

DECLARATION OF PROTECTIVE COVENANTS  
FOR  
MACLAND PARK SUBDIVISION

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## TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Name</u>
<u>"A"</u>	<u>Definitions</u>
<u>"B"</u>	<u>Property Initially Submitted</u>
<u>"C"</u>	<u>By-Laws of Macland Park Homeowners Association, Inc.</u>

## Article II

### Property Subject To This Declaration

**Section 1. Property Hereby Subjected To This Declaration.** The real property which initially is, by the recording of this Declaration, subjected to the covenants and restrictions set forth in this Declaration is the real property described in **Exhibit "B"**, attached hereto and by this reference made a part of this Declaration.

**Section 2. Other Property.** Only the real property described in Section 1 of this Article II initially is made subject to this Declaration. However, by one or more Supplementary Declarations, Declarant or the Association shall have the right, but not the obligation, to subject other real property to this Declaration, as provided in Article IX.

## Article III

### Association Membership and Voting Rights

**Section 1. Membership.** Every Person who is the record owner of a fee simple interest in any Lot that is subject to this Declaration shall automatically be a Member in this Association. Membership shall not include Persons who hold a security interest only, and the giving of a security interest shall not terminate or otherwise impair the Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall go along with and may not be separated from the ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a Member or the Member's spouse, but in no event shall more than one (1) vote be cast nor one (1) office in the Association be held for each Lot owned; provided, however, that until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, all voting rights shall be retained and exercised by Declarant or any successor Declarant, including, without limitation, the right to elect the Board. Declarant shall have the right to assign its rights as Declarant hereunder only to a Builder who is the fee simple owner of one or more of the Lots and shall be effective immediately upon the execution and filing for record by Declarant of a Supplemental Declaration to this Declaration in the Clerk of the Superior Court's records of the County in which the Community is located.

**Section 2. Voting.** Members shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an ownership interest in any Lot, the vote for such Lot shall be cast as those Owners decide and instruct the Secretary prior to any meeting. If the Secretary is not instructed, the Lot's vote shall be suspended in the event more than one Owner of a Lot attempts to cast the vote which is the entitlement of the Owners of such Lot.

## Article IV

### Assessments

**Section 1. Purpose of Assessment.** The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Lots, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board.

**Section 2. Creation of Liens and Personal Obligations for Assessments.** Each Owner of any Lot, by acceptance of a deed to the Lot, whether or not stated in the deed, covenants and agrees to pay to the Association: (a) common assessments or charges; (b) special assessments; and (c) specific assessments. All assessments, together with late charges, interest (not to exceed the maximum legal rate), costs, and reasonable attorney's fees actually incurred, shall be (a) a charge on the land and a continuing lien upon the Lot against which each assessment is made; and (b) the personal obligation of the Person who is the Owner of the Lot at the time the assessment becomes due; provided, however, that in no event shall any assessments be due with regard to any Lot owned by Declarant or any successor Declarant or by any Builder. The grantee of each Owner shall be jointly and severally liable for all assessments which are due and payable at the time of the transfer of title to the Lot; provided, however, that (a) the liability of a grantee for the unpaid assessments of an Owner shall not apply to any Mortgage holder taking title through foreclosure proceedings or by deed in lieu of foreclosure, but (b) any Mortgage holder who takes title through foreclosure proceedings or by deed in lieu of foreclosure shall be liable for all assessments due after the date of foreclosure or deed in lieu of foreclosure. The Association shall, within five (5) days after receiving a written request and for a reasonable charge, which shall in no event exceed Ten and No/100 Dollars (\$10.00), furnish a certificate signed by an officer or agent of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association certifying the status of assessments on a Lot shall be binding upon the Association as of the date of issuance. Assessments shall be levied equally on all Lots either within the Community, as applicable, and shall be paid in such manner and on such dates as are fixed by the Board. Unless the Board provides otherwise by resolution, assessments shall be paid in monthly installments; provided, however, that upon ten (10) days' written notice, the Board may accelerate the annual assessment for delinquent Owners.

**Section 3. Computation of Annual Assessment.** It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year which commences on the first day of the next calendar month subsequent to the date on which all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, to prepare a budget covering the estimated common expenses of the Association during the coming fiscal year. The budget shall include, in the discretion of the Board, a requirement for a capital contribution establishing a reserve fund in accordance with a budget separately prepared. The common assessment to be levied against each Lot for the coming year shall be set at a level which is reasonably expected to produce total revenue to the Association equal to the total budgeted common expenses, including such reserves as the Board, in its discretion, shall consider to be appropriate. In determining the level of assessments, the Board, in its discretion, may consider other

sources of funds available to the Association, including, without limitation, any voluntary contributions made by Declarant. Prior to the time that all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, Declarant shall unilaterally determine the amounts of the common assessments to be levied against each Lot; provided, however, that in no event shall the amount of the annual common assessments during such time exceed Three Hundred Sixty and No/100 (\$360.00) Dollars per annum; and provided further that in no event shall any such assessments be imposed until such time as the amenities constructed upon the Common Property shall have been completed and made available for use by the Owners and Occupants of the Lots. In no event shall Declarant have any obligation to provide any voluntary contributions at any time, including particularly at any time subsequent to the time that all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots. The Board shall deliver or mail a copy of the common expense budget and notice of the amount of the assessment for each Lot to each Owner at least thirty (30) days prior to the beginning of the fiscal year during which such assessments shall be due. The budget and assessment shall become effective unless disapproved at a meeting by a Majority of the total Association. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Owners as provided in the Bylaws. Any such petition must be presented to the Board within ten (10) days after delivery of the notice of assessments. Notwithstanding the above, in the event the proposed budget is disapproved or the Board fails to prepare and distribute the budget for any fiscal year, then until such budget is prepared and distributed, the budget in effect for the immediately preceding fiscal year shall continue for the current fiscal year.

**Section 4. Special Assessments.** In addition to the other assessments authorized herein, at any time subsequent to the time that all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, the Association may levy special assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed; provided, however, that any such special assessments must be approved by Owners holding at least two-third (2/3) of the votes present in person or by proxy at a duly called meeting held for such purpose.

**Section 5. Lien for Assessments.** All assessments levied against any Lot, together with late charges, interest at the maximum legal rate, costs, and reasonable attorney's fees actually incurred, shall be secured by a lien on the Lot in favor of the Association. The Association shall have the right, but not the obligation, to evidence the existence of any such lien by filing a notice of lien in the Clerk of the Superior Court's office of the County in which the Community is located. The lien shall be superior to all other liens and encumbrances on the Lot, except for (a) liens for ad valorem taxes; or (b) liens for all sums unpaid on a Mortgage duly recorded in the Clerk of the Superior Court's records of the County in which the Community is located. All Persons acquiring liens or encumbrances on any Lot after this Declaration has been recorded, other than as provided above, shall be deemed to have consented that their liens or encumbrances shall be inferior to future liens for assessments, whether or not such consent is specifically set forth in the instruments creating their liens or encumbrances.



**Section 6. Effect of Nonpayment of Assessments: Remedies of the Association.** Any assessments or installments of assessment which are not paid when due shall be delinquent. Any assessment or installment delinquent for a period of more than ten (10) days shall incur a late charge in such amount as the Board may from time to time determine, which shall not exceed fifteen (15) percent of the delinquent assessment. The Association shall cause a notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien shall attach and, in addition, the lien shall include the late charge, interest at the maximum legal rate and all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. The existence of the lien may, but is not required to be, evidenced by the filing of a notice of lien in the Clerk of the Superior Court's office in the County in which the Community is located. In the event that the Assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the lien. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the Lot. No Owner (other than Declarant or any successor Declarant or any Builder) may waive or otherwise exempt himself or herself from liability for assessments, whether by abandoning the Lot or in any other manner. The obligation to pay assessments is a separate and independent covenant on the part of each Owner, and no reduction of any assessment shall be claimed or allowed by reason of (a) any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or the Bylaws, (b) for inconvenience or discomfort arising from the making or repairs or improvement which are the responsibility of the Association, or (c) from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest and then to delinquent assessments.

**Section 7. Date of Commencement of Assessments.** Assessments shall commence as to a Lot on the first day of the next month following the conveyance of a Lot to an Owner who has occupied as his or her residence the residence which has been constructed on the Lot.

**Section 8. Specific Assessments.** The Board shall have the power to specifically assess specific Lots pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. Fines levied pursuant to Article XIII, Section 1 and the costs of maintenance performed by the Association for which the Owner is responsible for under Article V, Sections 1 and 23 shall be specific assessments. The Board may also specifically assess Lots for the following Association expenses, except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association:

(a) Expenses of the Association which benefit less than all of the Lots in the Community may be specifically assessed equitably among all of the Lots which are benefitted, according to the benefit received, as determined in the sole discretion of the Board; and

(b) Expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received, as determined in the sole discretion of the Board.

## Article V

### **Maintenance: Conveyance of Common Property to Association**

**Section 1. Association's Responsibility.** The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and improvements located on the Common Property. the Association shall maintain the entry features for the Community which are located on the Common Property or on Lots within the Community, and shall maintain and pay the expenses for any water and electricity provided to the entry features. The Association shall also maintain all medians or shoulders of streets located in the Community and all other property within any public right-of-way or otherwise outside of boundaries of Lots, so long as such medians, shoulders or other property are located within or adjacent to the Community. In the event that the Association determines that the need for any maintenance, repair, or replacement which is the responsibility of the Association is caused through the willful or negligent act of an Owner, his or her family, guests, lessees, or invitees, and is not completely covered or paid for by insurance, then the Association may perform the maintenance, repair or replacement at the expense of the Owner, and all costs shall be added to and become a part of the assessment obligation of the Owner and shall become a lien against the Lot owned by such Owner. The Association shall perform all maintenance in a manner consistent with the Community-Wide Standard.

**Section 2. Owner's Responsibility.** Except as provided in Section 1 above, all maintenance of the Lot and all structures, parking areas, landscaping, and other improvements on each Lot shall be the sole responsibility of the Owner, who shall maintain the Lot in a manner consistent with the Community-Wide Standard and this Declaration. In the event that the Board determine that a Lot is not maintained in a manner consistent with the Community-Wide Standard and this Declaration, except in an emergency situation, the Board shall give the Owner written notice of the Association's intent to provide the necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall describe the maintenance, repairs, or replacements deemed necessary. The Owner shall have thirty (30) days after receipt of the notice to complete the maintenance, repair, or replacement. In the event that the required maintenance, repair, or replacement cannot be completed within said thirty (30) day period, the Owner shall begin the work within said thirty (30) day period and shall complete it within a reasonable time after the expiration of said thirty (30) day period. If any Owner does not comply with the foregoing requirements in a timely manner, the Association may provide the maintenance, repair, or replacement at Owner's sole cost and expense, and all costs shall be added to and become a part of the assessment obligation of Owner and shall become a lien against the Lot of such Owner.

### **Section 3. Party Walls and Party Fences.**

(a) **General Rules of Law to Apply.** Each wall, fence or driveway built as a part of the construction of improvements on the Lots which shall serve and/or separate any two adjoining Lots shall constitute a party wall, party fence, or party driveway, as applicable. To the extent not inconsistent with the provisions of this Section 3, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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

(c) **Damage and Destruction.** If a party wall, fence or driveway 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(s) whose Lot(s) abuts such wall, fence or driveway shall restore it; provided, however, that such contributory obligations will not prejudice the right of an Owner to call for a larger contribution from the other Owner under any rule of law regarding liability for negligent or willful acts or omissions.

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

(e) **Arbitration.** the event of any dispute arising concerning a party wall, fence, or driveway, each Owner shall appoint one (1) arbitrator. Should any Owner fail or refuse to appoint an arbitrator within ten days after written request by the other Owner, the Board shall appoint an arbitrator for the failing or refusing party. The arbitrators appointed shall appoint (1) additional arbitrator. the decision by a Majority of all three (3) arbitrators shall be binding upon the Owners and shall be a condition precedent to any right of legal action that either Owner may have against the other.

**Section 4. Conveyance of Common Property by Declarant to Association.** Declarant may transfer or convey to the Association any personal property and any improved or unimproved real property, leasehold, easement, or other property interest within the Community. Such conveyance shall be accepted by the Association, and such property shall be Common Property to be maintained by the Association for the benefit of all of the Owners. Declarant may, but shall not be required to, make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section.

## **Article VI**

### **Use Restrictions and Rules**

**Section 1 General.** This Article, beginning at Section 2, sets out certain use restrictions which must be complied with by all Owners and Occupants of Lots (other than Declarant or any

successor Declarant or any Builder). In addition, the Board may, from time to time, without consent of the Owners, adopt, modify, or delete rules and regulations of conduct and procedures which shall generally be applicable within the Community. These rules shall be distributed to all Owners prior to the date that they are to become effective and after distribution shall be binding upon all Owners and Occupants of Lots until and unless overruled, canceled, or modified in a regular or special meeting by a Majority of the Owners.

**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 (a) the existence of or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the residence; (b) the business activity does not involve significant numbers of persons coming onto the Community who do not reside in the Community or door-to-door solicitation of residents of the Community; (c) the business activity conforms to all zoning requirements for the Community; (d) the business activity does not increased the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; and (e) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board. 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 prover 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 use of a Lot by an on-site management company operating on behalf of the Association shall not be construed a trade or business within the meaning of this Section.

**Section 3. Signs.** No signs of any kind shall be erected by an Owner or Occupant of a Lot within the Community without the prior written consent of the Architectural Control Committee except as follows: (a) one (1) "For Sale" or "For Rent" sign, and (b) one (1) professional lettered security sign consistent with the Community-Wide Standard. Notwithstanding the forgoing, the Board shall have the right to erect reasonable and appropriate signs. This Section shall not apply to any Person holding a Mortgage who becomes the Owner of any Lot as purchaser at a foreclosure sale conducted with respect to a Mortgage or as the grantee under a deed in lieu of foreclosure with respect to a Mortgage. No advertising, directional or vendor signs shall be permitted within the Community except as authorized by the Declarant under Article XIII, Section 14 of this Declaration.

**Section 4. Vehicles.** The term "vehicles," as used in this provision, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, trucks, campers, business, vans and automobile. all vehicles shall be parked within garages, driveways or other paved parking areas located on a Lot. Parking of vehicles in yards is prohibited at all times. The doors of garages shall be kept closed at all times, except during times of entry and exit from the garage, or when someone is working in or around the garage. No vehicle may be parked or left upon

any portion of the public streets within the Community or on any Common Property, except that if a vehicle is in a condition so that it cannot be operated on public streets, it may be parked on a public street within the Community for a period of no more than five (5) days. After the five (5) day period, the inoperable vehicle shall be considered a nuisance and may be removed from the Community. No boat, boat trailer, recreational vehicle, motor home, mobile home, towed vehicle, commercial vehicle, or vehicle with commercial writing on its exterior shall be temporarily kept or stored in the Community for any period in excess of twelve (12) hours unless kept in a garage or other area designated by the Board. Vehicles parked in violation of this provision shall be considered a nuisance and may be removed from the Community. Trucks with mounted campers which are an Owner's or Occupant's primary means of transportation shall not be considered as recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal. No eighteen wheel trucks or the cabs of these trucks or trucks with a load capacity in excess of three-quarters of a ton shall be parked, kept or stored within the Community, and if so parked, kept, or stored shall be considered a nuisance and may be removed from the Community. However, moving vans, service or delivery vehicles may be parked in the Community for such period of time as is reasonably necessary to provide such services. No motorized vehicles shall be permitted on pathways or unpaved Common Property except for public safety vehicles and vehicles specifically authorized in each instance by the Board.

**Section 5. Leasing.** Lots may be leased for residential purposes only. All leases shall have a minimum term of six (6) months and a copy of each lease shall be given to the Board by the Owner of the Lot within thirty (30) days after entering into the lease. All leases shall require that the tenant acknowledge receipt of a copy of the Declaration, Bylaws, use restrictions, and rules and regulations of the Association and shall also obligate the tenant to comply with these documents. The Owner shall have the right to transfer and assign to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Property of the Association, including, but not limited to, the use of any and all recreational facilities and other amenities, but no Owner shall have the right to grant to any other Person any right to use the Common Property or any recreational facilities or amenities.

**Section 6. Occupants Bound.** All provisions of the Declaration, Bylaws, and of any rules and regulations, use restrictions or Design Guidelines adopted pursuant to the Declaration which govern the conduct of Owners and which provide for actions against Owners shall also apply to all Occupants of Lots and guests and invitees of Occupants or Owners. The Owner shall be responsible for insuring that the Occupants, and the guests, invitees and licensees of the Owner or of the Occupant strictly comply with all provisions of the Declaration, Bylaws, and any rules and regulations adopted by the Board. Fines may be levied against Owners or Occupants for any failure to comply fully with the foregoing requirements. If a fine is first levied against an Occupant of a Lot and is not paid timely, the fine may then be levied against the Owner of the Lot.

**Section 7. Animals and Pets.** No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board. However, those pets which are permitted to roam free, or in the sole discretion of the Board, endanger health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners or Occupants or to the

owner of any property located adjacent to the Community, may be removed by the Board. In addition, the Board, by rule or regulation, shall have the power to limit the number and types of pets which may be kept on a Lot. No pets shall be kept, bred or maintained for any commercial purpose. Dogs shall at all times whenever they are outside be on a leash held by a responsible person or otherwise confined in a manner acceptable to the Board. All Owners and Occupants keeping pets within the Community shall comply with all applicable governmental ordinances and regulations. Without prejudice to the Board's right to remove any such household pets, the Board may prohibit a household pet that has caused damage or injury from being walked in the Community. Animal control authorities shall be permitted to enter the Community to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law. No pit bulldogs or other dogs determined in the sole discretion of the Board to be dangerous dogs may be brought onto or keep on the Property at any time by any Lot Owner, Occupant, or guest of an Owner or Occupant. Any pet which endangers the health of any Owner or Occupant of any Lot or which creates a nuisance or unreasonable disturbance, as may be determined in the sole discretion of the Board, must be permanently removed from the Property upon seven (7) days' written notice by the Board. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet. Any pet which, in the sole discretion of the Board, presents an immediate danger to the health, safety or property of any Member of the Community may be removed by the Board without prior notice to the pet's owner.

**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 his or her Lot. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause a Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye, as determined in the sole discretion of the Board; nor shall any substance, thing, or material be kept or produced that will discharge foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the 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 horn, whistle, siren, bell, amplifier or other sound device, except for devices as may be used exclusively for security or safety purposes, shall be located, installed or maintained upon the exterior of any Lot. The foregoing notwithstanding, any siren or device for security or safety purposes shall contain a device which causes it to automatically shut off within fifteen (15) minutes.

**Section 9. Unsightly or Unkempt Conditions.** The pursuit of hobbies or other activities as determined by the Board, in its sole discretion, which might tend to cause disorderly, unsightly, or unkempt conditions, including without limitation, the assembly or disassembly of motor vehicles and other mechanical devices, shall not be pursued or undertaken in any part of the Community except within garages located on Lots.

**Section 10. Antennas.** No exterior antennas, aerials, satellite dishes, or other apparatus for transmission of television, radio, satellite or other signals of any kind shall be placed, allowed, or

maintained upon any Lot in a location which is visible from the public street in front of such Lot, without the prior written consent of the Architectural Control Committee.

**Section 11     Tree Removal.** No trees having a diameter of six (6) inches or more and a height of more than eighty (80) feet above the ground shall be removed without the express consent of the Architectural Control Committee, except for (a) diseased or dead trees; (b) trees needing to be removed to promote the growth of other trees or for safety reasons and (c) trees within ten (10) feet of the residence, driveway, walkways constructed or to be constructed on the Lot.

**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. No Owner or Occupant of a Lot may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across all Lots and the Common Property for the purpose of maintaining or altering such drainage and water flow; provided, however, that all rights exercised pursuant to this reserved easement shall be with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and all damages shall be promptly repaired.

**Section 13.     Sight Distance at Intersections.** All property located at street intersections and at the intersections of streets and driveways shall be landscaped so as to permit safe sight across the adjacent streets. 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.     Clotheslines, Garbage Cans, Woodpiles, Basketball Equipment, etc.** All clotheslines, garbage cans, woodpiles, swimming pool pumps, filters and related equipment and other similar items shall be located or screened so as to be concealed from view of neighboring Lots and Common Property and the street on which the Lot (on which the item is located) fronts. All construction debris, rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. Basketball backboards and goals shall not be attached to the exterior portion of any house, garage or other building structure constructed on a Lot or placed on any portion of the Lot, except that, subject to applicable legal requirements, free-standing basketball posts, goals and backboards may be erected immediately adjacent to the driveway on a Lot if they are set back at least twenty-five (25') feet from the front of the Lot, the poles are metal and painted black (or such other color as is approved by the Architectural Control Committee) and the goal and backboard are manufactured and not home-made.

**Section 15.     Subdivision of Lot.** No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board, in its sole discretion. 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.** The use or discharge of firearms on the Common Property or on any Lot or within any residence on any Lot in the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

**Section 17. Fences.** No fence or fencing-type barrier or any kind shall be placed, erected, allowed, or maintained upon any portion of the Community, including any Lot, without the prior written approval of the Architectural Control Committee, in its sole discretion. The Architectural Control Committee may issue guidelines detailing acceptable fence styles, specifications or locations.

**Section 18. Air Conditioning Units.** Except as may be permitted by the Architectural Control Committee, in its sole discretion, no window air conditioning units may be installed on any Lots. Condensing units for central air conditioning or heat pump systems shall only be located in the rear or along the side of a residence constructed upon a Lot.

**Section 19. Lighting.** Except for seasonal Christmas decorative lighting, all exterior lights must be approved by the Architectural Control Committee.

**Section 20. 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 Architectural Control Committee, in its sole discretion.

**Section 21. 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, and approved by the Architectural Control Committee, in its sole discretion.

**Section 22. Above Ground Swimming Pools.** Above ground swimming pools shall not be erected, constructed, or installed on any Lot.

**Section 23. Standard Mailboxes.** All residences in the Community shall have standard mailboxes conforming to postal regulations and the guidelines for such mailboxes adopted by the Architectural Control Committee, in its sole discretion.

**Section 24. Playground.** Any playground or other play areas or equipment located on the Common Property shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to the use thereof.

**Section 25. Abandoned Personal Property.** Personal property (including vehicles), except for personal property owned by the Association, is strictly prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Property or on the rights-of-way located within the Community. If the Board, in its sole discretion, determines that personal property is being kept, stored, or allowed to remain on the Common Property or on the rights-of-way located within the Community in violation of this Section, then the Board may remove and either discard or store the personal property in a location which the Board may determine. If personal property is removed in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of



damage resulting from the removal activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than to exercise its authority to remove abandoned or improperly stored personal property as set forth herein.

## Article VII

### Insurance and Casualty Losses

**Section 1. Insurance on Common Property.** The Association's Board or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property and other property, if any, which the Association is obligated to maintain. This insurance shall provide, at a minimum, fire and extended coverage, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts. The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, and if, reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million (\$1,000,000.00) Dollars. The Board is authorized to contract with or otherwise arrange to obtain the required insurance coverage through the Declarant and to reimburse Declarant for the cost. Declarant shall be authorized, but not obligated, to purchase the required insurance coverage for the benefit of the Association and the Owners. The coverage shall include the association as a named insured. The Declarant and Association shall agree upon the terms and conditions applicable to reimbursement by the Association for costs incurred by Declarant in obtaining the required coverage. Notwithstanding anything contained in this Declaration to the contrary, the Board shall not be required to comply with the provisions of subsections (b) through (e) below if the Board has contracted for or otherwise arranged to obtain the required insurance coverage through the Declarant. Premiums for all insurance shall be a common expense of the Association. The policies may contain a reasonable deductible, and the deductible amount shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost. All insurance coverage obtained by the Board shall be written in the name of the Association, as trustees for the respective benefitted parties, except as otherwise provided above and shall be governed by the provisions set forth below:

- (a) All policies shall be written with a Company authorized to do business in Georgia.
- (b) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board; provided, however, no mortgagee having an interest in such losses shall be prohibited from participating in any settlement negotiation.
- (c) In no event shall the insurance coverage obtained and maintained by the Association's Board hereunder be brought into contribution with insurance purchased by individual Owners, Occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

(d) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement, if these are reasonably available, and all insurance policies shall be reviewed annually by the Board. In conducting such reviews the Board may engage an expert whom in its sole discretion it deems fit.

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

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

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

(iii) that no policy may be canceled, invalidated, or suspended on account of any unique risk elements involving one or more individual Owners;

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

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

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

In addition to the other insurance required by this Section, the Board shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors officers, employees, and other persons handling or responsible for the Association's funds, 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; provided, however, that the fidelity coverage herein required may be reduced based on financial controls which take one or more of the following approaches: (a) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company

does not have the authority to draw checks on; or to transfer funds from, the Association's reserve account; or (c) two Members of the Board must sign any checks written on the reserve account. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, subjected to nonrenewal or substantially modified without at least thirty (30) day's 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. Individual Insurance.** Each Owner shall carry blanket all-risk casualty insurance on the Lot owned by such Owner and all structures constructed thereon and a liability policy covering damage or injury occurring on the Lot owned by such Owner. If reasonably available, the casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an "all-risk" policy, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. If all-risk coverage is not reasonably available, Owners shall obtain, at a minimum, fire and extended coverage. The policies required hereunder shall be in effect at all times and Owners shall provide a certificate of such required insurance to The Board, upon request. Authority to adjust losses under policies obtained by an Owner shall be vested in the Owner and the Mortgagee of such Owner.

**Section 3. Damage and Destruction - - Insured by Association.**

(a) **In General.** Immediately after damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims covered under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) **Repair and Reconstruction.** The Board must proceed to repair or reconstruct any damage or destruction of the Common Property on behalf of the Association unless within sixty (60) days after the casualty, it obtains the agreement not repair or reconstruct by the Declarant (until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots) or by at least seventy-five percent (75%) of the total Association vote (subsequent to the time all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots). If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No Mortgagee as provided above shall have the right to participate in the determination of whether damage or destruction shall be repair or reconstructed. If the damage or destruction for

which the insurance proceeds are paid is not sufficient to cover the cost of repair or reconstruction, the Board shall, without the necessity of a vote of the Association's Members, levy a special assessment against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be retained by and for the benefit of the Association in an Association account. In the event that it shall be determined in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then the property shall be restored to its natural state and maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

**Section 4. Damage and Destruction - Insured by Owners.** The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner within seventy-five (75) days after the damage or destruction. However, where repairs cannot be completed within seventy-five (75) days, they shall begin within the required period and shall be diligently and continuously pursued until their completion. Alternatively, the Owner may decide to demolish and remove all damaged improvements on the Lot, in which event such demolition and removal shall be accomplished within ninety (90) days after such damage or destruction and the Lot shall be restored to its natural state and maintained as an undeveloped Lot by the Owner in a neat and attractive condition.

## **Article VIII Condemnation**

In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after the taking, Owners holding at least seventy-five (75%) percent of the total Association vote other than Declarant and the Declarant (until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots) otherwise agree, the Association shall restore or replace the improvements taken on the remaining land included in the Common Property to the extent lands are available. The provisions of Article VII, Section 3, above, applicable to Common Property improvements damage, shall govern replacement or restoration and the action to be taken in the event that the improvements are not restored or replaced.

## **Article IX**

### **Annexation of Additional Property**

#### **Section 1. Unilateral Annexation by Declarant.**

(a) Declarant shall have the unilateral right, privilege and option from time to time at any time until five (5) years after the recording of this Declaration to subject all or any portion of the real property described in **Exhibit "C"** attached hereto and by this reference made a part hereof, or any other real property which is adjacent or contiguous thereto or to the Property (with "contiguous" in this context to include, without limitation, properties separated by a public street), to the provisions

of this Declaration and the jurisdiction of the Association by filing for record in the Clerk of the Superior Court's records a Supplementary Declaration describing the property being annexed. Any annexation shall be effective upon the filing for record of a Supplementary Declaration unless a different effective date is provided in the Supplementary Declaration. In connection therewith, the Declarant may unilaterally amend this Declaration to reflect the different character of any annexed real property.

(b) The rights reserved to Declarant to subject additional land to the Declaration shall not impose any obligation upon Declarant to subject any of such additional land to this Declaration or to the jurisdiction of the Association. If such additional land is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained in the Declaration upon the additional land.

**Section 2. Other Annexation.** At any time after all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, upon the affirmative vote, or written consent, or any combination thereof, of Owners holding a Majority of the total Association vote, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Clerk of the Superior Courts records a Supplementary Declaration describing the property being annexed. Any such Supplementary Declaration shall be signed by the President and Secretary of the Association, and any such annexation shall be effective upon the filing for record of such Supplementary Declaration, unless otherwise provided in the Supplementary Declaration.

**Section 3. Withdrawal of Property.** Declarant reserves the right to amend this Declaration unilaterally at any time until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Community then owned by the Declarant or its affiliates from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community desired to be effected by the Declarant.

## **Article X**

### **Architectural Standards**

**Section 1. Architectural Control Committee.** No exterior construction, addition, erection, or alteration shall be made upon any part of the Community unless and until plans and specifications showing at least the nature, kind, shape, height, materials, and location shall have been submitted in writing to and approved by an Architectural Control Committee; provided, however,

that no such approval shall be required for any construction, alteration or addition made by the Declarant. Until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, the Declarant shall have the right to serve in

place of the Architectural Control 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 the Declarant's right to serve in place of the Architectural Control Committee has expired, the Board shall appoint the members of the Architectural Control Committee, or may adopt a resolution making the Board the Architectural Control Committee. The Board may employ for the Architectural Control Committee architects, engineers, or other Persons necessary to enable the Architectural Control Committee to perform its review. The Declarant or the Architectural Control 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 Architectural Control Committee for all matters delegated. The Declarant (until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots) 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; provided, however, that any such amendment shall be applicable only to improvements constructed subsequent to the date of the adoption thereof. 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.

**Section 2. Guidelines and Procedures.** The Declarant shall have the right to 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 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. Once all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, the Architectural Control 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 any Owner; provided, however, that any such amendment shall be applicable only to improvements constructed subsequent to the date of the adoption thereof. The Declarant or the Architectural Control Committee shall make the Design Guidelines available to Owners, Builders and contractors who seek to engage in development of or construction upon any Lots and all such Persons shall conduct their activities in strict accordance with such Design Guidelines. In the discretion of the Declarant, such Design Guidelines may be recorded in the Clerk of the Superior Courts records, in which event the recorded version, as it may unilaterally be amended from time to time by the Declarant or the Architectural Control 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. In the event that the Architectural Control Committee fails to approve or to disapprove any application within thirty (30) 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 Control Committee pursuant to Section 5 of this Article. The Architectural Control 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 Control 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 3. Disclaimer.** The Architectural Control Committee and the Board 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.

**Section 4. No Waiver.** The approval of the Architectural Control 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 5. Variances.**

(a) The Architectural Control 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 (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) prevent the 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 Committee or the Board of the right to adopt and enforce architectural standards under this Article. No decision by the Committee or Board shall constitute a binding precedent with respect to subsequent decisions of the Committee or Board. However, nothing in this Article shall permit the 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 Committee or Board.

**Section 6. Special Requirements.** Plans and specifications will not be approved unless the residence to be erected on the Lot complies with the minimum zoning requirements and special conditions of the County under the zoning classification for the Lot on the day building permits are purchased.

## **Article XI**

### **Mortgagee Provisions**

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

**Section 1. Notices of Action.** A holder, insurer, or guarantor of a Mortgage, who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number) (therefore becoming an "eligible holder") will be entitled to timely written notice of:

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

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

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

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

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

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

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

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

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



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

Nothing contained in this Section 2 shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration for any of the acts set out in this Section 2.

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

**Section 3. No Priority.** No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

**Section 4. Notice to Association.** Upon request, each Lot 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 5. Amendments by Board.** Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the inclusion of any of the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

**Section 6. VA/HUD Approval.** As long as the Declarant has the right to appoint and remove officers and directors of the Association, the following actions shall require the prior approval of the VA (so long as the VA is guaranteeing any Mortgage in the Community), and HUD (so long as HUD is insuring any Mortgage in the Community): annexation of additional property to the Community, except for annexation by Declarant in accordance with Article IX, Section 1 hereof pursuant to a previously approved plan of annexation; mergers and consolidations; dedication of Common Property to any public entity; dissolution; mortgaging of Common Property, and material amendment of this Declaration or the Bylaws or Articles of Incorporation.

**Section 7. Application of This Article.** Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration or the Bylaws, or under Georgia law, for any of the acts set out in this Article.

**Section 8. 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 thirty (30) days of the date of the Association's request.

## Article XII

## Easements

**Section 1. Easements for Encroachment and Overhang.** There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and adjacent portions of the Common Property or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered (in accordance with the terms of this Declaration). The easement shall be five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point. However, an easement for encroachment shall not exist if the willful conduct by an Owner, tenant, or the Association caused the encroachment.

**Section 2. Easements for Use and Enjoyment.**

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

(i) The right of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Lot Owners and tenants who may use the Common Property and to provide for the exclusive use and enjoyment of specific portions of the Common Property at certain designated times by an Owner, his or her family, tenants, guests, and invitees or by a separate group or entity;

(ii) The right of the Association to suspend the voting rights of a Lot Owner and the right of an Owner to use the recreational facilities available for use by the Community, if any, (1) for any period during which any assessment against his or her Lot as herein provided for remains unpaid; and (2) for a reasonable period of time, in the event of a violation by any Owner of this Declaration or the Bylaws or any rules and regulations established by the Board;

(iii) The right of the Association to borrow money for the purpose of improving the Common Property, or for constructing, repairing, or improving any facilities located or to be located on the Common Property and to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property; provided, however, that the Mortgage given by the Association shall be subject and subordinate to this Declaration and all rights, interests, options, easements and privileges reserved or established herein for the benefit of the Declarant, Builders and any Owner. Any provision in this Declaration or in any Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights in the Mortgage by the holder of the Mortgage in the event of a default shall not cancel or terminate any rights, easements or privileges reserved or established in this Declaration for the benefit of the Declarant or any Builder or Owner, or for the benefit of the holder of any Mortgage, irrespective of when executed, given by Declarant or any Builder or Owner encumbering any Lot or other property located within the Community. No mortgage conveying all or a portion of the Common Property executed subsequent to the date of this Declaration shall be effective unless an instrument agreeing to the Mortgage has been approved by Owners holding at least two-thirds (2/3) of the total vote of the Association; and

(iv) The right of the Association to dedicate or transfer all or any portion of the Common Property to any governmental entity subject to any conditions agreed on by the Board of the Association; provided, however, that no dedication or transfer of the Common Property shall be effective unless an instrument agreeing to the dedication or transfer has been approved by Owners holding at least two-thirds (2/3) of the total Association vote.

(b) Any Owner may share his right of use and enjoyment in and to the Common Property only with the members of his family, his or her tenants under leases entered into in accordance with the requirements of this Declaration and invitees. An Owner shall be deemed to have made a delegation of all these rights to the Occupants of the Owner's Lot, if such Lot is leased in compliance with the requirements of this Declaration.

**Section 3. Easements for Utilities.** There are reserved to the Declarant, Builders and the Association blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repairing, replacing, and maintaining (a) all utilities serving the Community, its Lots and any portion of the Common Property, including, but not limited to, gas, water, sanitary sewer, telephone, electricity and cable television, (b) water runoff and storm drainage systems, and (c) any other services such as, but not limited to, a master television antenna system, a master cable television system, or any master security system which may be installed to serve the Community. It shall be expressly permissible for the Declarant, the Association, or the designee of either, to do or to authorize the installation, repairing, replacing, and maintaining of the wire, conduits, cables and other equipment related to providing any such utility or service. Should a party furnishing any such utility or service request a specific license or easement by separate recordable document, the Declarant or Board, as applicable, shall have the right to grant such easement.

**Section 4. Easement for Entry.** In addition to the right of the Board to exercise self-help as provided in Article XIII, Section 2, the Board shall have the right, but not the obligation, to enter upon any Lot or other property within the Community for emergency, security, and safety reasons. This right may also be exercised by the agents of the Association, and all policemen, firemen ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. The Board shall have the right to enter any Lot to cure any condition which may increase the possibility of a fire, slope erosion, or other hazard if an Owner or Occupant does not cure the condition within a reasonable time after any request by the Board relative thereto.

**Section 5. Easement for Maintenance.** Declarant expressly reserves a perpetual easement for the benefit of the Association across such portions of the Community as are determined in the sole discretion of the Declarant to be necessary to allow for the maintenance required under Article V, including, without limitation, an easement over Lots on which entry features for the Community are located, for maintenance of the entry features. This maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owner's property, reasonable steps shall be taken to protect the property, and damage shall be repaired by the Person causing the damage at its sole expense.

## Article XIII

### General Provisions

**Section 1. Enforcement.** Each Owner and every Occupant of a Lot shall comply strictly with this Declaration, the Bylaws, the Design Guidelines, any deed restrictions and all rules and regulations which may be adopted by the Board, as any of the foregoing may be lawfully amended or modified from time to time. The Board may impose fines or other sanctions, which shall be collected as provided for the collection of assessments. Failure to comply with this Declaration, the Bylaws, the Design Guidelines, any deed restrictions and all rules and regulations which may be adopted by the Board, as any of the foregoing may be lawfully amended or modified from time to time, shall be grounds for an action for damages or injunctive relief, or both, maintainable by the Board, on behalf of the Association, or (once all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots) by an aggrieved Owner in a proper case. Failure by the Association or any Owner to enforce any of the foregoing provisions shall not be a waiver of the right to enforce those provisions in the future.

**Section 2. Self-Help** In addition to any other remedies, the Association or its duly authorized agent shall have the power to enter upon a Lot or any portion of the Common Property to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, the Bylaws, the Design Guidelines, any deed restrictions and all rules and regulations which may be adopted by the Board, as any of the foregoing may be lawfully amended or modified from time to time. All costs of self-help, including reasonable attorney's fees actually incurred shall be assessed against the violating Lot Owner and shall be collected as provided for the collection of assessments.

**Section 3. Duration.** The covenants, restrictions and easements of this Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Declarant, until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, and thereafter by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns perpetually to the extent permitted by law; provided, however, that so long as Georgia law limits the period during which covenants restricting lands to certain uses may run, any provision of this Declaration affected by the law shall run with and bind the land for an initial term of twenty-one (21) years, after which time the provisions shall be automatically extended for successive periods of twenty (20) years, unless fifty-one percent (51%) of the persons owning Lots execute a document to terminate the covenants containing a legal description of the entire area affected by the covenant, a list of all owners affected by the covenant and a description of the covenant to be terminated or such other requirement as provided in O.C.G.A. § 44-5-60. A written instrument reflecting any termination must be recorded no sooner than, but within two years immediately preceding the beginning of a twenty (20) year renewal period. Every purchaser or grantee of any interest (including, without limitation, a security interest) in any interest (including, without limitation, a security interest) in any real property subject to this Declaration, by acceptance of a deed or other conveyance, agrees that provisions of this Declaration may be extended and renewed as provided in this Paragraph.

**Section 4. Amendment.** This Declaration may be amended unilaterally at any time and from time to time by Declarant, in its sole discretion, until such time as all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, for any purpose and in any particulars whatsoever; provided, however, that no such amendment shall be applicable to any actions or occurrences prior to the date of the adoption thereof. Thereafter, this Declaration may be amended unilaterally at any time and from time to time by the Board as follows: (a) if an amendment is necessary to bring any provision into compliance with any applicable governmental statute, rule or regulation or judicial determination with which it is in conflict; (b) if an amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) if an amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable the lender to make or purchase Mortgage loans on the Lots subject to this Declaration; or (d) if an amendment is necessary to enable any governmental agency or reputable private insurance company to insure or guarantee Mortgage loans on the Lots subject to this Declaration; provided, however, that any such amendment shall not adversely affect the title to any Owner's Lot unless the Lot Owner consents to the amendment in writing. In addition to the above, after all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, (a) this Declaration may be amended upon the affirmative vote or written consent, or any combination of affirmative vote and written consent, of Owners holding at least sixty-seven (67%) percent of the total Association vote, and (b) material amendments to this Declaration must be approved by Mortgagees who represent at least fifty-one (51%) percent of the votes of Lots that are subject to Mortgages. Notwithstanding the above, the approval of any proposed amendment by an Mortgagee shall be deemed implied and consented to if the Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after the Mortgagee receives notice of the proposed amendment sent by certified or registered mail, return receipt requested. All amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified in the amendment.

**Section 5. Security.** The Declarant and the Association may, but shall not be required to, provide measures or take actions which directly or indirectly improve safety in the Community. However, each Owner, for themselves and their tenants, guests, licensees, and invitees acknowledge and agree that the Declarant and the Association are not providers of security and shall have no duty to provide security for the Community. It shall be the responsibility of each Owner to protect his or her person and property, and all responsibility to provide security shall lie solely with each Owner. Neither the Declarant nor the Association shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

**Section 6. Dispute Resolution.** Any Owner or Occupant must give written notice to the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute before that Owner or Occupant files any lawsuit against the Association, the Board, any director, or any agent of the Association. The Owner or Occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in any amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall given notice of the date, time and place of the hearing to the person requesting the hearing. The

Board shall schedule this hearing for a date no less than seven (7) and no more than twenty-one (21) days from the date of receipt of the notice of hearing by the person requesting the hearing.

**Section 7. Partition.** The Common Property shall remain undivided, and no Lot Owner or any other Person shall bring any action for partition or division of the whole or any part of the property without the written consent of all Owners and all holders of all Mortgages encumbering any portion of the Community.

**Section 8. Gender and Grammar.** The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

**Section 9. Severability.** Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end, the provisions of this Declaration are declared to be severable.

**Section 10. Captions.** The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

**Section 11. Preparer.** This Declaration was prepared by James W. McRae, McRae & Bsibee, LLP, Suite 800, One Georgia Center, 600 W. Peachtree Street NW, Atlanta, Georgia 30308.

**Section 12. Perpetuities.** If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then only said provision will be avoided and all other terms and conditions shall remain valid and unchanged.

**Section 13. Indemnification.** In accordance with the Georgia Nonprofit Corporation Code, and to the full extent allowed by Georgia law, the Association shall indemnify every person who as or is party or who is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association), by reason of the fact that such person is or was serving as a director or officer of the Association, against any and all expenses, including attorneys' fees, imposed upon or reasonably incurred in connection with any action, suit, or proceeding, if such person acted in a manner reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, has no reasonable cause to believe his or her conduct was unlawful.

**Section 14. Construction and Sale Period.** Notwithstanding any provisions contained in this Declaration, the Bylaws, Articles of Incorporation, any rules and regulations adopted by the Association, any Design Guidelines, and any amendments to any of the foregoing, for so long as

development and construction activities are ongoing by Declarant or any Builder related to the initial sale of residences constructed on Lots, it shall be expressly permissible for Declarant and any Builder to maintain and carry on, upon such portion of the Community as Declarant or any Builder may deem necessary, such facilities and activities as in the sole opinion of Declarant or any Builder may be required, convenient or incidental to Declarant's or any Builder's development, construction and sales activities, including, but without limitation, the following:

(a) the right of construction access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Community;

(b) the right to tie into any portion of the Community with temporary and permanent driveways, parking areas and walkways;

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

(d) the right to perform normal and usual construction activities, including the right to stack and store materials and supplies envisioned to be incorporated into the construction of residences and related improvements on the Lots and other improvements on the Common Property; and

(e) the right to carry on sales and promotional activities in the Community; and the right to construct and operate business offices; signs, construction trailers, residences, model residences, and sales offices. Declarant and any Builder may use residences, offices, or other buildings owned or leased by Declarant or any Builder as model residences and sales offices and may also use recreational facilities available for use by the Community as a sales office without charge.

**Section 15. Contracts Executed During Declarant's Control.** All contracts or agreements executed by or on behalf of the Association during the period of time within which the Declarant has the right to appoint the Directors and officers of the Association under the Bylaws and which extend for a term beyond the end of the period of time within which the Declarant has the right to appoint the Directors and officers of the Association under the Bylaws shall contain a termination clause permitting the Association to terminate the contract or lease at any time, without cause and without penalty, upon not more than ninety (90) days' written notice; provided, however, that the provisions of this Section shall not apply to any amendment of or supplement to this Declaration, any deed of Common Property to the Association, any conveyance of any Lot, any amendment or restatement of the Bylaws or Articles of the Association, any easements established, declared or granted for the benefit of any Lot or the Common Property or any dedication of any interest in any property in the Community to any public use.

**Section 16. Books and Records.**

(a) All Members and any institutional holder of a first Mortgage shall be entitled to inspect the following records at a reasonable time and locations specified by the Association, upon written request at least five (5) days before the date on which the Member wishes to inspect and copy:

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

(ii) its By-Laws or restated By-Laws and all amendments to them currently in effect;

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

(iv) resolutions adopted by either its Members or Board relating to the characteristics, qualification, rights, limitations, and obligations of Members of any class or category of Members.

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

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

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

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

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

(i) excerpts from minutes of any meeting of the Board, records of any action of a committee of the Board while acting in place of the Board on behalf of the Association, minutes of any meeting of the Members, and records of action taken by the Members or the Board without a meeting, to the extent not subject to inspection under subsection 9 (a);

(ii) accounting records of the Association; and



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

(c) The Association may impose a reasonable charge, covering only the cost of labor and materials, for copies of any documents provided to the Member.

**Section 17. Financial review.** A review of the accounts of the Association shall be made annually in the manner as the Board may decide; provided, however, after having received the Board's reviewed financial statement at the annual meeting, by a Majority of the Association vote present, or represented by proxy, the Owners may require that the accounts of the Association be audited as a common expense by a public accountant. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs; such holder shall be entitled to receive a copy of an audited financial statement within ninety (90) days of the date of the request.

**Section 18. Notice of Sale or Lease.** In the event an Owner sells or leases his or her Lot, the Owner shall give to the Association, in writing, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require.

**Section 19. Agreements.** Subject to the prior approval of Declarant (so long as the Declarant has an option to unilaterally subject additional property to this Declaration as provided in Article IX) all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Community or the Privilege of possession and enjoyment of any part of the Community.

**Section 20. Implied Rights.** The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it or reasonably necessary to effectuate the right or privilege.

**Section 21. Variances.** Notwithstanding anything to the contrary contained in this Declaration, the Board or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction promulgated pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Community.

**IN WITNESS WHEREOF**, the undersigned, being the duly appointed officer of the sole general partner of Declarant herein, has executed this instrument and affixed the corporate seal as of the day and year first above written.

**DECLARATION OF PROTECTIVE COVENANTS  
FOR  
MACLAND PARK SUBDIVISION**

THIS DECLARATION ("Declaration") is made on the 8th day of July, 1998, by Cornerstone Investment Company, a Georgia corporation ("Declarant");

**W I T N E S S E T H:**

WHEREAS, Declarant is the owner of the real property described in Article II, Section 1 of this Declaration; and

WHEREAS, Declarant desires to subject the real property described in Article II, Section 1 of this Declaration to the provisions of this Declaration to create a residential community containing single-family housing and to provide for the subjecting of other real property to the provisions of this Declaration;

NOW, THEREFORE, Declarant declares that the real property described in Article II, Section 1 of this Declaration, including the improvements constructed or to be constructed thereon, is hereby subjected to the provisions of this Declaration, and shall be held, sold, transferred, conveyed, used, occupied, leased and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens as set forth in this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property subject to this Declaration and shall be binding on all persons having any right, title, or interest in all or any portions of the real property subject to this Declaration, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall be for the benefit of all owners of the property which is now or hereafter subject to this Declaration.

**Article I  
Definitions**

Certain words used in this Declaration shall be defined as set forth in **Exhibit "A"**, attached hereto and by this reference made a part of this Declaration.

## EXHIBIT "A"

The following words as used in the foregoing Declaration shall have the definitions as hereinafter set forth:

"Architectural Control Committee" shall mean that certain committee which shall be appointed by the Board to review and approve or disapprove all plans for the improvements proposed to be constructed on any Lot; provided, however, that prior to the time that all of the Lots have been conveyed to Owners who have occupied as their residence the residences which have been constructed on all of the Lots, Declarant shall be empowered to perform all functions of the Architectural Control Committee.

"Association" shall mean Macland Park Homeowners Association, Inc., a Georgia nonprofit corporation formed in 1998.

"Board" shall mean the Board of Directors of the Association; provided, however, that prior to the time that all of the Lots have been conveyed to Owners who have occupied as their residence the residences which have been constructed on all of the Lots, Declarant shall be empowered to perform all functions of the Board of Directors of the Association.

"Builder" shall mean any homebuilder who shall purchase a Lot in the Community prior to the construction of any residence improvements thereon and who shall construct thereon a residence with the intention of selling such Lot and residence to a homeowner.

"Bylaws" shall mean the Bylaws for the Association, as adopted upon the formation of the Association in 1998, in the form attached hereto as **Exhibit "C"** attached hereto and by this reference made a part of this Declaration.

"Common Property" shall mean those properties, including the improvements and amenities thereon, which shall be conveyed by Declarant to the Association, free and clear of all indebtedness or encumbrance, to be available for use by the Owners subject to the Declaration, the Bylaws and such rules and regulations as shall be established and revised from time to time by the Board.

"Community" shall mean Macland Park Subdivision, including all units or phases thereof which shall at any time be declared to be subject to the Declaration.

"Community-Wide Standard" shall mean those rules and regulations for the ownership, operation, use and maintenance of the Lots and the Common Property which shall be established and revised from time to time by the Board, in its discretion, and which shall be complied with by all Owners and Occupants of the Lots.

"Declarant" shall mean Cornerstone Investment Company, a Georgia corporation, and any successor Declarant to which the rights of the initial Declarant are assigned pursuant to the provisions of Article III, Section 1 of this Declaration.

"Declaration" shall mean the within Declaration of Protective Covenants for Macland Park Subdivision, as its shall be amended from time to time in accordance with the provisions hereof, including all Supplemental Declarations which shall be executed and recorded subsequent to the date hereof in accordance with the provisions hereof.

"Design Guidelines" shall mean the initial design and development guidelines and application and review procedures established and amended from time to time by Declarant which shall be applicable to all construction activities within the Community.

"Lot" shall mean a residential parcel of land within the Community upon which a single family residence shall be constructed in accordance with the provisions of this Declaration.

"Majority" shall mean at least fifty-one percent (51%) of the voting rights of the Members of the Association; provided, however, that until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which have been constructed on all of the Lots, Declarant shall be empowered to perform all functions of the Members of the Association.

"Member" shall mean a member of the Association, which shall be as set forth in, and subject to the limitations provided for in, Article III, Section 1 of this Declaration.

"Mortgagee" shall mean the lender of a loan secured by a recorded Mortgage encumbering a Lot, including any assignee thereof.

"Mortgage" shall mean any deed to secure debt or security deed conveying legal title to a Lot to secure a loan made to the Owner of that Lot, including any amendments thereof.

"Occupant" shall mean any Person who shall occupy as his or her temporary or permanent residence the improvements constructed on any Lot.

"Owner" shall mean any Person who or which shall be the owner of the fee simple title to any Lot and who, as such, shall be a Member of the Association.

"Person" shall mean any individual person or entity who or which from time to time shall have any rights or obligations under or affected by this Declaration.

"Supplemental Declaration" shall mean any supplement to this Declaration which shall hereafter be established from time to time and recorded either by Declarant (until such time as all of the Lots have been conveyed to Owners who have occupied as their residence the residences which have been constructed on all of the Lots) or by the Association.

## **EXHIBIT "B"**

Property Initially Submitted by Declarant to this Declaration

All that tract or parcel of land lying and being in Land Lots 416, 417, 472 and 473 of the 19<sup>th</sup> District, 2<sup>nd</sup> Section of Cobb County, Georgia, as more particularly shown on that certain Final Plat of Macland Park Unit 1 prepared by John C. Gaskins, Registered Land Surveyor #2060, of Gaskins Surveying Co., dated June 11, 1998 and recorded at Plat Book 174, Page 97 of the Cobb County Public Records.

## EXHIBIT "C"

### BY-LAWS OF

#### MACLAND PARK HOMEOWNERS ASSOCIATION, INC. A Georgia Nonprofit Corporation (the "Association")

These By-Laws are the By-Laws of the Association, which is the corporation created by Articles of Incorporation filed with the Secretary of State of Georgia on August 10, 1998 (The "Articles of Incorporation"). All references herein to the "Declaration" shall refer to that certain Declaration of Protective Covenants for Macland Park Subdivision recorded at Deed Book \_\_\_\_\_, Page \_\_\_\_\_, Cobb County, Georgia Records, and all capitalized undefined terms used herein shall have the meanings assigned thereto by the Declaration unless the context clearly otherwise requires. The "Community" referred to herein shall mean Macland Park Subdivision, Cobb County, Georgia.

### ARTICLES 1

#### Offices

**Section 1. Registered Office.** The registered office of the Association shall be located at Suite 800, One Georgia Center, 600 W. Peachtree St., NW, Atlanta, Georgia 30308, or such other office as the Board of Directors may select.

**Section 2. Other Offices.** The Association may also have offices at such other places both within and without the State of Georgia as the Board of Directors may from time to time determine or the business of the Association may make appropriate.

### ARTICLE 2

#### Meetings of Members

**Section 1. Location of Meetings.** All meetings of Members shall be held at such place within or without the State of Georgia as may be from time to time fixed by the Board of Directors or as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or at the Association's registered office if not so fixed or stated; provided, however, that until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, there shall be no meetings of the Members.

**Section 2. Annual Meetings.** Annual meetings of Members shall be held on the second Tuesday of March in each year, or if such day is a legal holiday, then on the next following Tuesday. At each such meeting, the Members shall, by a majority vote, elect a Board of Directors, and, by majority vote, transact such other business as may be properly brought before the meeting.

**Section 3. Special Meetings.** The first meeting of Members shall occur within sixty (60) days after until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots. Unless otherwise prescribed by law, by the Declaration, or by the Articles of Incorporation, special meetings of Members may be called for any purpose or purposes by the president, the Board of Directors, the holders of twenty-five (25%) of the outstanding voting interest in the Association, or such other officers or persons as may at the time be provided in the Articles of Incorporation, or in the event there are no officers or Directors, then by any Member.

**Section 4. Notice of Meetings.** Written notice of a meeting stating the place, day and hour of meeting and, in the case of a special meeting, the purpose or purposes for which the meeting called, shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting.

**Section 5. Business of Meetings.** At an annual meeting of Members, any matter relating to the affairs of the Association, whether or not stated in the notice of meeting, may be brought up for action (unless otherwise provided by law). Unless at least a majority of the Members of this Association entitled to vote are present and all such Members who are present specifically agree thereto in writing, no matter that was not stated in the notice of a special meeting of Members shall be brought up for action at such a special meeting.

**Section 6. Quorum.** The holders of more than twenty (20%) percent of the interests entitled to vote, present in person or by proxy, shall constitute a quorum at all meetings of Members for the transaction of business except as otherwise provided by law. If a quorum shall not be present, the Members present in person or by proxy shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such reconvened meeting, any business may be transacted which might have been transacted at the adjourned meeting.

**Section 7. Majority.** If a quorum is present, the affirmative vote of a majority of the Members entitled to vote who are represented at the meeting shall be the act of the Members, except that the unanimous vote of all Members entitled to vote who are represented at the meeting shall be required to approve matters at a special meeting of Members with respect to which matters no notice had been given in the notice of such special meeting.

**Section 8. Voting.**

(a) Anything herein to the contrary notwithstanding, all voting contemplated by these By-Laws shall be governed by the Declaration and any reference herein to the voting rights of any Member shall be governed by the relevant provisions of the Declaration.

(b) To the extent not in conflict with the Declaration, from and after the date the Class A Members become entitled to vote, the following provisions shall apply. Each Member shall be entitled to one vote on each matter submitted to a vote at a meeting of Members; provided, however, that until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, all voting rights shall be retained

and exercised by Declarant or any successor Declarant, as the sole Class B Member. A Member may vote either in person or by a proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Any proxy must be in writing, signed by the Lot owner (or owners as provided below) and submitted to the President prior to the meeting. Unless the holder of a valid proxy, a lessee or Occupant of any Lot shall have no right to vote and shall in no respect be deemed a Member of the Association. In all elections for Directors, every Member entitled to vote shall have the right to vote, in person or by proxy, the number of Lots owned by him for as many persons as there are Directors to be elected and for whose election he has the right to vote, but Members may not cumulate their votes.

**Section 9. Number; Election.** Declarant reserves the right to serve in place of the Directors until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, at which time Declarant shall relinquish its Class B Membership. Once Declarant relinquishes its rights as the sole Class B Member, the Directors shall be elected at a special meeting of the Members, and thereafter Directors shall be elected at the annual meeting of the Association. Each Director elected shall serve until the next succeeding annual meeting and until his successor shall have been elected and qualified. All Directors must be at least twenty-one years old, but need not be (i) residents of the State of Georgia, (ii) owners of Lots, or (iii) residents of the Community. The number of Directors shall be not less than five nor more than nine Directors, as determined by the Members at each meeting called for the purpose of electing Directors.

**Section 2. Vacancies.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors even through the remaining Directors may constitute less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired portion of the term of this predecessor in office.

Any Directorship to be filled by reason of an increase in the number of Directors may be filled by the affirmative vote of a majority of the remaining Directors present at a meeting even though less than a quorum of the Board of Directors is present. A director elected to fill a newly created Directorship shall serve until the next election of Directors by the Members and the election and qualifications of his successor.

**Section 3. Powers.** The business and affairs of the Association shall be managed by its Board of Directors which exercise all such powers of the Association and do all such lawful acts and things that are not directed or required to be exercised or done by the Members pursuant to applicable law, the Declaration, the Articles of Incorporation or these By-Laws.

**Section 4. Compensation of Directors.** As an inducement to the officers and Directors of the Association to act on the association's behalf, the Association shall, out of its general funds or by special assessment, indemnify and hold harmless, the Developer and each officer or Director acting in accordance with these By-Laws and the Declaration, including without limitation all actions taken in connection with the levying, collection and enforcement of assessments. All such indemnification shall be paid upon written request of the Developer or such officer or Director



setting forth in reasonable detail the reason for such indemnification, which request shall be given to each of the officers of the Association.

#### ARTICLE 4

##### Meetings of the Board of Directors

**Section 1. Location of Meetings.** Meetings of the Board of Directors, regular or special, may be held either within or without the State of Georgia.

**Section 2. First Meeting of New Board.** The first meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of Members at the place where such annual meeting is held. Such meeting shall be designated as the annual meeting of the Board of Directors, and no notice of such meeting shall be necessary to the newly elected Directors in order to legally constitute the meeting, provided a quorum shall be present. Alternatively, the new Board of Directors may convene at such place and time as shall be fixed by the consent in writing of all its Members.

**Section 3. Regular Meetings.** Regular meetings of the Board of Directors may be held with such frequency and at such time and at such place as shall from time to time be determined by the Board. If the Board has so fixed the frequency, time and place of regular meetings, no notice thereof shall be necessary.

**Section 4. Special Meetings.** Special meetings of the Board of Directors may be called by the chairman of the Board, by the president, or by any two Directors on three days notice to each Director in accordance with Article 6.

**Section 5. Notice of Meetings.** Notice of a meeting need not be given to any Director who signs a waiver of notice either before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice thereof. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

**Section 6. Quorum.** A majority of the Directors shall constitute a quorum for the transaction of business unless a greater number is required by law or by the Articles of Incorporation. If a quorum shall not be present at any meeting of Directors, the Directors present may adjourn the meeting from time to time until a quorum shall be present, without notice of the time and place that the meeting will be reconvened other than announcement at the adjourned meeting.

**Section 7. Majority.** The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Articles of Incorporation.

**Section 8. Action by Consent.** Any action required or permitted to be taken at a meeting of Directors or a committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all Directors or all Members of the committee, as the

case may be, entitled to vote with respect to the subject matter thereof. Such consent shall be filed with the minutes of the proceedings of the Board or the committee.

## ARTICLE 5

### Notices

**Section 1. Required Notices.** Whenever, under the provisions of applicable law, the Articles of Incorporation or these By-Laws, any notice is required to be given to any Director or Member, such notice shall be given in writing and delivered either personally or by first class mail or telegram, addressed to such Director or Member, at his address as it appears on the records of the Association. If mailed, such notice shall be deemed to be delivered three (3) business days after it was deposited in the United States mail with first class postage prepaid. Notices given by any other means shall be deemed delivered when received by the addressee.

**Section 2. Waiver of Notice.** Whenever, under the provisions of applicable law, the articles of Incorporation or these By-Laws, any notice is required to be given to any Director or Member, a written waiver thereof signed by the person or persons entitled to such notice, either before or after the time stated therein, shall be deemed the equivalent to the giving of such notice.

## ARTICLE 6

### Offices

**Section 1. Offices; Election; Term.** The officers of the Association shall be chosen by the Board of Directors and shall be a President, a Secretary and a Treasurer. Except as otherwise provided by law, any person may hold more than one office. Declarant reserves the right to serve in place of the officers of the Association until all of the Lots have been conveyed to Owners who have occupied as their residence the residences which are constructed on all of the Lots, at which time Declarant shall relinquish its Class B Membership. Once Declarant relinquishes its rights as the sole Class B Member, the Directors shall select the officers at a special meeting of the Board of Directors following the first meeting of the Members of the Association, and thereafter Officers shall be elected at the first meeting of the Board of Directors following the annual meeting of Members. All officers shall hold offices until their respective successors have been elected and shall have qualified, and if the Board of Directors shall fail in any year or years to meet and elect officers, the officers last elected shall continue to hold office. No officer need be (i) a Member of the Board of Directors (ii) a resident of the State of Georgia, (iii) an owner of any Lot, or (iv) a resident of the Community.

**Section 2. Additional Officers and Agents.** The Board of Directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents, as it shall deem necessary. Such offices and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

**Section 3.     Salaries.** The officers shall receive no compensation except as provided in Section 5 of Article 3.

**Section 4.     Removal; Vacancies.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board at any time with or without cause by the affirmative vote of a majority of the Board of Directors. Officers and agents otherwise elected or appointed may be removed in accordance with Georgia law. Any vacancy occurring in any office of the Association may be filled by the Board of Directors.

**Section 5.     The President.** The president shall be the chief executive officer of the Association, shall preside at all meetings of Members and the Board of Directors, shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall have the authority and power to execute on behalf of the Association bonds, mortgages, notes, contracts, deeds, leases and other documents and instruments (whether or not requiring a seal of the Association) except where such documents or instruments are required by law to be otherwise signed and executed and except the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

**Section 6.     Vice President.** The vice president, or if there shall be more than one, the vice presidents in the order determined by the Board of Directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. Each vice president shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

**Section 7.     Secretary and Assistant Secretaries.** The secretary shall attend all meetings of Members and the Board of Directors and shall record the proceedings of such meetings in books to be kept for that purpose, and shall perform like duties for the committees of Directors when required. He or she shall give, or cause to be given, notice of all meetings of Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the president, under whose supervision he shall be. He or she shall have custody of the corporate seal of the Association and he shall have authority to affix it to any instrument requiring it and when so affixed it may be attested by his signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers (including affixation of the Corporate Seal) of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

**Section 8.     Treasurer and Assistant Treasurers.** The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors, at its regular meetings or when the Board of Directors so

requires, an account of all his transactions as treasurer and of the financial condition of the Association. If required by the Board of Directors, he or she shall give the Association a bond in such sum and with surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. The assistant treasurer, or if there shall be more than one, the assistant treasurers, in the order determined by the Board of Directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

## ARTICLE 7

### General Provisions

**Section 1. Checks.** All checks, drafts, demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

**Section 2. Fiscal Year.** The fiscal year of the Association shall be fixed by resolution of the Board of Directors. In the absence of such a resolution, the fiscal year shall be the calendar year.

**Section 3. Seal.** The Association shall have a corporate seal which shall have inscribed thereon the name of the association, the year of its organization and the words "Corporate Seal-Georgia". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced. The Board of Directors may from time to time authorize any other officer to affix the seal of the Association and to attest to such affixation by his signature.

**Section 4. Books and Records.** The Association shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Members, Board of Directors, and committees of Directors. Not later than three (3) months after the close of each fiscal year, and in any case prior to the next annual meeting of Members, the Association shall prepare a balance sheet showing in reasonable detail the financial condition of the Association as of the close of its preceding fiscal year, and a profit and loss statement showing the results of its operations during such fiscal year. Upon written request, the Association promptly shall mail to any Member of record a copy of such balance sheet and profit and loss statement.

**Section 5. By-Law Amendments.** These By-Laws may be altered, amended, or repealed or new By-Laws may be adopted by the Board of Directors or the Members in accordance with the provisions of the Declaration applicable to the amendment of the Declaration.

**Section 6. Conflict.** In the event of any conflict between these By-Laws and the following, the controlling language shall be found in: the laws of the State of Georgia, the Declaration, the Articles of Incorporation or the By-Laws, in the order listed.



Signed, sealed and delivered  
this \_\_\_\_\_ day of \_\_\_\_\_, 1998  
in the presence of:

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

**Cornerstone Investment Company**  
a Georgia Corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

(CORPORATE SEAL)