when the affirmative written consents received equals or exceeds the vote that would be required to approve the matter at a meeting. Consents shall be filed with the minutes of the membership meetings. Except for amendments to recorded Association Legal Documents that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written consent shall be effective 10 days after sending the notice of approval described below.

(3) Notice to Members of Approval.

If an action of the Association membership is approved by written ballot or written consent, the Board of Directors shall issue notice of such approval to all Owners.

I. Order and Conduct of Business.

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

3. BOARD OF DIRECTORS

A. Composition and Selection.

(1) Board of Directors Composition.

The affairs of the Association shall be governed by a Board of Directors. Except as provided below for Declarant-appointed Directors, the Directors shall be Owners or spouses of Owners. No Owner and his or her spouse or co-Owner may serve on the Board at the same time. If, at the time of an election, a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for a Lot have been suspended, no person representing such Lot shall be eligible for election to the Board.

(2) Number of Directors.

Notwithstanding anything to the contrary herein, during the Class B Control Period (as defined in the Declaration), the initial Board of Directors shall be composed of one (1) to three (3) Persons, the exact number to be determined by the Declarant. Thereafter, the Board shall be composed of three (3) members.

(3) Term of Office.

Each director elected by the members shall hold office until the next annual meeting of the members. Each Director appointed by the Declarant shall hold office until such Director resigns or is removed by the Developer, or the term of said Director expires as provided for herein.

(4) Removal of Directors.

(b) **Removal by the Owners.** After the expiration of Declarant's right to appoint officers and directors of the Association, at any duly called membership meeting, for which the notice given called for a vote to remove any Director(s), such Director(s) may be removed with or without cause by Owners holding a Majority of the total Association vote. A successor may without delay be elected to fill the vacancy created. Any Director whose removal has been proposed by the Association membership shall be given an opportunity to be heard at the meeting. To ensure a Director has a chance to present a statement to the membership, the Owners' vote to remove a Director cannot be accomplished by written ballot or written consent. For the purpose of this Paragraph, no Owner may vote more than his or her own vote and the vote of four (4) proxies. However, a Director may vote any number of proxies.

(c) **Removal by the Board of Directors.** After the expiration of Declarant's right to appoint officers and directors of the Association, any Director may be removed by the vote of the other Association Directors if: (1) he or she is absent from 3 or more meetings of the Board of Directors in any fiscal year; (2) his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge; (3) the voting rights for his or her Lot have been suspended; (4) he or she was appointed by the other Directors to fill a vacancy; or (5) he or she files any legal action, counterclaim or administrative action against the Association, any Director or Officer, in his or her capacity as such, or the Association's managing agent.

(5) Vacancies.

Vacancies in the Board of Directors caused by any reason, except the removal of a Director by vote of the Association membership, shall be filled by a vote of the remaining Directors. Unless earlier removed, the successor so selected shall hold office for the remainder of the term of the Director position being filled.

(6) Compensation.

Directors shall not be compensated for services performed within the scope of their duties as Association Directors unless authorized by a vote of the Association membership. However, Directors may be compensated for performing maintenance or other services as set forth in Paragraph 3(A)(7) below. Compensation, as may be authorized herein, can include payment but shall not include a waiver of assessments or other Association charges. Directors also may be reimbursed for the expenses incurred in carrying out their duties as Association Directors upon the approval of such expenses by the Board of Directors. The Association may give the Directors nominal gifts or tokens of appreciation for recognition of services performed by them. For purposes hereof, reasonable food and beverages purchased for meetings of the Board shall not be considered compensation.

(7) Director Conflicts of Interest.

Nothing herein shall prohibit a Director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as Director, provided that the Director's interest is disclosed to the Board of Directors and the non-interested voting Directors approve such contract. The interested Director shall not count for purposes of establishing a quorum of the Board and, if present at a meeting (if any), must leave the room during the discussion on such matter. Notwithstanding anything to the contrary herein, the directors, during the Class B Control Period, shall be authorized on behalf of the Association to enter into contracts with the Declarant and its affiliates.

(8) Nomination.

Nomination for election to the Board of Directors shall be made from the floor at the meeting, or, if elections are conducted by mail-in ballot or electronically in lieu of a meeting, by the method and date prescribed by the Board. The Board also may appoint a nominating committee to make nominations prior to the meeting. Each nominee shall be given a reasonable opportunity to communicate his or her qualifications to the membership prior to the election.

(9) Elections.

After the initial election of director by members at a special or annual Association meeting, Directors elected by the members shall be elected at the annual membership meeting or by mail-in or electronic ballot in lieu of such meeting. If elections are held at the annual membership meeting, voting shall be by written ballot, unless dispensed with by unanimous consent or unless a slate of candidates is unopposed and is accepted by acclamation. The nominees receiving the most votes shall fill the directorships for which elections are held. There shall be no cumulative voting.

B. Meetings.

(1) Regular Meetings.

Except during the Class B Control Period, regular meetings of the Board of Directors shall be held at least every three months, at such time and place as determined by the Board.

(2) Special Meetings.

The President is authorized to call a special Board of Directors meeting. In addition, the President is required to call a special Board meeting at the request of at least a majority of the Directors.

(3) Notice of Meetings.

Except as provided in this Paragraph, the President or Secretary shall give each Director at least two days' notice of any Board of Directors meeting. A newly elected Board may meet immediately following their election without notice. Regularly scheduled Board meetings may be held without notice, but the schedule for such meetings is announced to the Directors.

(4) Waiver of Notice.

Waiver of notice of a Board of Directors meeting shall be deemed the equivalent of proper notice. Any Director may, in writing, waive notice of any Board meeting, either before or after such meeting. A Director's attendance at a Board meeting shall be deemed waiver by such Director of improper notice unless such Director objects to improper notice at the time the meeting is called to order. If all Directors are present at any Board meeting, no notice shall be required, and any business may be transacted at such meeting.

(5) Quorum and Voting.

The presence of Directors entitled to cast one half of the eligible votes of the Board of Directors shall constitute a quorum for the transaction of business. One or more Directors who participate in a Board meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, if all persons participating in such meeting can hear each other. Directors may not participate in Board meetings by proxy.

Unless otherwise provided herein, all decisions of the Board of Directors shall be by majority vote. No Director shall participate in any vote of the Board if, at the time of the vote, his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for such Lot have been suspended.

(6) Conduct of Meetings.

The President shall establish the agenda for, and preside at, and the Secretary shall keep the minutes of, all Board of Directors meetings. The President may establish rules of conduct and the order of business for all Board meetings.

If the Board of Directors allows Owners to attend Board meetings, then except as expressly authorized by the Board, only Directors may participate in discussions or deliberations at the Board meeting. Notwithstanding the above, the Directors may adjourn any Board meeting and reconvene in executive session, with only the Directors and other people authorized by the Board present. In executive session, the Board may discuss and vote upon personnel matters, litigation in which the Association is or may become involved, delinquent accounts, violations of the Declaration, Bylaws and/or Association rules, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

The Board of Directors may order the removal of any meeting guest who, in opinion of a majority of the Directors present at the meeting, either disrupts the conduct of business at the Board meeting or fails to leave such meeting upon request after an announcement that the Board will reconvene in executive session.

(7) Action Without a Meeting.

The Board of Directors can take action outside of a properly called meeting if a majority of the eligible Directors consent in writing to such action. Such signed, written consents

must describe the action taken outside a meeting and be filed with the minutes of the Board meetings.

C. Authority.

(1) Powers and Duties.

The Board of Directors shall manage the affairs of the Association and have every right, power and privilege authorized or implied herein and under Georgia law to effectuate such responsibilities. Unless otherwise required by the Declaration or the Georgia Nonprofit Corporation Code, the Board may perform all of its responsibilities without a vote of the Association membership. The Board may delegate any and all of its functions, in whole or in part, to any other entity. In addition to the duties imposed by these Bylaws, the Board shall have the power to do the following (by way of explanation and not limitation):

(a) control, manage, operate, maintain, repair, replace, and improve all portions of the Area of Common Responsibility as defined in the Declaration;

(b) grant and accept permits, licenses, utility easements, leases, and other

easements;

(c) acquire, hold, and dispose of tangible and intangible personal property

and real property;

(d) make, delete, and amend reasonable rules and regulations governing

the use of the Property;

(e) enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations as provided in the Declaration;

(f) bring or defend any actions or proceedings which may be instituted on behalf of or against the Owners concerning the Association or the Area of Common Responsibility;

(g) prepare and adopt an annual budget and establish the contribution from each Owner to the Common Expenses;

(h) establish the means and methods of collecting assessments as provided

in the Declaration;

(i) deposit Association funds in a financial depository or institution that the Board of Directors shall approve, or otherwise invest the proceeds in accordance with any

limitations set forth in O.C.G.A. Section 14-3-302, and use such funds to administer the Association;

(j) designate the signatories of all Association bank and other financial

accounts;

(k) obtain and carry insurance against casualties and liabilities as provided in the Declaration and pay the premium cost thereof;

(l) make or contract for the making of repairs, additions, and improvements to, or alterations of, the Area of Common Responsibility after damage or destruction by fire or other casualty, in accordance with the other provisions of the Declaration and these Bylaws;

(m) designate, hire, dismiss and contract with the personnel necessary to operate the Association and the personnel necessary to maintain, repair, replace and improve the Area of Common Responsibility and, where appropriate, compensate such personnel; and

(n) purchase equipment, supplies and material to be used by Association personnel in the performance of their duties.

(2) Management Agent.

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

(3) Borrowing.

The Board of Directors, on behalf of the Association, shall have the power to borrow money to maintain, repair, restore or replace the Area of Common Responsibility without the approval of the Association membership. The Board, on behalf of the Association, also shall have the power to borrow money for other purposes with the approval of Owners holding at least a majority of the vote cast at a duly called membership meeting, or by ballot or written consent.

(4) Committees.

(a) Nominating Committee. The Board of Directors may appoint a nominating committee to nominate candidates for election to the Board.

(b) Architectural Review Board. Subject to the right of the Declarant to appoint members thereof during the Class B Control Period, the Board of Directors may establish an Architectural Review Board to administer the architectural controls as provided in the Declaration.

(c) **Other Committees.** The Board may establish such other committees as it shall determine, with the powers and duties that the Board of Directors shall authorize.

(d) **Service on Committees.** Unless otherwise provided by the Board of Directors, the Board of Directors in its discretion may appoint and remove the members and chairpersons of each committee.

D. Liability and Indemnification.

The Association shall indemnify every Director, officer and committee member against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon such Director, officer or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been a Director, officer, or committee member, whether or not such person is a Director, officer or committee member at the time such expenses are incurred, as more particularly provided in the Declaration.

4. OFFICERS

A. Designation and Qualification.

The principal officers of the Association shall be the President, Secretary, and Treasurer. In addition, the Board may elect to fill an office of Vice President. The President, Secretary and Treasurer must be Directors, but the Vice President need not be a Director. No person may hold more than one office simultaneously.

B. Election and Terms of Offices.

Except during the Class B Control Period, the Board of Directors shall elect the Association officers annually at the first Board meeting following each annual membership meeting. The Association officers shall serve until a successor is elected, the Board of Directors removes the officer, or the officer resigns.

C. Removal of Officers.

The Board of Directors may remove any officer with or without cause.

D. Vacancies.

The Board of Directors may fill any vacancy in any office arising because of death, resignation, removal, or otherwise. Unless earlier removed, the successor so selected shall hold office for the remainder of the term of the officer position being filled.

E. President.

The President shall be the chief executive officer of the Association and shall establish the agenda for and preside at all meetings of the membership and the Board of Directors. The President

shall have all the general powers and duties that are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code.

F. Vice President.

The Vice President, if the office is filled, shall act in the President's absence, and shall have the same powers, duties, and responsibilities as the President when so acting.

G. Secretary.

The Secretary shall keep the minutes of all meetings of the membership and the Board of Directors. The Secretary also shall keep all Association books and records and perform all duties incident to the office of the secretary of a corporation organized under the Georgia Nonprofit Corporation Code.

H. Treasurer.

The Treasurer shall have the responsibility for the Association's funds and securities. The Treasurer shall keep full and accurate financial records and books of account showing all receipts and disbursements of the Association, prepare all required financial statements and tax returns, deposit all Association funds in such depositories as may be designated by the Board of Directors, and prepare the budget as provided in the Declaration. The Treasurer may delegate all or a part of the above responsibilities to a management agent.

I. Other Officers.

The Board of Directors may appoint one or more assistant treasurers, assistant secretaries, or other officers or subordinate officers with such titles and duties as defined by the Board. Any assistant, subordinate or other officers shall not be required to be Directors.

J. Agreements, Contracts, Deeds, Leases, Etc.

At least two officers of the Association (or such other person(s) as may be designated by resolution of the Board of Directors) shall execute all agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Association.

K. Standard of Conduct

Officers shall discharge their duties and their conduct shall be evaluated in accordance with the business judgment rule described in O.C.G.A. Section 14-3-842.

5. MISCELLANEOUS

A. Notices.

(1) Method of Giving Notices.

Unless otherwise prohibited by these Bylaws or the Declaration, all notices and other communications required by these Bylaws, or the Declaration shall be in writing and shall be given by:

(a) Personal delivery;

(b) United States mail, first class, postage prepaid;

(c) Statutory overnight delivery;

(d) Electronic mail;

(e) Facsimile; or

(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.

(2) Address For Notices.

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

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

(b) 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; or

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

B. Fiscal Year.

The fiscal year of the Association shall be the calendar year unless otherwise set by resolution of the Board of Directors.

C. Financial Statements.

Financial statements shall be prepared annually in the manner provided by the Board of Directors. Financial statements must be made available to Owners and to the holder, insurer, or guarantor of any first mortgage on a Lot within 120 days of the end of the Association's fiscal year.

D. Financial Review.

A financial review of the Association's accounts shall be performed annually in the manner provided by the Board of Directors. The Board shall give a financial report to the Owners at the annual membership meeting. Thereafter, a majority of the total Association membership may require that an independent accountant audit the Association's accounts, as a Common Expense. The audit, if applicable, shall be made available to the holder, insurer, or guarantor of any first mortgage on a Lot upon submission of a written request therefor.

E. Amendment.

These Bylaws may be amended in the same manner as applicable to amendments to the Declaration under the Declaration. No Person shall be permitted to bring any legal action to challenge the validity of an amendment to the Declaration or these Bylaws more than one year after the recording thereof in the Fayette County, Georgia land records.

F. Books and Records.

To the extent provided in O.C.G.A. Section 14-3-1602, and upon written request received at least five business days before the date requested for an inspection, all Association Owners and any Eligible Mortgage Holder shall be entitled to inspect the Association's books and records at a reasonable time and location specified by the Association. The Association can limit the length of time of each inspection, but such time limit shall not be less than two hours per inspection. The Association may impose a reasonable charge, covering the cost of labor, materials, and copies of any documents, including but not limited to the customary copy charge and hourly fee of the Association's agent supervising such inspection. To prevent abuse of an Owner's inspection rights, records previously inspected by an Owner are not subject to inspection again by the same Owner more than once per year.

Notwithstanding anything to the contrary, the Board may limit or preclude the inspection of confidential or privileged documents, including but not limited to, attorney/client privileged communication, executive session meeting minutes, and financial records or accounts of other Owners. Minutes of all meetings of the membership and the Board become official Association records when approved by the membership or the Board, as applicable.

G. Conflicts.

The duties and powers of the Association shall be those set forth in the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation, and these Bylaws, together with those reasonably implied to affect the purposes of the Association. If there is a conflict or inconsistency between the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation or these Bylaws, such laws, and documents, in that order, shall prevail.

H. No Discrimination.

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

I. Captions.

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

J. Gender and Grammar.

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

K. Severability.

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