

otherwise protected by the Owner or Occupant of the Lot on which such personal property is located as requested by the Association or its agents and employees.

Section 3. Failure to Maintain. If the Board of Directors determines that: (a) any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair or replacement of items of which he or she is responsible hereunder; or (b) that the need for maintenance, repair, or replacement which is in the Area of Common Responsibility is caused through the willful or negligent act of any Owner, his or her family, guests, lessees, or invitees, and is not covered or paid by insurance, in whole or in part, then, except in an emergency situation, the Association shall give the Owner written notice of the Association's intent to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors. In the case of (a) above where the Owner has not discharged his or her responsibility, unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair and diligently pursue completion thereof within ten (10) days. If the Board determines that an emergency exists or that an Owner has not complied with the demand given by the Association as herein provided, or that the need for maintenance or repair is in the Area of Common Responsibility as in the case of (b) above, then the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Lot, and shall be collected as provided herein for the collection of assessments.

Section 4. Measures Related to Insurance Coverage.

(a) The Board of Directors, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Community which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage to the Community, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to: (i) requiring all Owners to turn off cutoff valves, which may now or hereafter be installed, during winter months for outside water spigots; requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; (ii) requiring Owners to install smoke detectors; (iii) requiring Owners to make improvements to the Owner's Lot; and (iv) such other measures as the Board may reasonably require so long as the cost of such work does not exceed Five Hundred and/ No Dollars (\$500.00) per Lot in any twelve (12) month period.

(b) In addition to, and not in limitation of, any other rights the Association may have, if any Owner does not comply with any reasonable requirement made by the Board of Directors pursuant to Article V, Section 4(a) above, the Association, upon fifteen (15) days written notice (during which period the Owner may perform the required act or work without further liability), may perform such required act or work at the Owner's sole cost and expense. Such cost shall be specifically assessed against the Owner and shall be added to and become a part of the assessment obligation of such Owner and shall become a lien against the Lot and shall be collected in the manner provided for collection of assessments. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this Article V, Section 4(b), including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Lot, except that access may be had at any time without notice in an emergency situation.

Section 5. Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary as the composition of the Board of Directors changes. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Article V. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

Article VI

Party Walls and Fences

Section 1. General Rules of Law to Apply. Each wall or fence built as a part of the original construction on the Lots, which shall serve, and or separate any two (2) adjoining Lots shall constitute a party wall or party fence, as applicable. To the extent not inconsistent with the provisions of this Article VI, Section 1, the general rules of law regarding the party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. No Owner shall make any modification to party wall construction that may compromise acoustic privacy and fire rating.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or fence shall be shared equally by the Owners who make use of the wall or fence.

Section 3. Damage and Destruction. If a party wall or fence is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the party wall or fence may restore it. If other Owners thereafter use the wall or fence, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article VI, shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

Article VII

Use Restrictions and Rules

Section 1. General. This Article, beginning at Section 2, sets out certain use restrictions that must be complied with by all Owners and Occupants of Lots. These use restrictions may only be amended in the manner provided in Article XV, Section 4 hereof regarding amendment of this Declaration. In addition, the Board may, from time to time, without consent of the members, promulgate, modify, or delete other use restrictions and rules and regulations applicable to the Community. Such use restrictions and 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 Total Association Vote.

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 part of the Community, including business uses ancillary to a primary residential use, except that the Owner or Occupant residing in the residence on a Lot may conduct such ancillary business activities within the residence so long as the: (a) existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the residence; (b) business activity does not involve Persons coming onto the Community who do not reside

in the Community or door-to-door solicitation of residents of the Community (other than deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services); (c) business activity conforms to all zoning requirements for the Community; (d) business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; and (e) business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board of Directors.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) the activity is engaged in full or part-time; (ii) the activity is intended to or does generate a profit; or (iii) a license is required for the activity. Notwithstanding the above, the leasing of a Lot shall not be considered a trade or business within the meaning of this Section.

Section 3. Number of Occupants. The maximum number of Occupants in a residence on a Lot shall be limited to two (2) people per bedroom in the residence. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto. If an Owner of a Lot is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the residence on the Lot.

Section 4. Signs. No sign of any kind shall be erected by an Owner or Occupant within the Community without the prior written consent of the ARC except as follows: (a) when offering a Lot or residence for sale or for lease, not more than one (1) professionally lettered "For Sale" or "For Rent" sign consistent with the Community-Wide Standard and having a maximum area of two feet (2') by three (3') feet; (b) professional security signs consistent with the Community-Wide Standard; (c) any signs required by legal proceedings; and (d) signs erected by Declarant. Notwithstanding the foregoing, the Board shall have the right to erect reasonable and appropriate signs. No advertising, directional or vendor signs shall be permitted within the Community except as authorized by Declarant under Article XII Section 11 of this Declaration.

Section 5. Vehicles and Parking. The Board may adopt reasonable rules limiting the number and location of vehicles that may be parked at the Community. Notwithstanding the foregoing, an Owner or Occupant of a Lot shall be permitted to park the maximum number of cars or similarly sized motor vehicles that can be parked in a garage according to its design capacity. Parking may also be permitted on other areas authorized in writing by the Board.

Disabled and stored vehicles are prohibited from being parked on the Community, except in garages. For purposes of this Article VII, Section 5, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Community for fourteen (14) consecutive days or longer without being driven and without prior written Board permission.

Buses, panel trucks, trucks with a load capacity of one (1) ton or more, vans (excluding vans used by handicapped persons, mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial

writings on their exteriors other than Sheriff's, Marshall's or police officer's vehicles marked as such, are also prohibited from being parked on a Lot or on the Community, except in garages. Notwithstanding the foregoing, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Community during normal business hours for the purpose of serving any Lot or the Common Property; provided, however, no such vehicle shall remain on the Lot or the Common Property overnight for any purpose unless prior written consent of the Board is first obtained. Boats and trailers may be permitted on a Lot, provided that such vehicles are covered or shielded from the view of a neighboring Lot.

If any vehicle is parked on any portion of the Community in violation of this Article VII, Section 5 or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the Community stating the name and telephone number of the person or entity that will do the towing or booting. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed or booted in accordance with the notice, without further notice to the vehicle owner or user.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Lot or residence, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed or booted in accordance with this Article VII, Section 5, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage as a result of the towing or booting activity. The Association's right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

Section 6. Occupants Bound. All provisions of the Declaration, Bylaws, and of any rules and regulations, use restrictions or design guidelines promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants even though Occupants are not specifically mentioned. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not paid timely, the fine may then be levied against the Owner.

Section 7. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, except that dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board, may be kept on a Lot; provided, however, those pets that are permitted to roam free, or, in the sole discretion of the Board endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners or Occupants of other Lots or the owner of any property located adjacent to the Community may be removed by the Board. Additionally, no potbellied pigs, venomous snakes, pit bulldogs, Rotweillers, or Doberman Pinschers may be brought onto or kept on the Community at any time. No dog houses, dog runs or other enclosures shall be permitted on a Lot unless first approved by the ARC, except that the Board of Directors may in its sole discretion allow an Owner to install an invisible "Radio Fence" or other similar type of fence designed to restrain a pet. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a Lot be confined on a leash unless restrained by an invisible fence referenced to above. Feces left upon any portion of the Community outside of an Owner's Lot by a pet must be removed by the owner of such pet or the person responsible for such pet. Failure to remove such feces shall subject the Owner of the Lot responsible for such pet to fines levied pursuant to the Bylaws. Without prejudice to

the Board's right to remove any such household pets, the Board may prohibit a household pet that has caused damage or injury from being walked in the Community. Animal control authorities shall be permitted to enter the Community to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law.

Section 8. Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Lot. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law.

Section 9. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken in any part of the Community.

Section 10. Antennas and Satellite Dishes. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Community; provided, however, that the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Owners:

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

(b) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one (1) meter in diameter shall be placed, allowed or maintained upon the Community.

(c) DBS and MMDS satellite dishes or antennas one (1) meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association, both as may be amended from time to time.

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

Section 11. Tree Removal. No trees that are more than six inches (6") in diameter at a point two feet (2') above the ground shall be removed without the prior written consent of the ARC except for

(a) trees, regardless of their diameter, that are located within ten feet (10') of a drainage area, a sidewalk, a residence, or a driveway, (b) diseased or dead trees, and (c) trees removed by Declarant.

Section 12. 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. If drainage grating and/or headwall are located on a Lot, the Owner of such Lot shall be responsible for ensuring that such drainage grating and/or headwall is clear of obstruction and debris to allow for proper drainage flow. Furthermore, no Owner or Occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves for the benefit of Declarant and the Association and their respective successors and assigns a perpetual easement across the Community for the purpose of altering drainage and water flow. 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.

Section 13. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 14. Garbage Cans, Woodpiles, Etc. All garbage cans, woodpiles, swimming pool pumps, filters and related equipment, air conditioning compressors and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property. All structures and/or improvements used to conceal or screen the foregoing items shall be subject to the prior written approval of the ARC. Furthermore, all rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. Declarant, however, hereby expressly reserves on behalf of itself and Approved Builders the right to dump and bury rocks and trees on property within the Community as needed for efficient construction. Trash, garbage, debris, or other waste matter of any kind may not be burned within the Community except by Declarant and Approved Builders during construction.

Section 15. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the ARC and Declarant so long as Declarant owns any property in the Community for the purpose of development and/or sale. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 16. Firearms and Fireworks. The display or discharge of firearms or fireworks in the Community prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. Section 25-10-1.

Section 17. Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed, or maintained upon any Lot without prior written approval in accordance with the provisions of Article IX hereof. Guidelines detailing acceptable fence styles or specifications may be issued pursuant to Article IX, but in no event shall a chain link or barbed wire fence be approved; provided, however, the Declarant and the Association may erect any type of fence on the Common Property or elsewhere within the Community as they may deem appropriate or as necessary to satisfy the requirements of any law, regulation or governmental entity or for the health and safety of the Owners and Occupants.

Section 18. Utility Lines. Except as may be permitted by the ARC, no overhead utility or cable television lines other than utility lines needed to supply power to homes, shall be permitted within the

Community, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

Section 19. Air-Conditioning Units. Except as may be permitted by the ARC, no window air conditioning units may be installed.

Section 20. Lighting. Except as may be permitted by the ARC, exterior lighting visible from the street shall not be permitted except for: (a) approved lighting as originally installed on a Lot; (b) one (1) decorative post light, (c) street lights in conformity with an established street lighting program for the Community; (d) seasonal decorative lights; or (e) front house illumination of model homes, if any.

Section 21. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any property. Exterior sculpture, fountains, flags, and similar items must be approved by the ARC; provided, however, the display of flags for generally recognized holidays on which flags are customarily displayed shall be permitted for a period from one (1) week prior to the date of such holiday until one (1) week after the date of such holiday. No awnings, shades or window boxes shall be attached to or otherwise places on the exterior of any structure on a Lot without the prior written consent of the ARC.

Section 22. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ARC.

Section 23. Swimming Pools. No swimming pool shall be constructed, erected or maintained upon any Lot without the prior written consent of the ARC.

Section 24. Gardens, Play Equipment and Pools. No vegetable garden, hammock, play equipment, or pool may be erected on any Lot without the prior written consent of the ARC and no such structure, with the exception of basketball goals, which has received the approval of the ARC, may be visible from any street.

Section 25. Mailboxes. Declarant or an Approved Builder shall provide a mailbox for each Lot. In the event such mailbox is destroyed or damaged, it shall be replaced or restored to its original appearance, unless prior approval is given by the ARC for a different mailbox.

Section 26. Exteriors. Any change to the exterior color of any improvement located on a Lot, including, without limitation, the dwelling or any fence located on a Lot, must be approved by the ARC.

Section 27. Clotheslines. No exterior clotheslines of any type shall be permitted upon any Lot.

Section 28. Exterior Security Devices. No visible exterior security devices, including, without limitation, window bars, shall be permitted on any residence or Lot without the approval of the ARC. Signs placed on the Lot or the exterior of the residence stating that such residence is protected by a security system shall not be deemed to constitute an exterior security device.

Section 29. Fuel or Water Tanks. No fuel tanks or water tanks shall be stored or maintained upon any Lot in such a manner as to be visible from any street or road or from any other Lot, unless used by Declarant, temporarily, in the ordinary course of developing the Community.

Section 30. Window Treatments. No foil or other reflective materials shall be used on any windows for sunscreens, blinds, and shades or for any other purpose. The side of all window treatments that can be seen at any time from the outside of any structure located on a Lot must be white or off-white.

Section 31. Outbuildings and Similar Structures. No structure of a temporary nature, unless approved in writing by the ARC, shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, carport, barn or other structure may be used as a residence, either temporarily or permanently. However, this Section shall not be construed to prevent Declarant and those engaged in development, construction, marketing, property management or sales from using sheds, trailers or other temporary structures for any of the foregoing purposes. In addition, nothing in this Declaration shall be construed to prevent Declarant or its designees from developing, constructing, marketing, or maintaining model homes or speculative housing within the Community.

Section 32. Entry Features. Owners shall not alter, remove or add improvements to any entry features constructed by Declarant on any Lot, or any part of any easement area associated therewith without the prior written consent of the ARC.

Section 33. Erosion Control and Contamination. No activity which may create erosion or siltation problems in the Community shall be undertaken on any Lot without the prior written approval of the Board of Directors or its designee of plans and specifications for the prevention and control of such erosion or siltation. Such plans and specifications shall be designed by a professional engineer licensed in the State of Georgia and all costs and expenses related thereto shall be borne exclusively by the Lot Owner. The Board of Directors or its designee may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include, by way of example and not of limitation, physical devices for controlling the run-off and drainage of water, special precautions in grading, clean-up activities and requiring landscaping as provided for herein. No activity which results in contamination of or any damage to any stream, water course or any other Lot shall be conducted on any Lot, and each Owner shall be liable for all resulting damages from such activity and for restoration of a property damaged from contamination resulting from or attributable to such activity.

In addition, prior to commencing any improvements on a Lot, the Owner of such Lot and any builders, subcontractors, or other agents of such Owner, shall fulfill their obligations to comply with the requirements of the State of Georgia Department of Natural Resources, Environmental Protection Division ("EPD") and the Permit, including, but not limited to the following obligations:

- (a) Submitting a Notice of Intent to the EPD in the manner required by the Permit and applicable law;
- (b) Implementing and complying with those portions of the Erosion, Sedimentation and Control Plan applicable to activities on each Owner's respective lot;
- (c) Executing the Erosion, Sedimentation and Control Plan or portion thereof in accordance with Part VI.G of the Permit; and
- (d) Complying with all inspection, notification, reporting, and record retention obligations relating to the Comprehensive Monitoring Plan as set forth in the Permit and applicable law.

If the Declarant or any governmental regulatory entity determines that an Owner has failed or

refused to properly discharge its obligations under this Section, Declarant may give such Owner written notice of Declarant's intent to take such action as Declarant deems necessary, in its sole discretion, to maintain the condition of the Lot in compliance with the Permit. Owner shall authorize Declarant to enter upon the Lot to undertake any necessary corrective actions. Notwithstanding the foregoing, Declarant shall only make such entry after providing the violating Lot Owner with written notice of its intent to enter such Lot. The notice shall set forth with reasonable particularity the actions that Declarant intends to perform. Except in an emergency, Declarant shall have a reasonable period after receipt of such notice to promptly remedy the situation to the satisfaction of Declarant.

Furthermore, if Owner refuses or fails to do so within the time period identified in the notice, Declarant may then enter upon Lot to perform the actions specified in the written notice, on behalf of the Association with all such costs being deemed an Association common expense occasioned by the conduct of the violating Lot Owner. The Association then shall assess all such expenses including attorney's fees actually incurred, against the violating Lot Owner pursuant to Article IV, Part A, Section 5 of this Declaration. Additionally, the Association may assess fines against the violating Lot Owner hereunder not to exceed Five Hundred and No/100 Dollars (\$500.00) per incident. All costs incurred by the Association hereunder, including reasonable attorney's fees actually incurred, and any fines assessed hereunder, shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot. Each Owner of a Lot and any builders, subcontractors, or other agents of such Owner, shall indemnify and hold Declarant harmless against any and all expenses, including attorney's fees and legal expenses, in connection with any claim, cost, damage, fine, suit, other proceedings (including any settlement), or expense reasonably incurred or imposed upon Declarant as a result of any breach of any obligation under this Section or any other violation of the Permit by such Owner or any builders, subcontractors or agents of such Owner.

Notwithstanding any other provisions of this Declaration, during the time in which the Declarant has the authority to appoint the directors and officers of the Association pursuant to Article III, Section 2 of the Bylaws, Declarant may delegate all of its rights, powers and responsibilities set forth in this Section to the Association.

Section 34. Retaining Walls. No retaining wall of any kind shall be placed, erected, allowed or maintained upon any portion of the Community, including any Lot, unless the type and location thereof shall have received the prior written consent of the ARC. Any retaining wall visible from the street shall be made of brick or stone, and shall be consistent with the architectural style of the structures and improvements located upon such Lot. Walls made of plain concrete or concrete block shall be prohibited.

Article VIII **Leasing**

Section 1. Purpose. In order to preserve the character of the Community as predominantly owner-occupied, the leasing of a residence located on a Lot shall be governed by the restrictions set forth in this Article VIII. Except as provided herein, the leasing of a residence located on a Lot shall be prohibited. "Leasing," for the purposes of this Declaration, is defined as regular, exclusive occupancy of a residence located on a Lot by any Person other than the Owner; provided, however, for the purposes of this Declaration, leasing shall not include the occupancy of a residence located on a Lot by the child or parent of an Owner. For purposes hereof, occupancy by a roommate of an Owner who occupies the residence as such Owner's primary residence shall not constitute "leasing" hereunder. The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and Bylaws, in order to enforce the provisions of this Article VIII.

Section 2. General. The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and Bylaws, in order to enforce the provisions of this Section. Lots may be leased for residential purposes only. Except for Lots owned by the Declarant, all leases shall have a minimum term of six (6) months and a copy of all leases shall be given to the Board of Directors by the Owner of the Lot within thirty (30) days of entering into the lease. All leases shall require that the lessee acknowledge receipt of a copy of the Declaration, Bylaws and rules and regulations of the Association and shall also obligate the lessee to comply with these documents.

Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be specifically assessed against the Lot and the Owner thereof, such being deemed hereby as an expense which benefits the leased Lot and the Owner thereof.

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

Section 3. Applicability of Article VIII. Notwithstanding the above, this Article VIII shall apply to any leasing transaction entered into by the Declarant (regardless of whether said lease is entered into prior to or after the expiration of the Declarant's right to appoint and remove officers and directors of the Association pursuant to Article III, Part A, Section 2 of the Bylaws), the Association, or the holder of any first Mortgage on a Lot who becomes the Owner of a Lot through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage, provided, however, such Persons shall not be required to comply with the provision regarding a minimum lease term and shall not be required to obtain the approval of the Association prior to entering into any lease agreement.

Article IX **Architectural Standards**

Section 1. Architectural Review Committee. No exterior construction, addition, erection, or alteration shall be made upon any part of the Community unless and until the Architectural Review Committee has approved the following: (a) the builder; (b) the architect; and (c) plans and specifications showing at least the nature, kind, shape, height, materials, and location of the proposed construction,

addition, erection, or alteration. For purposes of this Section, a change in the paint color of a home or other exterior redecorating shall be considered an exterior alteration. However, no approval shall be required for any construction, alteration or addition made by Declarant. Until one hundred percent (100%) of the Community has been developed and conveyed to purchasers other than Approved Builders in the normal course of development and sale, Declarant shall have the right to appoint all members of the Architectural Review Committee. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. After Declarant's right to appoint has expired, the Board of Directors shall appoint the members of the Architectural Review Committee, or may adopt a resolution making the Board of Directors the Architectural Review Committee. The Board may employ for the Architectural Review Committee architects, engineers, or other Persons necessary to enable the Committee to perform its review. The Architectural Review Committee may, from time to time, delegate any of its rights or responsibilities hereunder to one (1) or more duly licensed architects or other qualified Persons, who shall have full authority to act on behalf of the Committee for all matters delegated. The Architectural Review Committee may, in its discretion, from time to time establish, abolish or amend standards to govern the development of Lots and the design and construction of improvements. The text of such standards and amendments shall be available to each Owner. Such standards shall be binding upon all Owners. A review fee in a reasonable amount may be charged.

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

Section 2. Approval of Builders and Architects. Any builder or architect must be approved by the Architectural Review Committee as to financial stability, history of compliance, if applicable, with the Declaration in performing other work in the Community, experience, ability to build or design houses or other structures of the class and type approved by the Architectural Review Committee for such Lot, and such other factors as may be determined by the Architectural Review Committee to be reflective of quality or ability. Financial data, as deemed necessary by the Architectural Review Committee, must be submitted to the Architectural Review Committee. Each builder and architect performing any work within the Community, shall be responsible for its actions and the actions of its agents, subcontractors and employees within the Community. Each such builder or architect shall ensure full compliance by its agents, subcontractors and employees, with the Declaration and Bylaws and all rules, regulations, or guidelines of the Association. Neither Declarant, the Association, the Architectural Review Committee, or any member of any of the foregoing shall be held liable for any injury, damage, or loss arising out of the performance or nonperformance of any approved architect or builder. Notwithstanding anything to the contrary herein, the approval of any Approved Builder shall not be required in accordance with this Section.

Section 3. Guidelines and Procedures. Declarant may prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines") that shall be applicable to all construction activities within the Community. The Design Guidelines may contain general provisions applicable to all of the Community, as well as specific provisions which vary from one portion of the Community to another depending upon the location, unique characteristics, and intended use.

The Architectural Review Committee shall adopt such Design Guidelines at its initial organizational meeting and, thereafter shall have sole and full authority to amend them from time to time, without the consent of the Owners.

The Architectural Review Committee shall make the Design Guidelines available to Owners, builders, and developers who seek to engage in development of or construction upon all of any portion of the Community and all such Persons shall conduct their activities in strict accordance with such Design Guidelines. In the discretion of Declarant, such Design Guidelines may be recorded in the Cherokee County, Georgia records, in which event the recorded version, as it may unilaterally be amended from time to time by the Architectural Review Committee by recordation of amendments thereto, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

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

In the event that the Architectural Review Committee fails to approve or to disapprove any application within sixty (60) days after submission of all information and materials reasonably requested, the application shall be deemed approved. However no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the Architectural Review Committee pursuant to Section 6 of this Article.

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

Section 4. Disclaimer. The Architectural Review Committee and the Board of Directors do not warrant or represent, that their decisions under this Article constitute, and their decisions shall not be interpreted as constituting, an approval as to compliance with any building code, regulation or ordinance, or any other code, regulation, ordinance or law, nor that their decisions under this Article reflect upon the structural integrity of any proposed alteration or improvement. Neither the Association, the Board, Declarant, the Architectural Review Committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design or quality of approved construction on or modifications to any Lot.

Section 5. No Waiver. The approval of the Architectural Review Committee of any proposals, plans and specifications, or drawings, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or other matters later submitted for approval or consent.

Section 6. Variances.

(a) The Architectural Review Committee 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. Variances may only be granted, however, when unique circumstances dictate and no variance shall: (i) be effective unless in writing; (ii) be contrary to the restrictions set forth in the body of this Declaration; or (iii) prevent the Architectural Review Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

(b) The architectural standards and their enforcement may vary from time to time. These variances shall not constitute a waiver by the Architectural Review Committee or the Board of the right to adopt and enforce architectural standards under this Article. No decision by the Architectural Review Committee or Board shall constitute a binding precedent with respect to subsequent decisions of the Architectural Review Committee or Board. However, nothing in this Article shall permit the Architectural Review Committee or the Board to enforce retroactively its architectural standards against a Lot Owner whose architectural change has been approved under the architectural standards of a previous Architectural Review Committee or Board.

Section 7. 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 Architectural Review Committee, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the Lot 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 Lot, remove the violation and restore the Lot to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorney's fees, may be assessed against the benefited Lot and collected as an assessment pursuant to this Declaration.

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

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

Section 8. Commencement of Construction. No changes, modifications, and improvements approved by the Architectural Review Committee hereunder shall be commenced until the Lot Owner conspicuously posts an approval permit and such permit shall remain conspicuously posted until all construction activities are completed. All changes, modifications and improvements approved by the Architectural Review Committee hereunder must be commenced within six (6) months from the date of approval. If not commenced within six (6) months from the date of such approval, then such approval shall be deemed revoked by the Architectural Review Committee, unless the Architectural Review Committee gives a written extension for commencing the work. Except for the new construction of a dwelling and related improvements on a Lot which shall be completed in its entirety using best reasonable efforts within a time period established by the Architectural Review Committee, all work approved by the Architectural

Review Committee hereunder shall be completed in its entirety within ninety (90) days from the date of commencement, unless otherwise agreed in writing by the Architectural Review Committee. All approved changes, modifications, and improvements must be completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement.

Article X
Insurance and Casualty Losses

Section 1. Association Insurance. The Association, acting through its Board of Directors or its duly authorized agent, shall have the authority to and shall obtain blanket "all-risk" property insurance, if reasonably available, for all insurable improvements on the Common Property and on other portions of the Area of Common Responsibility to the extent that the Association has assumed responsibility for maintenance, repair and/or replacement thereof in the event of a casualty. If blanket "all-risk" coverage is not generally available at reasonable cost, then at a minimum an insurance policy providing fire and extended coverage, including coverage for vandalism and malicious mischief, shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured peril.

The Board also shall obtain a public liability policy covering the Area of Common Responsibility, insuring the Association and its members for all damage or injury caused by the negligence of the Association, any of its members, its employees, agents, or contractors while acting on behalf of the Association. If generally available at reasonable cost, the public liability policy shall have at least a One Million and No/100 Dollars (\$1,000,000.00) combined single limit as respects bodily injury and property damage and at least a Three Million and No/100 Dollars (\$3,000,000.00) limit per occurrence and in the aggregate.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful conduct of one or more Owners or Occupants, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Lots pursuant to Article IV, Section 5.

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

- (a) All policies shall be written with a company authorized to do business in the State of Georgia.
- (b) All insurance shall be written in the name of the Association as trustee for the benefited parties. Policies on the Common Property shall be for the benefit of the Association and its members.
- (c) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.
- (d) In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees.

(e) All property insurance policies shall have an inflation guard endorsement, if reasonably available. If the policy contains a co-insurance clause, it shall also have an agreed amount endorsement. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Cherokee County, Georgia area.

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

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

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

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

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

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

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

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

The Association also shall obtain, as a Common Expense, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available. The amount of fidelity coverage shall be determined in the directors' best business judgment, but if reasonably available, shall not be less than three (3) months assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during the term of the bond. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, subjected to nonrenewal or substantially modified without at least thirty (30) days prior written notice to the Association. The Association shall also obtain construction code endorsements, and flood insurance, if and to the extent necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

Section 2. Owners Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket "all-risk" property insurance on its Lot and structures constructed thereon providing full replacement cost coverage (less a reasonable deductible).