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**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
QUAIL RUN TOWNHOMES**

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QUAIL RUN TOWNHOMES**

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TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>
"A"	Land Initially Submitted to the Declaration
"B"	Land Subject to Annexation
"C"	Initial Use Restrictions and Rules
"D"	Bylaws of Quail Run Townhomes Homeowners Association, Inc.

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
QUAIL RUN TOWNHOMES**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR QUAIL RUN TOWNHOMES (hereinafter referred to as the "Declaration," as further defined in Article I herein) is made as of the date set forth on the signature page hereof by QUAIL RUN TOWNHOMES, LLC, a Georgia limited liability company (hereinafter referred to as the "Declarant," as further defined in Article I herein).

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated by reference. By this Declaration, Declarant imposes mutually beneficial restrictions upon the Community under a general plan of improvement for the benefit of the Owners in the Community and establishes a flexible and reasonable procedure for the overall development, administration, maintenance, and preservation of the Community. In furtherance of such plan, Declarant has caused Quail Run Townhomes Homeowners Association, Inc., to be formed as a Georgia nonprofit corporation to own, operate, and maintain Common Area and to administer and enforce the provisions of the Governing Documents, as such terms are defined below.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property described on Exhibit "B" hereto that may be subjected to this Declaration by Supplemental Declaration shall be held, sold, used, and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Community, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Community.

THIS DOCUMENT DOES NOT AND IS NOT INTENDED TO CREATE A CONDOMINIUM WITHIN THE MEANING OF THE GEORGIA CONDOMINIUM ACT, O.C.G.A. SECTION 44-3-70, *ET SEQ.*, AND DOES NOT SUBMIT THE PROPERTY DESCRIBED HEREIN TO THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. SECTION 44-3-220, *ET SEQ.*

THIS DECLARATION DISCLOSES SOME IMPORTANT INFORMATION ABOUT THE COMMUNITY FOR THE BENEFIT OF PROSPECTIVE PURCHASERS OF REAL PROPERTY LOCATED IN THE COMMUNITY. EACH OWNER, BY ACCEPTING A DEED TO PROPERTY IN THE COMMUNITY, ALSO ACCEPTS AND AGREES TO THE COVENANTS AND RESTRICTIONS SET FORTH IN THIS DECLARATION.

ARTICLE I

DEFINITIONS

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

1.1. "Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contract, or agreement.

1.2. "Articles of Incorporation" or "Articles": The Articles of Incorporation of Quail Run Townhomes Homeowners Association, Inc., as the same may be amended from time to time.

1.3. "Association": Quail Run Townhomes Homeowners Association, Inc., a Georgia non-profit corporation, its successors, or assigns.

1.4. "Board of Directors" or "Board": The body responsible for the administration, operation, and management of the Association, appointed or elected as provided in the Bylaws, and generally serving the same role as the board of directors under Georgia corporate law.

1.5. "Bylaws": The Bylaws of Quail Run Townhomes Homeowners Association, Inc., attached as Exhibit "D" hereto and incorporated by reference herein, as they may be amended from time to time.

1.6. "Common Area": All real and personal property, including, without limitation, easements, and other interests therein and the facilities and improvements located thereon, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. The Recreational Facilities shall constitute a portion of the Common Area.

1.7. "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association in a given year, including any reasonable reserve, as the Board may find necessary and appropriate, and as required under the Easement and Cost Sharing Agreement. Common Expenses shall be shared by all Owners equally as provided in Article VIII hereof and may include, but are not limited to, the following: (a) costs to maintain the Community entry features, including any expenses for landscaping, electricity and/ or irrigation associated therewith; (b) costs to maintain the storm water drainage facilities and storm water detention/retention pond(s) serving the Community; (c) contributions to the reserve fund; (d) property taxes for the Common Area; (e) insurance premiums; (f) landscape maintenance; (g) legal fees and property management fees; (h) costs to operate, maintain and insure the Recreational Facilities; (i) costs to maintain open space and green space areas (including without limitation wetlands) which are located outside the boundary of a Unit; and (j) expenses and liabilities incurred as provided herein, the Articles of Incorporation and the Bylaws for the indemnification of officers and directors and in connection with the enforcement rights and duties of the Association against Owners, Occupants and others.

1.8. "Community": The real property described on Exhibit "A" together with such additional property as may be subjected to this Declaration by Supplemental Declaration in accordance with Article VII hereof.

1.9. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Community as initially established by Declarant or as may be set forth in the Design Guidelines established pursuant to Article IX hereof. Upon the termination of the right of Declarant to act as the Reviewer as provided in Section 9.2 hereof, such standard may be more specifically determined by the Architectural Review Committee but shall be consistent with the Community-Wide Standard initially established by Declarant.

1.10. "Declarant": Quail Run Townhomes, LLC a Georgia limited liability company, or any

successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibit "A" or Exhibit "B" for the purpose of development and/or sale and who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant.

1.11. "Declarant Annexation Period": The period of time during which Declarant is entitled to unilaterally subject additional property to this Declaration as set forth in Article VII hereof.

1.12. "Declaration": This Declaration of Covenants, Conditions and Restrictions for Quail Run Townhomes, as may be supplemented and/or amended from time to time.

1.13. "Easement and Cost Sharing Agreement": shall mean that certain Easement and Cost Sharing Agreement between Stockyard West Homeowners Association, Inc. and the Association, Recorded simultaneously, as amended or as may be amended.

1.14. "General Assessment": Assessments levied on all Units subject to assessment under Article VIII to fund the Common Expenses for the general benefit of all Units in the Community.

1.15. "Georgia Nonprofit Corporation Code": The Georgia Nonprofit Corporation Code, O.C.G.A. § 14-3-101, et seq., as amended from time to time.

1.16. "Governing Documents": A collective term referring to this Declaration and any applicable Supplemental Declaration, the Bylaws, the Articles, the Design Guidelines, and the Use Restrictions and Rules, each as they may be amended, revised, or modified.

1.17. "Member": A Person subject to membership in the Association pursuant to Section 3.2 hereof.

1.18. "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit.

1.19. "Mortgagee": A beneficiary or holder of a Mortgage.

1.20. "Occupant": Any natural person (be it an Owner or a tenant or tenant of an Owner) who occupies a Residence for any period of time. Where the context dictates, the term "Occupant" shall also be deemed to include the family members, occasional social guests, tenants, licensees, and invitees of the Occupant.

1.21. "Owner": One or more Persons who hold the record title to any Unit but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

1.22. "Person": A natural person, corporation, limited liability company, joint venture, partnership, trustee, or any other entity recognized as a separate legal entity under Georgia law.

1.23. "Plat": The Recorded final subdivision plat applicable to the Community or phase of the Community.

1.24. "Record," "Recorded," or "Recording": The appropriate recordation or filing of any document in the Office of the Clerk of Superior Court of Bulloch County Georgia, or such other place which is designated as the official location for recording deeds and similar documents affecting title to real estate.

1.25. "Recreational Facilities": The recreational facilities serving the Community, which is owned (or will be owned upon the conveyance thereof), operated and maintained by the Association and may include, without limitation, a playground area, a picnic area, earthen walking trails, an open air pavilion, all as may be more particularly shown on the Recorded Plat or may change from time to time.

1.26. "Residence": An improvement situated upon a Unit intended for independent use an occupancy as a single-family residential attached townhome dwelling. A Unit and the improvements located thereon shall not be deemed a "Residence" until the residence has been substantially constructed and a certificate of occupancy has been issued by the appropriate governmental authorized for the residential occupancy of the same.

1.27. "Special Assessment": Assessments levied in accordance with Section 8.5 hereof.

1.28. "Specific Assessment": Assessments levied in accordance with Section 8.6 hereof.

1.29. "Supplemental Declaration": An instrument Recorded pursuant to Article VII which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

1.30. "Unit": A plot of land within the Community, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a single dwelling site, as shown on a Recorded Plat. The Residence located on each Unit shall be attached by one or more party walls) to one or more Residences located on other Units so that the boundary between such Residences is a line running along the center of the party wall separating said Residences. The ownership of each Unit shall include, and there shall automatically pass with the title to each Unit as an appurtenance thereto, whether or not separately described membership in the Association and all of the rights and interest of an Owner in and to the Common Area, as herein provided. In the case of a portion of the Community intended and suitable for subdivision into single-family lots but as to which no Plat has been Recorded, such property shall be deemed to contain the maximum number of Units shown on Declarant's overall site plan or concept plan until such time as a subdivision Plat is Recorded with respect to all or a portion of the property. Thereafter, the portion encompassed by such Plat shall contain the number of Units as set forth in the preceding paragraph and any portion not platted shall continue to be treated as set forth in this Section.

1.31. "Use Restrictions and Rules": Those use restrictions and rules affecting the Community, which may be adopted, modified, and repealed as set forth in Article X. The initial Use Restrictions and Rules are set forth on Exhibit "C" attached hereto and by this reference incorporated herein.

1.32. "Wetlands": Any portion of the Property which may contain wetlands, wetland buffers, submerged lands or other critical areas and on which activities may be subject to the jurisdiction of the U.S. Army Corps of Engineers and/or Georgia Department of Natural Resources. Owners whose Units contain any Wetlands shall comply with any applicable governmental regulations, restrictions, agreements, ordinances, regulations or policies of such governmental authorities (collectively, the "Wetlands Restrictions") and shall be responsible for unapproved activities occurring on any Wetlands located on or within their Units.

ARTICLE II

PROPERTY RIGHTS

2.1. Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, which is appurtenant to and shall pass with the title to each Unit, subject to the following:

(a) This Declaration, a Supplemental Declaration, and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying title to the Common Area to the Association;

(c) The right of the Board and the membership to adopt rules regulating the use and enjoyment of the Common Area, including, without limitation, rules regarding the use of the Recreational Facilities;

(d) The right of the Association to suspend the right of an Owner to use and enjoy the Common Area, including, without limitation, the use of the Recreational Facilities for: (i) any period during which any past due assessment against any Unit of the Owner remains unpaid; and (ii) a reasonable period of time for an infraction of any of the Governing Documents;

(e) The right of the Association to limit the number of Persons who may use the Common Area, including, without limitation, the Recreational Facilities, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by authorized users and their guests and invitees;

(f) The right of the Association, acting through the Board, to dedicate or transfer title to all or any part of the Common Area upon the affirmative vote of Owners of at least two-thirds (2/3) of the Units (other than Units owned by the Declarant) and the consent of Declarant;

(g) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred upon the affirmative vote of Owners of at least two-thirds (2/3) of the Units (other than Units owned by the Declarant) and the consent of Declarant; provided, however, the lien and encumbrance of any Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant or the holder of any Mortgage encumbering any Unit or other property in the Community;

(h) Declarant's right to use the Common Area without payment or charge for such purposes as Declarant, in its sole discretion, deems necessary and proper for the development, sale, construction, marketing and build out of the Community;

(i) The right of the Association, acting through the Board, and without a vote of the membership, to dedicate or grant licenses, permits, easements and rights-of-way over, under and through the Common Area;

(j) All encumbrances, zoning conditions, and other matters of Record affecting title to the Common Area including, without limitation, any deed or other document granting the Declarant mineral rights as more particularly set forth in such deed or document; or

(k) The right of the Association, acting through the Board, to dedicate portions of the Common Area to any local, state, or federal governmental or quasi-governmental entity without the consent of the Members.

Any Owner may extend or delegate Owner's right of use and enjoyment to the Common Area to the members of Owner's family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases Owner's Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

2.2. No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition of the Common Area unless the portion of such Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Article II shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property, which may or may not be subject to this Declaration.

2.3. Condemnation. If any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by any authority having the power of condemnation or eminent domain, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine in its sole discretion.

ARTICLE III **MEMBERSHIP AND VOTING RIGHTS**

3.1. Function of Association. The Association shall be the entity responsible for the management, maintenance, operation, and control of the Area of Common Responsibility and enforcement of the Governing Documents and shall perform its functions in accordance with the Governing Documents and the laws of the State of Georgia, including, without limitation, the Georgia Nonprofit Corporation Code.

3.2. Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.3 hereof and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners as set forth herein, in the Bylaws and any Use Restrictions and Rules adopted by the Board. The membership rights of an Owner, which is not a natural person, may be exercised by any officer, director, partner, manager, member, or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Association's Secretary. Membership shall be appurtenant to and shall not be separated from ownership of a Unit.

3.3. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. In any situation where a Class "A" Member is entitled personally to exercise Owner's vote, the Owner of each Unit shall be entitled to cast one (1) vote for each Unit owned. If more than one (1) Person holds an ownership interest in a Unit, the vote for such Unit shall be exercised as those Owners determine among themselves. In the event of a dispute, the vote shall be suspended if more than one (1) Person seeks to exercise it. The Board of Directors may suspend the voting rights of an Owner for any period during which any past due assessment against the Unit of the Owner remains unpaid; and, for a reasonable period of time for an infraction of the Governing Documents.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member are set forth in relevant provisions of this Declaration and the Bylaws. The rights of Declarant, as the Class "B" Member, shall be of no further force and effect: (i) on the date that the Declarant no longer owns any property primarily for development or sale in the Community and no longer has the right to unilaterally annex additional property to the provisions of this Declaration as provided in Section 7.1 hereof; or (ii) upon Recording a written document, executed by Declarant, terminating the rights of the Declarant and the Class "B" Member hereunder. Notwithstanding anything to the contrary herein and regardless of whether the Class "B" Member membership remains in effect, the Declarant shall be entitled to cast one (1) vote for each Unit owned.

ARTICLE IV

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall manage, operate and maintain the Common Area and all improvements located and constructed thereon, including, without limitation, the Community entry features, Recreational Facilities, wetlands, and any storm water detention/retention ponds and storm water drainage facilities serving the Community, in a manner consistent with the Community-Wide Standard, as more particularly set forth in Section 5.1(a) hereof and subject to any restrictions set forth in the deed or other instrument conveying property to the Association, if any. The Board is specifically authorized, but not obligated, to retain or employ a professional management agent to assist in carrying out the Association's responsibilities under the Governing Documents, the cost of which shall be a Common Expense.

4.2. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant or its designees or successors-in-title may transfer or convey to the Association interests in real or personal property within or for the benefit of the Community, and the Association shall accept such transfers and conveyances. All such property shall be accepted by the Association "AS IS" without any

representation or warranty, express or implied, in fact or by law, with respect thereto, or with respect to the improvements located or constructed thereon, and without any representations or warranties regarding future repairs or regarding the condition, construction, accuracy, completeness, design, adequacy of the size or capacity in relation to the utilization, date of completion, or the future economic performance or operations of, or the materials which have been or will be used in such property or repairs. Upon the written request of Declarant, the Association shall reconvey to Declarant, without a vote of the Members, all, or any portion of any unimproved portion of the Common Area originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to adjust property lines or accommodate changes in the development plan.

The Association hereby appoints Declarant as its agent and attorney-in-fact to accept on behalf of the Association any conveyance to the Association, to reconvey any property on behalf of the Association and to execute on behalf of the Association any and all documents, including, without limitation, deeds, necessary or convenient to effectuate and document any conveyance to or reconveyance from the Association. Neither the Recordation of any Plat nor the use by the Owners or maintenance by the Association of any property shall create any rights, easements or licenses in the Association or the Owners, express or implied, unless and until any such property rights, easements or licenses are conveyed by the Declarant or the owner of such property to the Association or the Owners, as the case may be, by a Recorded instrument.

4.3. Enforcement.

(a) General. The Declarant or the Association, as the case may be, may impose sanctions for violations of the Governing Documents in accordance with procedures set forth in the Bylaws, including, without limitation, the Recreational Facilities: (i) the imposition of reasonable monetary fines; (ii) the suspension of the right to vote; (iii) the suspension of an Owner to use and enjoy the Common Area; and (iv) the right to receive any services or benefits which are provided by the Association, if any. Any suspension shall not affect an Owner's obligation to pay assessments coming due during the period of suspension.

(b) Self Help. In addition to any other remedies provided for herein, the Association, acting through the Board, the Declarant or their respective duly authorized agents shall have the power to enter upon any Unit or any other portion of the Community to abate or remove any structure, thing, improvement, or condition which violates the Governing Documents. Unless an emergency situation exists, the violating Owner shall be given ten (10) days written notice of the intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after giving any notice required by law. All costs of self-help, including, without limitation, reasonable attorneys' fees actually incurred, shall be assessed against the Unit of the violating Owner as a Specific Assessment. The Declarant, the Association, the Architectural Review Committee and their respective, officers, directors, members, representatives, and duly authorized agents shall not be liable for damages to Person or property from exercising the rights set forth in this Section 4.3, including, without limitation, claims for damages resulting from the removal of a nonconforming structure, improvement, thing, or condition.

(c) Litigation and Attorneys' Fees. All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. If the Association prevails in any action to enforce the provisions of the Governing Documents, it shall be entitled to recover all costs, including, without limitation, attorneys' fees, and court costs, actually incurred in such action.

(d) Enforcement Rights of Declarant. So long as the Declarant owns any property described on Exhibit "A" or Exhibit "B" or has the right to unilaterally annex additional property to the provisions of this Declaration, the Declarant may, but shall not be obligated to, take any enforcement action, or exercise any right on behalf of or independent from the Association; which action, shall include, but not be limited to the imposition of monetary fines; provided, however, in the event that monetary fines are imposed, only one fine may be imposed for a single violation such that an Owner or Occupant may not be fined by the Declarant and the Association for the same violation. In the event fines or other sanctions are imposed by the Declarant hereunder, the Declarant shall have any and all rights to collect such fines or sanctions (which

finances shall be payable to the Association) and any related charges, including, without limitation, reasonable attorneys' fees actually incurred and costs of collection in the same manner as provided herein for the collection of assessments.

(e) No Obligation of Association to take Enforcement Action. The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, inconsistent with the overall scheme of development for the Community or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking such enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision in the future or under other circumstances or estop the Association from enforcing any other covenant, restriction, or rule.

The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and local governments may enforce their ordinances within the Community.

4.4. Implied Rights: Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the Bylaws or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5. Governmental Interests. For so long as Declarant owns any property described on Exhibit "A" or Exhibit "B," Declarant may designate sites within the Community for fire, police, and utility facilities; public schools and parks; and other public or quasi-public facilities. The sites may include Common Area, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant.

4.6 Indemnification.

(a) The Association shall indemnify every officer, director, and committee member, including members of the Architectural Review Committee established under Article IX hereof, against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section 4.6 and Georgia law.

(b) The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on the Association's behalf (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available, as more particularly provided in Article VI hereof.

(c) Decisions to institute litigation are no different from other decisions directors make. There is no independent legal obligation to bring a civil action against another party. In deciding whether to bring a civil action against another party, a director is protected by the business judgment rule as explained in Section 3.25 of the Bylaws.

4.7. Safety and Security. Each Owner and Occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property within the

Community. The Association may, but shall not be obligated to, maintain, or support certain activities within the Community designed to enhance the level of safety or security which each person provides for himself or herself and such person's property. Notwithstanding the foregoing, the Association, Declarant and their respective officers, directors, employees, representatives, and agents shall not in any way be considered insurers or guarantors of safety or security within the Community, nor shall they be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. The obligation to provide security lies with each Owner individually.

No representation or warranty is made that any security system or measures cannot be compromised or circumvented, nor that such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing all Occupants of its Unit, that the Association, its Board of Directors and committees, Declarant, and its respective officers, directors, employees, representatives and agents are not insurers or guarantors of safety or security and that each Person within the Community assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from the acts of third parties.

4.8. Provision of Services. The Association may provide or contract for services and facilities for the Owners and Occupants. The Association shall be authorized to enter into contracts or similar agreements with other entities, including Declarant or any affiliates thereof, to provide such services and facilities. The cost of services and facilities provided by the Association may be funded as a Common Expense, or a Specific Assessment, as the case may be, in the event that such services benefit specific Unit(s). By way of explanation, services and facilities which may be provided by the Association include cable, digital, satellite or similar television services, internet or other computer related services, utilities, street cleaning, garbage and/or recycling collection, landscaping and special or other promotional events. Notwithstanding the foregoing, nothing here can be relied upon as a representation of the services and facilities, if any, which will be provided by the Association.

ARTICLE V **MAINTENANCE**

5.1 Maintenance of Residences. Each Owner shall be responsible for maintaining, repairing, and replacing the Residence and all other improvements situated on such Owner's Unit in a clean, sanitary, neat, safe and orderly condition, including without limitation, all obligations for structural maintenance, repair or replacement of walls, roofs, windows, window and patio screens, screened enclosures, doors, framing and casing, gutters, downspouts and skylights, and maintenance, repair and replacement of any air-conditioning or water softening fixtures or equipment, or any equipment, facilities or other items whatsoever installed within or placed upon any Unit by any Owner, including its agents, or other designees, and/or any other maintenance obligations designated as the Owners' responsibilities from time to time in the Governing Documents. Each Owner shall also maintain, repair and replace its own mailbox (if any); provided, however, any common mail kiosks shall be maintained, repaired and replaced by the Association. It will also be the duty of each Owner to maintain in good repair any driveway servicing a single Unit. If any Owner breaches these covenants, the Association may enforce these covenants in accordance with the provisions of this Declaration.

5.2 Lawn Maintenance. The Association shall mow, edge, and trim the grass located on the Units improved with a Residence, the cost of such grass maintenance being assumed by the Association shall be a Common Expense. Each Owner shall be responsible for the cost of replacing any such grass or landscape on such Owner's Unit that has died and requires replacing. The Association is hereby granted an easement over and across the Units for the purpose of mowing, edging and trimming the grass, and no Person shall place any obstruction, fence, wall, tree or shrubbery on such ground without the consent of the Association, the said consent being conditioned on the Association having free access to the Units for the purpose of providing such grass maintenance. An Owner shall not take any actions which result in lawn on such Owner's Unit being damaged or dying. Any Owner violating the restrictions of this section resulting in lawns or grass needing to be repaired or replaced will be charged the cost of such work as a Specific Assessment.

5.3 Irrigation. The Association shall maintain, replace and operate the irrigation system for the Community, including irrigation of Common Areas and Units. Said irrigation system will run on both on Units and Common Area. The cost of maintenance of the irrigation system shall be a Common Expense. The Association shall have the right to irrigate both lawns and landscaping on a schedule appropriate for the climate and conditions, provided a Unit Owner may elect to supplement the irrigation schedule by hand watering in between scheduled irrigation. The Association shall have sole discretion in determining the irrigation schedule, which may be limited by local or state restrictions. The Association is hereby granted an easement over and across the Units for the purpose of installing and maintaining the irrigation system. No Person shall place any obstruction, fence, wall, tree or shrubbery over the irrigation system without the prior written consent of the Association. An Owner shall be responsible for payment of any costs related to the repair and/or replacement necessary as a result of any damage done to the irrigation system, whether on the Unit or the Common Area, caused by the Owner, any member of Owner's family, any guests, invitees, contractors, workers or agents of Owner. The irrigation water may be effluent or reclaimed water from the County, or Association, and therefore such irrigation water should not be ingested. Due to water quality, irrigation systems may cause staining on Residences and other improvements, structures or paved areas and it shall be each Owner's responsibility to treat and remove any such staining at the Owner's expense. Further, no Person shall not place any obstruction, fence, wall, tree or shrubbery over the irrigation system without the written consent of the Association.

5.4 Party Walls; Shared Roof and Fences. Each common wall shared by two (2) Units shall be a party wall for the perpetual benefit of and use by the Owners of each respective Unit. Each such Unit and Owner is hereby granted an easement for the existence of the party wall and for the common roof shared by two (2) Units to the extent either the party wall or roof encroaches on the adjoining Unit, whether encroachment exists as a result of initial construction, reconstruction or natural settling or shifting. Except as otherwise provided herein, each Owner shall bear the responsibility to repair and maintain the unfinished surface of the exterior portion of the party wall which is located within such Owner's Residence as well as the portion of the roof of the Residence located on the Owner's Unit. Both Owners shall equally share the cost of repair and maintenance of the structural and interior portions of the party wall or structural portions of the common roof line shared by such Owners. However, if either Owner's negligence or willful misconduct causes damage to the party wall or the roof, such Owner causing the damage shall bear the entire cost of repair. Each Owner shall have the right to enter the adjacent Unit, including the Residence located thereon, where necessary in connection with the repair, maintenance or replacement of a party wall or portion of the roof, upon reasonable prior notice to the affected Owner(s) and at reasonable times and an easement for same is hereby created. Any repair or reconstruction of a party wall or roof shall utilize substantially similar materials, design and location as originally existed. No openings may be cut in the party wall or structural changes made thereto, unless agreed upon by Owners sharing the party wall. Any common fences constructed on the property line between Units and roofing between Units on attached Residences shall be treated in the same manner as a party wall. Any party by negligence or willful act that causes a shared fence or roof to be exposed to elements, infestations or other injurious activity, shall bear the entire cost of furnishing necessary treatments, protections or repairs resulting from damage.

5.5 Exterior Painting and Pressure Cleaning. Each Owner shall be responsible for exterior painting and pressure cleaning of the Residence and improvements thereon as required by the Association in accordance with this Section. It is anticipated that the Association shall require the roof, exterior walls, sidewalks, patios and driveways of all Residences to be pressured washed every three years. It is anticipated that the Association shall require all Residences to be painted every five to seven years. The Board of Directors shall convene a duly noticed meeting to determine when the uniform exterior painting and pressure washing shall be required for all Residences in the Community and each Owner shall have at least 120 days to commence the work after the Association provides written notification of required painting or cleaning. Each Owner shall have the right to paint or clean more frequently than required by the Association; provided that prior written approval of paint color is obtained from the Board. Notwithstanding the foregoing, by majority vote of the Members at a duly notice meeting, the Association may enter into a bulk contract for uniform painting and/or pressure washing of all Residences and charge each Owner its equal share of the cost thereof as a Special Assessment.

5.6 Association's Responsibility.

(a) General. The Association shall maintain and keep in good repair the Area of Common Responsibility, which shall include, but need not be limited to:

(i) the Common Area, including, without limitation, any open space, and all landscaping, signage, lighting, irrigation systems and equipment, fences, walls, and other structures and improvements situated upon the Common Area;

(ii) any perimeter fencing or perimeter walls in the Community, regardless of whether they are located on a Unit or Common Area;

(iii) all street medians and street islands located in the Community and any landscaping located adjacent to or along such street medians, street islands or public rights-of-way in the Community, if and to the extent the same are not maintained on an ongoing basis by a government authority or third party;

(iv) all wetlands, drainage ponds, storm water retention/detention ponds, or detention and/ or drainage systems serving the Community and any gate, fence or other enclosure surrounding said storm water retention or detention ponds, in accordance with any Recorded indemnification or maintenance agreements or similar Recorded documents, regardless of whether such storm water detention/retention ponds are located on a Unit or Common Area, if and to the extent maintenance is required in the Board's opinion and such area is not otherwise maintained on an ongoing basis by a governmental entity or third party; provided, however, the Association shall not be responsible for any maintenance and/or repair to any storm water drainage facilities which exclusively serve a Unit.

(v) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for the maintenance thereof entered into by the Association (including any agreement with any governmental or quasi-governmental entity);

(vi) until the rights of Declarant terminate as provided in Article XIII hereof, any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from Declarant to the Association and to remain a part of the Area of Common Responsibility and to be maintained by the Association unless and until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association;

(vii) exterior lighting in the Community, including, without limitation, street lights, if and to the extent the same is not maintained by a governmental entity or third party; provided, however, the Association shall not be responsible for the maintenance, repair and replacement of any exterior lighting attached to, exclusively serving, or located on a Unit;

(viii) the centralized mailbox area and the mailboxes located thereon;

(ix) the Recreational Facilities;

(x) any Community entry features, including, without limitation, any landscaping, monument signage, lighting systems and irrigation systems related thereto or used in connection therewith regardless of whether the same are located on a Unit or Common Area; and

(xi) lawn maintenance as provided in Section 5.2 above; and

(xii) the irrigation systems as provided in Section 5.3 above.

(b) Additional Association Maintenance and Rights. The Association may maintain property which it does not own, regardless of whether such property is located within or outside of the Community, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard or otherwise benefits Owners. In addition to the foregoing, the Board of Directors, without a vote of the Members, but with the consent of the Declarant, shall have the right to enter into easement agreements and/or covenant to share cost agreements where the Board has determined that such action would benefit the Owners. The Board of Directors may authorize the officers of the Association to enter into contracts with any Person or Persons to perform any maintenance under this Declaration on behalf of the Association.

(c) Association Easement. There is hereby reserved to the Association a blanket easement over the Community, including, without limitation, the Units, as necessary to enable the Association to fulfill its maintenance responsibilities under this Section. The Association shall maintain the facilities and improvements located within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the Board's sole discretion, to perform required maintenance or repairs, unless Members representing seventy-five percent (75%) of the total eligible votes in the Association and the Declarant, until its rights terminate as provided in Article XIII hereof, agree in writing to discontinue such maintenance.

Except as provided above, the Area of Common Responsibility and the Association's maintenance responsibility with respect thereto shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of Declarant until its rights have terminated under this Declaration as provided in Article XIII hereof.

(d) Maintenance Expenses. Except as otherwise provided herein, all costs associated with the Association's maintenance responsibilities for the Area of Common Responsibility shall be a Common Expense to be allocated among all Units subject to assessment as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for or entitled to use, certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the owner(s) thereof.

Notwithstanding the foregoing, in the event the Association determines that the need for maintenance, repair or replacement, which is the Association's responsibility as set forth herein, is caused through the willful or negligent act of an Owner or an Occupant of an Owner, then the Association may perform such maintenance, repair and replacement and all costs associated therewith not paid for by insurance shall be assessed against the Unit as a Specific Assessment.

5.7 Failure of Owner to Maintain. In the event that the Board of Directors determines that an Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such maintenance, repair or replacement to the Unit at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement to be performed. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair or replacement is not capable of completion within a ten-day period, to commence such work which shall be completed within a reasonable period of time. If an Owner does not comply with the provisions hereof, the Association may provide such maintenance, repair or replacement to the Unit and all costs associated therewith shall be assessed against the Unit as a Specific Assessment.

5.8 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, the responsibility for maintenance shall include the responsibility for repair and replacement, as necessary. All maintenance performed by the Association and Owners, as applicable, shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants, conditions, and restrictions set forth in this Declaration.

5.9 Limitation of Liability. Owners and Occupants, and their respective guests, shall use the Common Area and all portions of the Community not contained within a Unit, including, without limitation, the Recreational Facilities, at their own risk and shall assume sole responsibility for their personal belongings used or stored thereon. All Owners and Occupants shall have an affirmative duty and responsibility to inspect the Common Area and all portions of the Community not contained within a Unit, including, without limitation, the Recreational Facilities, for any defects, perils or other unsafe conditions relating to the use and enjoyment thereof. The Association, the Declarant and their respective officers, directors, employees, representatives and agents shall not be held liable for: (a) personal injury to any person occurring on the Common Area; (b) loss or damage to personal belongings used or stored on the Common Area or on any other portion of the Community; or (c) loss or damage, by theft or otherwise, of any property of an Owner or Occupant.

In addition to the foregoing, the Association, the Declarant and their respective officers, directors, employees, representatives and agents shall not be liable for injury or damage to any Person or property: (a) caused by the elements or by an Owner or any other Person; (b) resulting from any rain or other surface water which may leak or flow from any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association or from any portion of the Common Area; or (c) caused by any street, pipe, plumbing, drain, pond, lake, conduit, appliance, equipment, security system or utility line or facility, the responsibility for the maintenance of which is that of the Association becoming out of repair.

5.10 Trash Removal and Recycling.

(a) General. To minimize the number of trash collection vehicles in the Community, to reduce noise and to protect the Community streets and if and to the extent that trash and recycling services are not provided by the City of Statesboro or Bulloch County, the Association shall have the right, but not the obligation, to designate and contract with a private trash removal company on behalf of all Owners and Occupants in the Community to pick up all usual and customary household trash and recycling on a regular basis.

(b) Costs of Trash Removal. Upon the execution of a contract with a private trash removal company as provided above, all charges for usual and customary trash collection and recycling shall be assessed to each Unit equally as part of the Common Expenses. While the removal of normal household trash and recycling will be covered by such contract, additional charges may be incurred for the removal of used appliances, other large items or any other extraordinary pick-up needs and such additional charges incurred by the Association may be assessed against the applicable Unit as a Specific Assessment. If an Owner, for any reason, refuses trash collection and recycling service provided by the Association, such Owner shall nevertheless still be obligated to pay the full amount of the General Assessment.

(c) Use Restrictions and Rules. Unless otherwise provided by the Board, trash and recycling receptacles shall be placed at the curb no earlier than 5:00 p.m. the day before pick-up and shall be removed within twenty-four (24) hours. Unless otherwise provided by the Board, trash cans and recycle bins shall not be stored in the driveway other than the day of trash collection. Trash and recycling receptacles stored on side yards must be screened from view. Such screening design and materials must be approved by the Board. All Community trash removal and recycling shall be subject to such further Use Restrictions and Rules as the Board may adopt, including without limitation, the designation of a particular trash pick-up day throughout all or a portion of the Community.

ARTICLE VI
INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering the full replacement cost of all insurable improvements from "risks of direct physical loss" for the Common Area and on other portions of the Area of Common Responsibility to the extent that the Association has responsibility for maintenance, repair, and/or replacement in the event of a casualty, regardless of ownership;

(ii) Commercial general liability insurance insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and umbrella coverage) shall have a combined single limit of at least One Million Dollars (\$1,000,000); provided however, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits; and

(iii) Such other insurance such as workers compensation, directors and officers liability coverage, and fidelity insurance as the Board, in the exercise of its business judgment, determines advisable.

Nothing in this Section 6.1 shall be construed as obligating the Association to obtain casualty insurance or any other insurance for: (A) any portion of a Unit or any structure or improvement located thereon; or (B) the personal property of an Owner or Occupant.

(b) Policy Requirements. The Association shall arrange for a periodic review of the sufficiency of insurance coverage. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon written request, to any Member. The policies may contain a reasonable deductible. In the event of an insured loss, the deductible shall be treated as a Common Expense; provided, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners or their Occupants guests, invitees, or lessees, then the Board may levy a Specific Assessment in the full amount of such deductible against such Owner(s) and Owner's Unit(s).

The Board is authorized to obtain the insurance coverage specified in this Declaration through the Declarant and reimburse the Declarant for the cost thereof. Insurance obtained by or through the Declarant shall satisfy all insurance responsibilities of the Board.

To the extent available at reasonable cost and terms, all Association insurance shall:

(i) be written with a company authorized to do business in the State of Georgia which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the Owners, who shall be insured under such policy to the extent of the Owners' interest;

(iii) not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement; and

(v) include an agreed amount endorsement if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which provide:

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

- (ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;
- (iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand;
- (iv) to the Association to cure the defect or violation and allowance of a reasonable time to cure;
- (v) an endorsement requiring at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;
- (vi) a cross-liability provision; and
- (vii) a provision vesting in the Board exclusive authority to adjust losses.

(c) Damage and Destruction. Immediately after damage or destruction to all or any part of the Community covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing and/or restoring the property to substantially the same condition which existed prior to the damage or destruction, allowing for changes or improvements necessitated by changes in applicable use or building codes. Any damage to or destruction of structures or improvements located on the Common Area shall be repaired or reconstructed unless Members representing at least sixty-seven percent (67%) of the total eligible votes in the Association and Declarant, until its rights have terminated pursuant to Article XIII hereof, decide not to repair or reconstruct within ninety (90) days after the loss. If the Association determines that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard and this Declaration.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and may be placed in a capital improvements account or otherwise used by the Board in its sole discretion. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy a Special Assessment against those Units subject to assessment to cover the shortfall.

6.2. Owners' Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner acknowledges and understands that the Association has no obligation to provide any insurance for any portion of a Unit and each Owner covenants and agrees with all other Owners and with the Association that each Owner shall obtain and maintain the following: (a) all-risk casualty insurance on the Unit and all structures, dwellings and improvements located or constructed thereon, which shall cover loss or damage by fire and other hazards commonly insured under an all-risk policy and, if reasonably available, 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 such hazard; (b) insurance covering personal property of an Owner or Occupant; and (c) a liability policy covering damage or injury occurring on a Unit. The policies required hereunder shall be in effect at all times.

In the event of damage to or destruction of improvements or structures on or comprising a Unit, the Owner shall, within one hundred eighty (180) days thereafter, complete the repair or reconstruction of the damaged structures or improvements in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IX. The Owner shall pay any costs not covered by insurance proceeds.

Neither the Association, the Declarant, nor their respective agents, representatives, officers, directors and employees shall bear any responsibility for the maintenance or safekeeping of personal property of any Owner or Occupant of a Unit, their family, guests, or invitees, nor shall the Association, Declarant or their respective officers, directors, employees, agents and representatives be held liable for the conditions of, or any loss or damage to, any personal property except to the extent directly attributable to the reckless acts or willful misconduct of the Association, Declarant, or their respective agents or employees.

ARTICLE VII

ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1 Unilateral Annexation by Declarant. Until all of the property described on Exhibit "B" has been subjected to this Declaration or thirty (30) years after the Recording of this Declaration, whichever is earlier, Declarant may, from time to time, unilaterally subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B." Declarant may transfer or assign the right to annex property to another Person, individual or entity, provided that such transfer or assignment is memorialized in a written, Recorded instrument executed by Declarant.

Annexation shall be accomplished by Recording a Supplemental Declaration describing the property being annexed. Such Supplemental Declaration shall not require the consent of Members but shall require the consent of the owner of such property, if other than Declarant. Any annexation shall be effective upon the filing for Record of such Supplemental Declaration, unless a later effective date is provided therein. Notwithstanding the foregoing, nothing in this Declaration shall be construed to require the Declarant to annex or develop any of the property set forth in Exhibit "B."

7.2 Annexation With Approval of Membership. The Association may annex any real property to the provisions of this Declaration by Recording a Supplemental Declaration with the consent of: (a) the owner of such property; (b) the affirmative vote of Members representing at least two-thirds (2/3) of the total eligible votes in the Association present in person or by proxy at a meeting duly called for such purpose; and (c) the Declarant, until its' rights have terminated as provided in Article XIII hereof. Such annexation shall be accomplished by Recording a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by: (x) the President and the Secretary of the Association; (y) by the owner of the property to be annexed; and (z) by Declarant if Declarant's consent is required. Any annexation shall be effective upon the filing of Record of such Supplemental Declaration, unless a later effective date is provided therein.

7.3 Withdrawal of Property. Declarant reserves the right to amend this Declaration to remove any portion of the Community from the coverage of this Declaration and the jurisdiction of the Association, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community. Any such withdrawal shall be accomplished by filing an amendment to this Declaration describing the property to be removed from the provisions of this Declaration and jurisdiction of the Association and such amendment shall be effective upon Recordation, unless a later effective date is provided therein. Such amendment shall be signed by: (a) the Declarant; and (b) the Owner of the property to be withdrawn, if not Declarant, and shall not require the consent of any other Owners in the Community.

7.4 Additional Covenants and Easements. Declarant may subject any portion of the Community may be subjected to additional covenants and easements by Recording a Supplemental Declaration concurrent with or after the annexation of the subject property, setting forth such additional covenants and easements on the property described therein. Any such Supplemental Declaration shall require the written consent of the Declarant and the owner(s) of the subject property, if other than Declarant. Any Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

ARTICLE VIII

ASSESSMENTS

8.1 Creation of Assessments.

(a) Types. There are hereby created, and the Association is authorized to levy, three types of assessments: (i) General Assessments as described in Section 8.3; (ii) Special Assessments as described in Section 8.5; and (iii) Specific Assessments as described in Section 8.6. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the Community, is deemed to covenant and agree to pay these assessments.

(b) Personal Obligation and Lien. All assessments, together with interest (computed from the due date of such assessment at a rate of ten percent (10%) per annum), late charges (in an amount equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the amount of the assessment or installment not paid when due), costs of collection, and reasonable attorneys' fees actually incurred, shall be a charge and continuing lien upon each Unit and also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon the transfer or conveyance of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of the transfer or conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage or any other purchaser of a Unit who obtains title to a Unit pursuant to the foreclosure of the Mortgage shall be liable for unpaid assessments which accrued prior to the date of acquisition of title. The Recording of this Declaration shall constitute Record notice of the existence of a lien and no further Recordation of any lien shall be required.

(c) Payment of Assessments. Assessments shall be paid in such manner and on such dates as the Board may establish from time to time in its sole discretion. The Board may require advance payment of assessments at the closing of the transfer of title to a Unit. The General Assessment shall be an annual assessment due and payable in advance on the first day of each fiscal year; provided, the Board may by resolution permit payment in two (2) or more installments or change the due date of the General Assessment. If any Owner is delinquent in paying any assessment or installment thereof or any other charge levied on Owner's Unit, the Board may, upon ten (10) days written notice, accelerate the installments and require the General Assessment to be paid in full immediately. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments. As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall include costs of collection, which shall include, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with O.C.G.A. Section 13-1-11(a)(2).

(d) No Exemption From Assessments. Except for those Units which are not subject to assessment pursuant to Section 8.10 hereof, no Owner may be exempt from liability for assessments for any reason, including, without limitation: (i) non-use of the Common Area, including, without limitation, nonuse of the Recreational Facilities; (ii) abandonment of Owner's Unit; or (iii) any other means. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes. The obligation to pay assessments is a separate and independent covenant on the part of each Owner.

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

8.2 Declarant's Obligation for Assessments; Budget Deficit During Declarant Control. As provided in Section 8.10 hereof, Declarant shall not be liable for the payment of assessments on its unsold Units. However, Declarant may, but shall not be obligated to, annually elect to contribute to the Association the difference between the amount of assessments levied on all other Units subject to assessment and the amount of the Association's actual expenditures during the fiscal year (a "Subsidy"). Any Subsidy may be treated, in Declarant's discretion, as either: (a) a voluntary contribution; (b) an advance against future assessments (if any) (an "Advance"); or (c) a loan by Declarant to the Association (a "Declarant Loan"). A Subsidy may be evidenced by one or more promissory notes from the Association in favor of Declarant

or Declarant may cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for such loan in the local area of the Community; provided, however, no Mortgage secured by the Common Area or any of the improvements maintained by the Association shall be given in connection with such loan unless the loan has been approved by Owners of at least two-thirds (2/3) of the Units and the Declarant in accordance with Section 2.1(g) hereof. Any Subsidy shall be disclosed as a line item in the annual budget. The payment of a Subsidy in any year shall under no circumstances obligate Declarant to continue payment of such Subsidy in future years.

8.3 Computation of Budget and General Assessments. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year. General Assessments shall be fixed at a uniform rate for all Units subject to assessment under Section 8.10. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including the surplus from prior years and any assessment income expected to be generated from any additional Units, if any.

The budget and notice of the amount of the General Assessment for the following year shall be available to each Owner at least thirty (30) days prior to the due date of the General Assessment or any installment thereof. The budget and the General Assessment shall become effective unless disapproved at a meeting by at least sixty-seven percent (67%) of the total eligible vote of the Association and the Declarant until its rights have terminated pursuant to Article XIII hereof. There shall be no obligation to call such a meeting unless a petition for a special meeting is presented to the Board within ten (10) days of the delivery of the notice of the General Assessment. If a budget is not adopted for any year or the budget is disapproved by the Association and Declarant as provided herein, then until such time as a budget is adopted, the budget in effect for the immediately preceding year shall continue for the current year.

8.4. Reserve Budget and Initiation Fee.

(a) Reserve Budget. The Board may prepare a reserve budget which takes into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. If established, the Board shall include as a line item in the annual budget a capital contribution in an amount sufficient to meet the Association's projected needs over the budget period. There shall be no obligation to establish a reserve budget and make such assessments. If reserves are not established or are insufficient for the repair or replacement of any capital asset, Special Assessments may be levied as provided in Section 8.5 hereof.

(b) Initiation Fee. Upon each and every conveyance of title for every Unit in the Community after a certificate of occupancy has been issued for the Residence located thereon, an initiation fee in an amount determined by the Board of Directors in its sole discretion ("Initiation Fee"), shall be made by or on behalf of the new Owner to the Association as set forth below. The Initiation Fee shall be a Specific Assessment against the Unit and shall be in addition to, not in lieu of, any General or Special Assessments. The Initiation Fee shall be payable at closing, or, if not paid at closing, paid immediately upon demand by the Association, shall not be prorated, and the Association shall have all rights under the Declaration to collect such Specific Assessment if it is not paid. The Initiation Fee may be used by the Association for any purpose which provides a direct benefit to the Community, including, without limitation, for the payment of operating expenses of the Association and other expenses incurred by the Association pursuant to the provisions of this Declaration. The Initiation Fee shall not apply to the holder of any first Mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage but shall apply to the Owner acquiring title to the Unit from the foreclosing Mortgagee.

8.5. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments against all Owners in the Community from time to time to cover unbudgeted or unanticipated expenses or expenses in excess of those budgeted. Except for Special Assessments authorized under Section 6.1 hereof and costs incurred pursuant to the Easement and Cost Sharing Agreement, any Special Assessment which would exceed the amount of the General Assessment

attributable to a Unit in any fiscal year shall require the affirmative vote or written consent of a majority of the total eligible votes in the Association, and the written consent of Declarant until its rights have terminated pursuant to Article XIII hereof in order to be effective. Special Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. Special Assessments shall be levied equally on all Units subject to assessment under Section 8.10 hereof.

8.6. Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit or Units as follows:

(a) to cover the costs, including overhead and/ or administrative costs, of providing benefits, items, or services to the Unit or Occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and Occupants in the Community (which might include, without limitation, landscape maintenance or pest control), which assessments may be levied in advance of the provision of the requested benefit, item, or service or as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Unit into compliance with the terms of the Governing Documents, by way of explanation and not limitation, the following shall constitute Specific Assessments: (i) fines; provided, however, prior to the imposition of any monetary fines, the Board shall provide the Owner with prior written notice and an opportunity for a hearing in accordance with Section 3.24 of the Bylaws; (ii) the Initiation Fee; and (iii) the cost of maintenance performed by the Association which is the responsibility of an Owner.

In addition to the foregoing, the Board of Directors may also specifically assess Owners for Association expenses as follows: (x) expenses of the Association which benefit less than all of the Units may be specifically assessed equitably among all of the Units which are benefited according to the benefit received; (y) expenses of the Association which benefit all Units, but do not provide an equal benefit to all Units, may be specifically assessed equitably among all Units according to the benefit received; and (z) expenses of the Association which are incurred by or attributable to a particular Owner or the Occupants, guests, licensees or invitees of such Owner may be specifically assessed against the Unit of such Owner.

8.7. Nonpayment of Assessments; Lien for Assessments. The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges, costs of collection, and reasonable attorneys' fees actually incurred as provided in this Article VIII. Such lien shall be superior to all other liens, except: (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; and (b) the lien or charge of any first Mortgage of Record (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure in the same manner as mortgages are foreclosed under Georgia law.

Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge (in an amount equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the amount of the assessment or installment not paid when due) and interest (computed from the due date of such assessment at a rate of ten percent (10%) per annum). As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall include costs of collection, which shall include, without limitation, reasonable attorneys' fees actually incurred and the award of attorneys' fees shall not be construed in accordance with O.C.G.A. Section 13-1-11(a)(2).

The Association may cause a notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date. In the event that the assessment remains unpaid after sixty (60) days, the Association may institute suit to collect such amounts and/or to foreclose its lien. The Association may file a claim of lien with the Office of the Clerk of Superior Court of Bulloch County, Georgia, but no such claim of lien shall be required to establish or perfect the lien for unpaid assessments. The Association may also suspend the: (a) membership rights of an Owner, including the right to vote; (b) right of a delinquent Owner to use and enjoy the Common Area, including, without limitation, the right to use the

Recreational Facilities; and (c) right of an Owner to receive any services or benefits provided to such Unit by the Association, if any. Any suspension shall not affect an Owner's obligation to pay assessments coming due during the period of such suspension and shall not affect the permanent lien on such Unit in favor of the Association.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey such Unit. While the Association owns a Unit following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the General Assessment that would have been charged to the foreclosed Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments arising prior to the date of such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit arising prior to the date of acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.10.

8.8. Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the first day of the month after such Unit has been issued a certificate of occupancy for the Residence located thereon by the appropriate governmental agency and conveyed to a Person intending to occupy said Unit for residential use or use such Unit for residential purposes. The first annual General Assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit. Any Unit which has been approved by Declarant for use as a model home for marketing and sales purposes shall not be deemed to be occupied for residential purposes and shall not be subject to assessments under this Declaration whether owned by Declarant, or any other Person, so long as such Unit is approved for use as a model home and is not occupied for residential purposes.

8.9. Failure to Assess. The failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.10. Exempt Property. The following property shall be exempt from the payment of assessments:

- (a) All Common Area and such portions of the Community owned by Declarant which are included in the Area of Common Responsibility pursuant to Section 5.1;
- (b) Any property dedicated to and accepted by any governmental authority or public utility;
- (c) Any property acquired by the Association at a foreclosure sale as set forth in Section 8.7 hereof; and
- (d) Any Unit which is not subject to assessment pursuant to Section 8.10 hereof.

8.11. Estoppel Letter. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association or its managing agent setting forth the amount of assessments past due and unpaid, including any late charges, interest, fines, or other charges levied against that Unit. Such request shall be delivered to the registered office of the Association and shall state an address to

which the statement is to be directed. The Association shall, within five (5) business days after receiving a written request therefor, certify to the amount of any unpaid assessments constituting a lien on a specified Unit. The Association may charge a reasonable fee as may be permitted by law as a prerequisite to the issuance of such statement. A certification letter signed by an officer of the Association or the Association's managing agent, if any, as to the amount of assessments due with respect to a Unit shall be binding upon the Association. It is the intent of this provision to comply with O.C.G.A. Section 44-14-15(c), as amended.

ARTICLE IX

ARCHITECTURAL STANDARDS

9.1. General. No structure shall be placed, erected, or installed upon any Unit, and no improvements (including staking, clearing, other site work, exterior alteration of existing improvements, painting or modifying fences, and planting and/or removing landscaping materials) shall take place on a Unit except in compliance with this Article IX and upon the approval of the Reviewer as provided in Section 9.2 hereof. Notwithstanding the foregoing, the Board, with the consent of Declarant, may, by resolution, exempt certain activities from the application and approval requirements of this Article IX, provided that such activities are undertaken in strict compliance with the requirements of such resolution. Any Owner may remodel, paint, or redecorate the interior of a structure located on a Unit without approval. However, modifications and/or additions to the interior of screened porches, decks, patios, balconies, and similar portions of a Unit which are visible from outside of a structure located on a Unit shall be subject to approval. Notwithstanding the foregoing, no approval shall be required to repaint the exterior of a structure located on a Unit in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

This Article IX shall not apply to the activities of Declarant or the Association. Moreover, this Article IX may not be amended without the written consent of the Declarant until its rights have terminated as provided herein.

9.2. Architectural Review. So long as Declarant owns any property described in Exhibit "A" or Exhibit "B" for development and/or sale or has the right to unilaterally annex additional property to the provisions of the Declaration as provided in Section 7.1 hereof, Declarant shall have the exclusive authority to administer and enforce the architectural controls under this Article IX and to review and act upon all applications for construction and modifications within the Community. There shall be no surrender or assignment, in whole or in part, of the rights of Declarant in this Article IX by implication or otherwise, except in a Recorded instrument executed by Declarant terminating or assigning the rights granted pursuant to this Article IX.

Upon the expiration or surrender of Declarant's authority to administer and enforce architectural controls for all or a portion of the Community, the Board shall create and appoint an Architectural Review Committee ("ARC"), which shall have authority over modifications, additions, or alterations made on or to existing structures or improvements located on Units. The ARC shall consist of either three (3) or five (5) persons, determined in the sole discretion of the Board, who shall be appointed by, serve at the discretion of, and may be removed, in the Board's sole discretion. Notwithstanding anything to the contrary herein, until Declarant's authority to exercise architectural control in the Community expires as provided herein, the ARC shall have no rights or authority except as Declarant may assign in a written Recorded instrument. For the purposes of this Article IX, the entity having jurisdiction in a particular case (the Declarant or the ARC, as the case may be) shall be referred to as the "Reviewer." The Reviewer may delegate certain rights and responsibilities to qualified individuals to act on its behalf, and their compensation, if any, shall be established from time to time by Declarant or the Board, as applicable.

9.3. Guidelines and Procedures.

(a) Design Guidelines. Declarant may prepare architectural standards or design guidelines ("Design Guidelines") for the Community. The Design Guidelines are not the exclusive basis for decisions but they may provide guidance on specific matters relating to construction activity and modifications to existing structures and improvements located on Units in the Community. Declarant shall have the sole and

full authority to adopt or amend the Design Guidelines until such time as its rights terminate as provided in Article XIII hereof or are voluntarily surrendered as provided herein. Thereafter, the ARC, with the consent of the Board, shall have the authority to adopt, amend, repeal, or modify the Design Guidelines. Owners shall conduct any construction, alteration, or modification in accordance with the Design Guidelines.

All Owners and Occupants of Units are given notice that the use of their Units is limited by the Design Guidelines, as they may be expanded, modified, or amended hereunder. Each Owner, by acceptance of a deed or entering into and Recording a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of Owner's Unit may be affected by the Design Guidelines and that the Design Guidelines may change from time to time, and that such changes may not be reflected in a Recorded instrument.

(b) Procedures. Prior to commencing any activity subject to review under this Article IX, an Owner shall submit an application in writing of the proposed work to the Reviewer for approval. Such application shall be in the form required by the Reviewer and shall include plans and specifications showing the site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation system, utility facilities layout, and other features of proposed construction, as applicable and any other information the Reviewer may reasonably require (collectively, the "Plans"). Before an Owner may begin the proposed work, the application and Plans must be approved in writing by the Reviewer in accordance with the procedures described below. In addition to the foregoing, the Reviewer may charge a reasonable review fee, to be paid in full, prior to reviewing the Plans to cover the reasonable costs incurred in having the application and Plans reviewed by architects, engineers, or other professionals.

In reviewing each submission, the Reviewer may consider whatever factors it deems relevant, including, but not limited to, harmony of external design with surrounding structures and environment and location in relation to surrounding structures, topography, and finish grade elevation. Decisions of the Reviewer may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are purely subjective and may vary over time and among different Persons. The Reviewer may require relocation of native plants within the construction site, screening, and landscaping as a condition of approval of any submission.

The Reviewer shall respond in writing to an application within sixty (60) days of receipt thereof at an address specified by the Owner at the time of submission. The response issued by the Reviewer may: (i) approve the application and Plans in their entirety; (ii) approve a portion of, segments or features of the Plans, and disapprove other portions; or (iii) disapprove the application and Plans in their entirety if they are inconsistent or not in conformity with this Declaration and/or the Design Guidelines. The Reviewer may, but shall not be obligated to, set forth the reasons for such finding, and it may make suggestions to cure objections to an application. In the event the Reviewer fails to respond to a submitted application within sixty (60) days, approval shall be deemed to have been given; provided, no construction which is inconsistent with the Governing Documents shall be deemed approved unless a written variance has been issued. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U. S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the submitting party.

If construction does not commence on a project which has been approved within one hundred eighty (180) days of the date of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to reapply for approval. If construction is not completed on a project for which plans have been approved within a period set forth in the Design Guidelines or in the approval, such approval shall be deemed withdrawn, and such incomplete construction shall be deemed to be in violation of this Article IX and the Owner will need to re-submit the Plans to the Reviewer for reconsideration.

9.4. No Waiver of Future Approvals. Each Owner acknowledges that the Reviewer will change from time to time and that the interpretation, application, and enforcement of the Design Guidelines may vary accordingly. Approval of proposals, Plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or

other matters subsequently or additionally submitted for approval.

9.5. Variance. The Reviewer may authorize variances in writing from its guidelines and procedures, but only: (a) in accordance with duly adopted Design Guidelines and/or Use Restrictions and Rules, as applicable; (b) when unique circumstances dictate, such as unusual topography, natural obstructions, hardship, or aesthetic or environmental considerations; and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration, the development of the Community, and compatible with existing and anticipated uses of adjoining properties. For purposes of this Section 9.5, the inability to obtain governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance.

9.6. Limitation of Liability. The requirements and procedures established by this Article IX are intended to enhance the overall aesthetics of the Community and shall not create any duty to any Person. The Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, permitting requirements, zoning conditions and other applicable governmental requirements or local ordinances or rules governing construction in the Community, nor for ensuring the appropriateness of soils, drainage, and general site work. Neither Declarant, the Association, the Board, any committee, nor their respective officers, members, employees, representatives or agents shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Unit or for any violation of building codes, permitting requirements, zoning conditions or other violations of applicable governmental requirements, laws and ordinances. In all matters, the Association shall defend and indemnify Declarant, the reviewing body, and their members.

9.7. Enforcement. Any structure, improvement or landscaping improvement placed or made in violation of this Article IX, or the Design Guidelines shall be deemed to be nonconforming. Upon written request from the Declarant or the ARC, as the case may be, Owners shall, at their own cost and expense, remove such nonconforming structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant or the Board, as applicable, shall have the right to Record a notice of violation and to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, including, without limitation, reasonable attorneys' fees actually incurred, may be assessed against the Unit, and collected as a Specific Assessment. In addition, the Declarant, the Association, or their duly authorized agents, as the case may be, shall have the right to enter a Unit to determine whether these restrictive covenants are being complied with and such conduct shall not be deemed a trespass; provided, however, nothing herein shall permit the Reviewer, or its duly authorized agents, to enter a Residence without the consent of the Owner thereof. The Declarant, the Board, the ARC and their respective officers, directors, members, employees, agents, or representatives shall not be liable for claims of damage associated with the removal of any nonconforming structure or improvement in accordance with the procedures set forth herein.

Unless otherwise specified in writing by the Reviewer, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with the Bylaws, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as a Specific Assessment, which costs may include reasonable attorneys' fees actually incurred. The Declarant, the ARC, the Association and their respective officers, directors, employees, representatives, or agents shall not be held liable for any claims resulting from removing or completing the incomplete work as provided herein.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article IX and the Design Guidelines may be excluded by the Board from the Community, subject to applicable notice and hearing procedures contained in the Bylaws. In the event of noncompliance with this Article IX, the Association or Declarant, as applicable, may Record in the

appropriate land records a notice of violation hereunder naming the violating Owner. The Association and Declarant shall also have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article IX and the decisions of the Reviewer, including, without limitation, the right to levy and collect fines as provided herein, subject to applicable notice provisions.

ARTICLE X

USE RESTRICTIONS AND RULES

10.1. Plan of Development; Applicability; Effect. Declarant has established a general plan of development for the Community in order to enhance all Owners' collective interests, subject to the Board's and the Member's ability to respond to changes in circumstances, conditions, and desires within the Community. The initial Use Restrictions and Rules, attached as Exhibit "C" hereto and by this reference incorporated herein, establish affirmative and negative covenants, easements, and restrictions on the land subject to this Declaration.

All provisions of the Governing Documents shall apply to all Owners or Occupants of any Unit. Any lease agreement for the lease of a Unit shall provide that the lessee and all Occupants of the leased Unit shall be bound by the terms of the Governing Documents, as provided in Section 10.4(d) hereof.

10.2. Authority to Promulgate Use Restrictions and Rules. The initial Use Restrictions and Rules applicable to the Community may be modified in whole or in part, repealed, or expanded as follows:

(a) By the Board. Subject to the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members and subject to the limitation set forth in Section 10.2(e) hereof, the Board may adopt rules which modify, clarify, cancel, limit, create exceptions to, or expand the initial Use Restrictions and Rules by a majority vote of the directors at any Board meeting. The Board shall send notice by mail to all Owners concerning any such proposed action at least five (5) business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at such Board meeting prior to any action being taken.

Such proposed rule or restriction shall become effective unless disapproved at a meeting duly called for such purpose by Members representing at least fifty-one percent (51%) of the total eligible Association vote and by Declarant, until its rights terminate as provided in Article XIII hereof, subject to the notice provision in subsection (c) hereof. The Board shall have no obligation to call a meeting of the Members to consider disapproval of a proposed revision, modification or expansion of the initial Use Restrictions and Rules except upon petition of the Members as required for special meetings in the Bylaws.

(b) By the Members. Alternatively, the Members, at a meeting duly called for such purpose as provided in the Bylaws, may adopt rules which modify, clarify, cancel, limit, create exceptions to, or expand the use restrictions and rules previously adopted by: (i) a vote of Members representing at least fifty-one percent (51%) of the total eligible votes in the Association; and (ii) the approval of Declarant, so long as Declarant owns any property described on Exhibit "A" or Exhibit "B" or has the right to unilaterally annex additional property to this Declaration.

(c) At least thirty (30) days prior to the effective date of any action taken under subsections (a) or (b) of this Section 10.2, the Board shall send a copy of the newly adopted rule to each Owner. The Association shall provide, without cost, a copy of the Use Restrictions and Rules then in effect to any requesting Member or Mortgagee.

(d) The foregoing procedures shall not apply to the enactment and enforcement of administrative Use Restrictions and Rules governing the use of the Common Area unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative Use Restrictions and Rules shall include, but not be limited to, rules pertaining to landscape maintenance to the Common Area. The Board has the right to enact, amend, and enforce such administrative Use Restrictions and Rules.

(e) Notwithstanding anything to the contrary in this Section 10.2, any proposed new rule,

regulation or use restriction or any modification of an existing rule, regulation or use restriction which materially adversely affects the substantive rights of any Owner to use and enjoy Owner's Unit or adversely affects title to a Unit shall be adopted in accordance with the amendment procedure set forth in Section 15.2 hereof.

(f) The foregoing procedures shall not restrict or apply to amendments to this Declaration as provided in Section 15.2 or the Design Guidelines enacted under Section 9.3.

10.3. Owners' Acknowledgment. All Owners and Occupants of Units are given notice that the use of their Unit or Units is limited by the Use Restrictions and Rules as they may be amended, expanded, and otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into and Recording a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of Owner's Unit can be affected by the Use Restrictions and Rules, that the Use Restrictions and Rules may change from time to time, and that any modification, expansion or cancelation may not be reflected in a Recorded instrument.

10.4. Rights of Owners. Except as may be specifically set forth in this Declaration (either initially or by amendment), neither the Board nor the Members may adopt any rule in violation of the following provisions:

(a) Similar Treatment. Similarly situated Owners and Occupants shall be treated similarly.

(b) Holiday Displays. The Board may adopt reasonable Use Restrictions and Rules governing, restricting, limiting, or prohibiting the display of religious and holiday signs, symbols, and decorations outside of a structure located on a Unit, and may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and Occupants.

(c) Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of a dwelling located on a Unit, except that the Association may, in its sole discretion, prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that: (i) create monetary costs for the Association, including, without limitation, any increase in Association insurance premiums, or other Owners; (ii) create a danger to the health or safety of others; (iii) generate excessive noise or traffic; (iv) create unsightly conditions visible from outside of the dwelling; or (v) create an unreasonable source of annoyance. Nothing herein shall prevent Declarant from maintaining model homes, speculative housing, sales trailers, or construction trailers in the Community.

(d) Alienation; Leasing of Units. No rule shall prohibit the leasing or transfer of any Unit or require the consent of the Association or Board for the leasing or transfer of any Unit; provided, however, the Board may, by resolution, establish a minimum lease term. All leases shall be in writing and shall disclose that the tenants and all Occupants of the leased Unit are bound by and obligated to comply with the Governing Documents; provided, however, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease; and provided, further nothing herein shall prohibit the Declarant or the Association from Recording an amendment to the Declaration prohibiting leasing or limiting the number of Units which may be leased at one time in accordance with the provisions of Section 15.2 hereof.

The leasing restrictions shall not apply to Units subject to a mortgage which is insured or guaranteed by the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs, or where the provisions of this Section 10.4(d) are otherwise prohibited by law.

(i) Notice. Within seven (7) days of entering into a lease agreement for the lease of a Unit, the Owner shall provide the Board with the following information: (A) a copy of the fully executed lease agreement; (B) the telephone number and email address of the lessee; (C) the names and addresses of all Occupants of the Unit; (D) the email address, telephone number and mailing address of the Owner other than at the Unit; and (E) such other information as the Board may reasonably require.

(ii) Compliance with Governing Documents. Every Owner agrees to cause all Occupants of Owner's Unit to comply with the Governing Documents and is responsible for all violations caused by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any violation of the Governing Documents. In the event that the lessee or a person living with the lessee violates the Governing Documents for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine may be assessed against the lessee in accordance with the Governing Documents. If the fine is not paid by the lessee within the time period established by the Board, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay such fine. Unpaid fines shall constitute a lien against the Unit. Notwithstanding any inconsistent or contrary provision in this Declaration, if and for so long as any Unit is encumbered by a Mortgage insured by FHA, VA, or USDA, any restrictions in this Declaration on renting, subleasing, conveyance or reconveyance of Units that violate any mandatory FHA, VA, or USDA underwriting guidelines or requirements shall not apply to such Units or its Owner, provided that any compliant portion of such restriction shall remain in full force and effect.

(e) Reasonable Rights to Develop. No rule or action adopted by the Association or Board shall unreasonably impede Declarant's right to develop, construct, market or sell Residences located on Units in the Community.

(f) Abridging Existing Rights. If any rule would otherwise require Owners or Occupants of Units to dispose of personal property which they maintained in or on the Unit prior to the effective date of such rule, or to vacate a Unit in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent unless the rule was in effect at the time such Owners or Occupants acquired their interest in the Unit.

(g) Activities Incidental to Construction. No rule imposed or action taken by the Association shall impede Declarant or other Owners with the consent of the Declarant from maintaining upon the Common Area and Units which they own any facilities necessary or incidental to the construction or sale of Units. By way of example and not limitation, no rule shall prohibit Declarant from: (i) installing signs and maintaining temporary structures for use during construction of a Unit, including, without limitation, construction trailers and sales trailers; (ii) using any dwelling on a Unit as a sales office; or (iii) maintaining model homes or speculative housing on Units within the Community.

(h) No Discrimination. No rule shall have the effect of discriminating against any Person on the basis of race, creed, color, national origin, religion, sex, familial status, or handicap. The limitations in this Section 10.4 shall apply only to Use Restrictions and Rules adopted or amended in accordance with Section 10.2; they shall not apply to amendments to this Declaration adopted in accordance with Section 15.2.

ARTICLE XI **EASEMENTS**

11.1. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet (3'), as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to the willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.2. Easements for Utilities, Etc.

(a) Declarant hereby reserves for itself, the Association, and their respective designees (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Community (but not through any structure, including, without limitation, any Residence located on a Unit) to the extent reasonably necessary for the purpose of: (i) monitoring, replacing, repairing, maintaining, and operating cable television systems, master television antenna systems, and other devices for sending and/or receiving data and/or other electronic signals; (ii) security and similar systems; (iii) roads, walkways, pathways, and trails; (iv) drainage systems; (v) street lights and signage; and (vi) all utilities, including, but not limited to, water, sewers, telephone, gas, and electricity, and utility meters; and for the purpose of installing any of the foregoing on property which Declarant or the Association owns or within easements designated for such purposes on Recorded Plats.

Declarant specifically grants to the local water supplier, electric company, and natural gas supplier easements across the Community for ingress, egress, installing, reading, replacing, repairing, and maintaining utility lines, meters, and boxes, as applicable. The Board of Directors, without a vote of the Owners, shall have the right, power, and authority to grant permits, licenses, utility easements and other easements under, through, or over the Units and/or the Common Area as may be reasonably necessary to or desirable for the proper maintenance and ongoing operation of the Community.

(b) There is hereby reserved to Declarant, so long as Declarant owns any property described on Exhibit "A" or Exhibit "B" or has the right to unilaterally annex additional property to this Declaration, the non-exclusive right and power to grant such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibit "A" or Exhibit "B." To the extent reasonably possible, such easements over Units shall be limited to setback areas adjacent to the perimeter boundary of each Unit.

(c) Any damage to a Unit resulting from the exercise of the easements described in this Section 11.2 hereof shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not permit entry into any structure located on a Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or Occupant.

11.3. Easements for Drainage. There is hereby reserved by Declarant and granted to the Association a perpetual easement across the entire Community for the purpose of altering drainage and water flow. This right shall include, but is not limited to, altering swales, installing drains, drainage ditches, pipes, inlets, headwalls, and altering channeling, or piping water flow across any Unit or any property in the Community. Rights exercised pursuant to this reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole cost and expense.

It is anticipated that increased storm water run-off across downstream Units will result from the construction of impervious surface within or adjacent to the Community. Neither the Declarant, the Association nor any other builder or Owner constructing according to plans and specifications approved under Article IX hereof shall have any liability to any Owner due to the increased flow or increased velocity of surface water resulting from approved construction within the Community.

The Declarant and Association, in compliance with any applicable laws and regulations, shall have a blanket easement to pump water from any water bodies within the Community for irrigation purposes. No fences, structures, driveways, plantings, swings, wood piles, dog runs, or any other objects, temporary or permanent, shall be permitted in such areas without the Association's prior written approval, other than those initially installed by Declarant.

11.4. Easements to Serve Additional Property. Declarant and its' duly authorized agents, representatives, employees, successors, assigns, licensees, and Mortgagees hereby reserve an easement over the Common Area for the purposes of enjoyment, use, access, and development of any property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement

includes, but is not limited to, a right of ingress and egress over the Common Area for connecting and installing utilities on or through such property. Declarant agrees that it and its successors or assigns shall not be responsible for any damage caused to the Common Area as a result of the exercise of this easement and such damage shall be repaired by the Person causing such damage at its sole cost and expense.

11.5. Easement for Right of Entry. The Association shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance pursuant to Article V hereof, and to inspect for the purpose of ensuring compliance with the Governing Documents. Such right may be exercised by any member of the Board, the Association's officers, agents, employees, and managers, and all police officers, firefighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner; provided, however, the easement granted herein shall not authorize entry onto any Residence located on a Unit without the consent of the Owner. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire, slope erosion, or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable period of time after requested by the Board.

11.6. Easement for Landscaping and Signage. Declarant hereby reserves for itself, and grants to the Association perpetual, non-exclusive easements exercisable by their respective employees, agents, and contractors over those portions of the Community designated as "Landscaping and Signage Easements" (or similar label), if any, on a Recorded Plats for the purpose of installing, maintaining, repairing, and replacing lot bollards, entrance monuments, signs, fences, lighting, irrigation systems, and landscaping within the easement area regardless of whether the same are located on Units, Common Area or within a public right-of-way. Nothing herein shall obligate Declarant or the Association to exercise such easements or to construct or install any of the foregoing within any Landscaping and Signage Easement or such similar area identified on the Plat.

11.7. Easement to Inspect and Right to Correct. Declarant reserves for itself and others that Declarant may designate, the right to inspect, monitor, test, redesign, and correct any structure, improvement, thing, or condition which may exist on any portion of the property within the Community, including Units, and a perpetual, nonexclusive easement of access throughout the Community to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner and no entry into a Residence located on a Unit shall be permitted without the consent of the Owner. The Person exercising this easement shall promptly repair, at such Person's own cost and expense, any damage resulting from the exercise of the rights granted herein.

11.8. Easement for Construction and Sales. Notwithstanding any provisions contained in the Governing Documents, Declarant reserves for itself and its affiliates until Declarant's right to unilaterally subject property to this Declaration terminates, and thereafter so long as Declarant (or its affiliates) owns any property in the Community, the right to maintain and carry on development activities, upon such portion of the Community as Declarant and its affiliates may reasonably deem necessary. This reserved easement shall include an easement for such facilities and activities which, in the sole opinion of Declarant, may be required, convenient, or incidental to the development, construction, and sales activities related to property within or near the Community. This easement shall include, without limitation:

- (a) The right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on, or in any portion of the Community, including, without limitation, any Unit;
- (b) The right to tie into any portion of the Community with driveways, parking areas and walkways;
- (c) The right to tie into 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;
- (d) The right (but not the obligation) to construct recreational facilities on Common Area;

- (e) The right to carry on sales and promotional activities in the Community;
- (f) The right to place directional and marketing signs on any portion of the Community, including any Unit or Common Area;
- (g) The right to construct and operate business offices, signs, construction trailers, model residences, and sales offices and other activities incidental to the construction, development, and sales of Units in the Community; and
- (h) The right to use residences, offices, or other buildings they own or lease as model residences and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, and reasonable steps shall be taken to protect such property from damage. Any damage shall be repaired by the Person causing the damage at its sole cost and expense.

11.9. Easement for Fences. Declarant hereby reserves for itself and grants to the Association an easement across any Unit which borders upon or contains a portion of any detention pond or retention pond for the purpose of access to such detention pond or retention pond, and for the purpose of erecting any fence which is either required by the subdivision development and construction plans or governmental regulation, rule, ordinance, or plan approval requirement. In addition to the foregoing, the Association shall have an easement to maintain any fence enclosing such storm water detention/retention pond, which easement area shall be three feet (3') on either side of said fence as originally constructed.

11.10. Easement for Maintenance - Association. There are hereby reserved to the Association blanket easements over the Community, including, without limitation, the Units, as necessary to enable the Association to fulfill its responsibilities under this Declaration.

11.11. Easement for Maintenance - Owner. Declarant hereby reserves for the benefit of each Unit reciprocal appurtenant easements between adjacent Units for the purpose of maintaining or repairing the improvements located on each Unit which easement shall extend to a distance of five (5) feet as measured from any point on the common boundary between the Units. The easement shall be used only for such period of time as is reasonably necessary in order to complete the maintenance or repair. The Owner exercising this easement right shall be liable for the prompt repair of any damage to the Unit over which this easement is exercised which arises out of such maintenance or repair work

ARTICLE XII

MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages on Units in the Community.

12.1. Audit. Upon the written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such Mortgagee holder shall be entitled to receive a copy of audited financial statements of the Association within ninety (90) days of the date of the request.

12.2. No Priority. No provision of this Declaration or the Bylaws gives any Owner or other party priority over any rights of a Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

ARTICLE XIII

DECLARANT RIGHTS

13.1. Assignment or Transfer of Declarant Rights. Any or all of the special rights and obligations of Declarant set forth in this Declaration or the Bylaws may be transferred or assigned in whole or in part to other Persons, provided that the transfer or assignment shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No transfer or assignment of the

rights of Declarant provided for herein shall be effective unless it is in a Recorded written instrument signed by Declarant.

13.2. Marketing and Sales Rights of Declarant. Declarant may maintain and carry on without fee or charge upon portions of the Common Area such facilities and activities as, in its sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model homes, construction trailers and sales offices. Declarant shall have easements for access to and use of such facilities and shall have the right and an easement to maintain signs in the Area of Common Responsibility until its rights terminate as provided herein.

13.3. Use of Experts. No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within the Community in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Declarant and any builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the owner of the property to discuss the owner's concerns and conduct their own inspection.

13.4. Amendment to Governing Documents; Declarant Approval. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any of the Governing Documents shall be effective without prior written notice to and the written approval of Declarant until its rights terminate as provided below.

13.5. Termination of Rights of Declarant The rights of Declarant to take, approve or consent to actions under this Declaration, the Articles of Incorporation and the Bylaws shall cease and be of no further force and effect upon the earlier of: (a) the date that the Declarant no longer owns any property described on Exhibit "A" or Exhibit "B" and no longer has the right to unilaterally annex additional property to the Community and each Unit has been improved with a dwelling for which a certificate of occupancy has been issued and conveyed to an Owner intending to use the Unit for residential use or purposes; or (b) the date Declarant Records a written instrument terminating all of Declarant's rights. Notwithstanding the foregoing, the Declarant may, in its sole discretion, relinquish certain authority granted to it under the Governing Documents while retaining authority over others. For example, and without limitation, the Declarant may terminate its right to appoint and remove the officers and directors of the Association but reserve all other rights under the Declaration and Bylaws, including, without limitation, the right to exercise architectural control in the Community. Any right, power or authority of the Declarant which is terminated or relinquished prior to the termination of the rights of Declarant hereunder shall be by a written Recorded instrument only and no such right, power or authority shall be relinquished or terminated by implication or otherwise.

ARTICLE XIV

DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

14.1. Agreement to Avoid Litigation. Declarant, the Association, its officers, directors, and committee members, all Persons subject to this Declaration, any builder, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (individually, a "Bound Party" and collectively, the "Bound Parties") agree to encourage the amicable resolution of disputes involving the Community without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances, or disputes described in Section 14.2 ("Claims") shall be resolved using the procedures set forth in Section 14.3 hereof.

14.2. Claims. All claims, grievances, or disputes arising out of or relating to the design, construction, or repair of improvements on the Community shall be subject to the provisions of Section 14.3; provided, however, any action by the Association against an Owner to enforce the provisions of this Declaration, which shall include, but not be limited to, any suit by the Association to obtain a temporary restraining order, injunctive relief or any suit or other action to collect past due assessments, shall not be subject to the provisions of Section 14.3 hereof. In addition to the foregoing, any suit between Owners, which does not include Declarant or the Association as a party, and any suit in which any indispensable party is not a Bound Party shall also be exempt from the provisions of Section 14.3 hereof.

14.3. Mandatory Dispute Resolution Procedures for Claims. **GEORGIA LAW CONTAINS IMPORTANT REQUIREMENTS THAT MUST BE FOLLOWED BEFORE FILING A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO CONSTRUCTED, IMPROVED, OR REPAIRED A RESIDENTIAL DWELLING LOCATED ON A UNIT. NINETY DAYS BEFORE FILING A LAWSUIT OR OTHER ACTION, THE CONTRACTOR MUST BE SERVED A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS ALLEGED TO BE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS OR BOTH. THERE IS NO OBLIGATION TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND THE FAILURE TO FOLLOW THEM MAY AFFECT THE ABILITY TO FILE A LAWSUIT OR OTHER ACTION. FOR PURPOSES OF O.C.G.A. § 8-2-35, ET SEQ., AS AMENDED. THE DEFINITION OF CONSTRUCTION DEFECT AS SET FORTH IN O.C.G.A. § 8-2-35 ET SEQ., AS AMENDED, SHALL APPLY.**

(a) Notice. The Association shall, no later than ninety (90) days before initiating an action against Declarant or any other contractor, provide service of written notice of the claim on the respondent by certified mail or overnight delivery with return receipt. The notice of claim shall state that the Association asserts a construction defect claim or claims in the Area of Common Responsibility and is providing notice of the claim or claims. The notice of claim shall also describe the claim or claims in sufficient detail to explain the nature of the alleged construction defects and the results of the defects. In addition, the Association shall provide to the Declarant or contractor any evidence that depicts the nature and cause of the construction defect, including expert reports, photographs, and videotapes, if that evidence would be discoverable under evidentiary rules.

(b) Authority to File Suit. An action by the Association against the Declarant or a contractor to recover damages resulting from construction defects in the Area of Common Responsibility may be maintained only after the Association complies with the following:

(i) The Members of the Association have voted to approve commencement of an action by two-thirds (2/3) of the votes cast, by statutory written ballot as provided in O.C.G.A. 14-3-708 or have approved commencement of an action by the affirmative vote of at least two-thirds (2/3) of the total membership at a meeting of the Members at which a quorum is present;

(ii) The full Board of Directors of the Association and the claimant have met in person and conferred in a good faith attempt to resolve the Association's claim or the claimant has definitively declined or ignored the requests to meet with the Board of Directors of the Association; and,

(iii) If O.C.G.A. § 8-2-35 *et seq.* is in effect, the Association has otherwise satisfied all of the pre-action requirements for a claimant to commence an action pursuant to O.C.G.A. § 8-2-35 *et seq.*, as amended.

(c) Additional Pre-Suit Requirements. In the event the Association duly calls and notices a meeting for the purpose of obtaining the approval of the Members as provided in Section 14.3(b)(i) above, a copy of the notice shall also be provided to the Declarant at least twenty-one (21) calendar days before the meeting until the rights of Declarant terminate as provided in Article XIII hereof.

In addition, at least three (3) business days in advance of the meeting at which the Members vote or at the time a statutory written ballot is circulated to the Members to obtain approval of an action to recover damages resulting from construction defects in the Area of Common Responsibility, the Association shall provide each Owner with a copy of the notice of claim provided to the contractor and an additional written description of claims and the reasons the Board is recommending consideration of the litigation.

(d) Destructive Testing. The Association or an attorney for the Association shall not employ a person to perform destructive tests to determine any damage or injury to a Unit or the Area of Common

Responsibility caused by a construction defect unless:

- (i) The person is licensed as a contractor pursuant to law;
- (ii) The Association has obtained the prior written approval of each Owner whose Unit will be directly affected by such testing;
- (iii) The Association or the person so employed obtains all permits required to conduct such tests and to repair any damage resulting from such tests;
- (iv) Reasonable prior notice and an opportunity to observe the tests is given to the Declarant or contractor against whom an action may be brought as a result of the tests; and
- (v) If O.C.G.A. § 8-2-35 *et seq.* is in effect, any additional requirements set forth in O.C.G.A. § 8-2-35 *et seq.*, as amended, have been satisfied.

Notwithstanding the foregoing, the Board of Directors of the Association may, without giving notice to the Owners, employ a contractor and such other persons as are necessary to make such immediate repairs to the Unit or Area of Common Responsibility as are required to protect the health, safety, and welfare of the Owners.

14.4. Allocation of Costs of Resolving Claims. All costs, including any attorneys' fees, incurred in complying with this Section 14.4 shall be borne by the party incurring same. Any and all subsequent costs, including any attorneys' fees, shall be made in accordance with the Right to Repair Act as set forth in O.C.G.A. § 8-2-35 *et seq.*, as amended, if the Right to Repair Act is in effect.

14.5. Enforcement of Resolution. After resolution of any claim, if any party fails to abide by the terms of any agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Article XIV. In such event, the party taking action to enforce the agreement shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, reasonable attorneys' fees actually incurred and court costs.

ARTICLE XV

GENERAL PROVISIONS

15.1. Duration. Subject to the limitations of Georgia law, this Declaration shall have perpetual duration. If Georgia law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall remain in effect for the maximum period permitted and shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each. In the event a written instrument signed by the then Owners of at least two-thirds (2/3) of the Units has been Recorded within the year immediately preceding the beginning of a twenty (20) year renewal period agreeing to terminate the same, this Declaration shall be terminated as specified therein.

15.2. Amendment. This Declaration may be amended as provided in this Section 15.2. Amendments to this Declaration shall become effective upon Recordation, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. The amendments authorized by this Section 15.2 may be of uniform or non-uniform application and Owners shall be deemed to have agreed that this Declaration may be amended as provided herein and that any rule of law requiring unanimous approval of amendments having a non-uniform application shall not apply.

(a) By Declarant. So long as Declarant owns any property subject to, or which may be subjected to, this Declaration, it may unilaterally amend this Declaration if such amendment is:

(i) required to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation, or judicial determination;

(ii) required to enable any title insurance company to issue title insurance coverage;

(iii) required by an institutional or governmental lender or purchaser of mortgage loans;
or

(iv) necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage loans; provided, such amendment does not adversely affect the title to an Owner's Unit unless such Owner consents in writing.

Further, Declarant may unilaterally amend this Declaration for any other purpose; provided such amendment does not materially adversely affect the substantive rights of any Owner to use and enjoy Owner's Unit hereunder or adversely affect title to any Unit without the consent of the Owner of such Unit.

(b) By the Owners. This Declaration may be amended upon the affirmative vote, written consent, or any combination thereof, of Members representing at least two-thirds (2/3) of the total eligible votes in the Association and the consent of Declarant until its rights have terminated as provided in Article XIII hereof.

(c) By the Board. The Board of Directors, with the written consent of the Declarant and without a vote of the Members, may amend this Declaration: (i) to elect to be governed by and thereafter comply with the provisions of the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220 *et seq.*; (ii) to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (iii) to enable any reputable title insurance company to issue title insurance coverage with respect to the Units subject to this Declaration; (iv) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Units subject to this Declaration; or (v) to enable any governmental agency or private insurance company, including without limitation, the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs, to insure or guarantee Mortgage loans on the Units subject to this Declaration; provided, however, such amendment shall not adversely affect the title to any Unit unless the Owner of such Unit consents thereto in writing.

The consent of the Declarant to any amendment shall be evidenced by the execution of said amendment by Declarant. The consent of the requisite number of Members to any amendment shall be evidenced by the execution of the amendment by said Members, or, in the alternative, the sworn statement of the President, Vice President or Secretary of the Association attached to or incorporated in the amendment, which sworn statement states unequivocally that the consent of the required number of Members was lawfully obtained and that any notices required by this Declaration, the Bylaws, the Articles of Incorporation or Georgia law were given.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignees of such right or privilege.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

15.3. Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other

provisions or applications.

15.4. Litigation. No judicial, administrative, or arbitration proceeding for any claim, grievance, or dispute arising out of, resulting from, or relating to anything other than the design, construction, or repair of improvements on the Community, shall be commenced or prosecuted by the Association unless approved in writing by seventy-five percent (75%) of the total eligible Association vote taken at a meeting duly called pursuant to the Bylaws for such purpose. This Section 15.4 shall not apply, however, to: (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens or the filing of lawsuits for injunctive relief); (b) the imposition and collection of assessments as provided in Article VIII; (c) proceedings involving challenges to *ad valorem* taxation; (d) counter-claims brought by the Association in proceedings instituted against it; (e) claims set forth in Section 14.2; or (f) actions brought by the Association against any contractor, vendor or supplier of goods or services arising out of a contract for goods or services to which the Association is a party. This Section 15.4 shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

15.5. Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with the provisions of any applicable Supplemental Declaration. Nothing in this Section 15.5 shall preclude any Supplemental Declaration from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same. In the event of a conflict between this Declaration and the provisions set forth in any Supplemental Declaration, the more restrictive provision shall control.

15.6. Compliance. Every Owner and Occupant of any Unit shall comply with the Governing Documents and the failure to comply shall be grounds for an action by the Association or, in a proper case, by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3 hereof.

15.7. Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to Owner's Unit shall give the Board or its designee at least seven (7) days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

15.8. Exhibits. All exhibits attached to this Declaration are incorporated by this reference and the amendment of such exhibits, unless otherwise provided therein, shall be governed by the provisions of Section 15.2 hereof. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

15.9. Nondiscrimination. No action shall be taken by the Declarant, the Association or the Board of Directors which would discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status, or disability.

15.10. Notices. Except as otherwise specifically provided in such document(s), as the case may be, notices provided for in this Declaration, the Articles or Bylaws shall be in writing and shall be addressed to an Owner at the address of the Unit and to the Declarant, and to the Association at the address of their respective registered agent on file with the Secretary of State of the State of Georgia. Any Owner may designate a different address, including an electronic mail address, for notices to such Owner by giving written notice to the Association. Owners shall keep the Association advised of their current address and phone number(s) where they can be reached. Notices addressed as above shall be mailed by United States Registered or Certified Mail, return receipt requested, postage paid, or delivered in person, including delivery by Federal Express or other reputable commercial courier service, or issued electronically in accordance with Chapter 12 of Title 10 of the Official Code of Georgia Annotated, the "Uniform Electronic Transactions Act". The time period in which a response to any such notice must be given or any action

taken with respect thereto, shall commence to run from the date of personal delivery or date of receipt shown on the return receipt. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice sent.

15.11. Easement and Cost Sharing Agreement.

(a) Every Owner, by acceptance of a deed to a Unit, acknowledges that, in addition to being subject to this Declaration and other Community instruments, he or she is subject to the Easement and Cost Sharing Agreement.

(b) In addition to all of the rights and obligations that have been conferred or imposed upon the Association pursuant to this Declaration, the Bylaws, or the Articles of Incorporation, the Association shall be entitled to exercise any of the rights conferred upon it and shall be subject to all of the obligations imposed upon it pursuant to the Easement and Cost Sharing Agreement. The Association and all committees of the Association shall also be subject to all superior rights and powers, which have been conferred pursuant to the Easement and Cost Sharing Agreement. The Association shall take no action in derogation of the rights of or contrary to the interest of the Easement and Cost Sharing Agreement. In the event of conflict between the provisions of the Easement and Cost Sharing Agreement and this Declaration, the Easement and Cost Sharing Agreement shall control.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 1st
day of October, 2025.

DECLARANT: **QUAIL RUN TOWNHOMES, LLC**
a Georgia limited liability company

By: [Signature] (SEAL)

Name: Nicholas R. [Signature]

Title: MEMBER

Signed, sealed, and delivered
in the presence of:

[Signature]
WITNESS

[Signature]
NOTARY PUBLIC

My Commission Expires: 01.25.31

[AFFIX NOTARY SEAL]

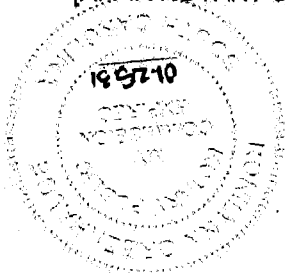


EXHIBIT "A"

Land Initially Submitted to the Declaration

ALL THAT TRACT or parcel of land lying and being in the City of Statesboro, in the 1209th GMD of Bulloch County, Georgia, being Parcel A, 11.54 Acres as shown on that certain plat of Survey for W. Warren Ball, prepared by Donald W. Marsh & Associates, certified by Donald W. Marsh, Georgia Registered Land Surveyor No. 2371, dated May 16, 2023, filed for record May 24, 2023, recorded in Plat Book 69, Page 391, Bulloch County, Georgia records.

[Map & Parcel No. MS30-000025-004]

EXHIBIT "B"

Land Subject to Annexation

The following property is not subject to this Declaration but may be annexed in accordance with the terms of the Declaration. Any parcel or tract of land which is:

1. Adjacent to the property described on Exhibit "A" or adjacent to property previously annexed to the Declaration.
2. Located within a one (1) mile radius of the property described on Exhibit "A".

EXHIBIT "C"

Initial Use Restrictions and Rules

The purpose of the initial Use Restrictions and Rules is not to anticipate all acceptable or unacceptable behavior in advance and eliminate all improvements or activities that fall outside of "the norm." In fact, it is expressly intended that the Reviewer under Article IX (Declarant or the ARC, as appropriate) have the discretion to approve or disapprove items, or to enforce or not enforce technical violations of the Governing Documents, based upon aesthetic or other considerations consistent with the established guidelines. As such, while something may be approved or permitted for one Unit under one set of circumstances, the same thing may be disapproved for another Unit under a different set of circumstances. The exercise of discretion in approving or enforcement shall not be construed as a waiver of approval or enforcement rights, nor shall it preclude the Declarant or the Association, acting through the Board, from taking enforcement action in any appropriate circumstances.

The following use restrictions and rules shall apply to the entire Community until such time as they are modified pursuant to Article X of the Declaration or amended pursuant to Section 15.2 hereof.

1. General. The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any sales professionals retained by Declarant to assist in the marketing or sale of property described on Exhibit "A" or Exhibit "B," offices for any property manager retained by the Association or business offices for Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

2. Rules and Restrictions. The Community is subject to the following rules and restrictions unless expressly authorized by and then subject to such conditions as may be imposed by the Board of Directors:

(a) Parking. The following restrictions shall apply to all Owners and Occupants; provided, however, construction, service, and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service to or to make a delivery within a Unit or the Common Area:

(i) Vehicles shall be parked only in appropriate parking spaces serving the Unit or other designated parking areas established by the Board, if any. No on-street parking shall be permitted except in connection with special events as approved by the Board or as otherwise approved by the Board in writing. All parking shall be subject to such additional reasonable Use Restrictions and Rules as the Board may adopt from time to time in its sole discretion. The term "vehicles," as used herein, shall include, without limitation, trailers, motorcycles, minibikes, trucks, campers, buses, vans, and automobiles. The term "parking spaces serving the Unit" shall refer to the number of garage parking spaces serving a Residence located on a Unit and if, and only if, the Owner or Occupants of a Unit have more vehicles than the number of garage parking spaces, those excess vehicles which are an Owner's or Occupant's primary means of transportation on a regular basis may be parked on the driveway on the Unit; provided, however, no vehicle parked in the driveway of a Unit shall encroach onto any grassy or landscaped area or any portion of a sidewalk or street in the Community. Unless otherwise provided by the Board, parking in the parking spaces located adjacent to the mailbox kiosk area shall be for short term, temporary parking for the limited purpose of and for such reasonable period of time as may be necessary to retrieve mail and may be subject to such additional Use Restrictions and Rules as the Board may adopt from time to time.

(ii) Unless otherwise permitted by the Board in writing, parking of commercial vehicles or equipment, tractor trailer cabs, commercial equipment, mobile homes, recreational vehicles, ATVs, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than in enclosed garages is prohibited; provided, however, small panel trucks with company names and/or logos on the sides that are used as primary vehicles shall be permitted.

(iii) If any vehicle is parked on any portion of the Common Area in violation of this Section or in violation of the Association's Use Restrictions and Rules, the Board or agent of the

EXHIBIT "C"

Initial Use Restrictions and Rules

Association may cause the vehicle to be towed or booted, subject to compliance with applicable law, including any notice required thereby. The notice may be a general notice by signage or may be placed on the vehicle, if and as allowed under applicable law, as the case may be. If a vehicle is parked in a fire lane, is blocking another vehicle, is obstructing the flow of traffic, is parked on any landscaped area or otherwise creates a hazardous condition, the Board or agent of the Association may have the vehicle towed immediately, subject to compliance with applicable law. If a vehicle is towed or booted in accordance with this subparagraph and applicable law, 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 towing or booting activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

(iv) Garage doors shall be kept closed except during times of ingress and egress from the garage and garages shall be used primarily for the parking of vehicles and not for storage or other purposes.

(v) Trucks with mounted campers which are an Owner's or Occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal.

(vi) Portions of the Common Area may contain striped and lined parking spaces for use by the guests of Owners and Occupants, as may be shown on a Recorded Plat ("**Guest Parking Spaces**"). The Guest Parking Spaces shall be on a first-come, first served basis and are reserved for the exclusive use of the guests of Owners and Occupants. For purposes of this subsection (vii), a guest is defined as an individual who resides in the Unit for less than ten (10) consecutive days. A guest may park Owner's vehicle in a Guest Parking Space for up to ten (10) consecutive days; provided, however, the temporary removal of a vehicle from a Guest Parking Space or the relocation of a vehicle from one Guest Parking Space to another Guest Parking Space shall not be sufficient to establish compliance with this restriction. Any guest residing at a Unit for more than ten (10) consecutive days shall be deemed to be an Occupant and must park Owner's vehicle in either the garage or driveway serving the Unit. Owners and Occupants are prohibited from parking vehicles in the Guest Parking Spaces. Any guest, Owner or Occupant who fails to comply with the provisions set forth in this subsection shall be subject to the remedies of the Association as set forth in subsection (iii) above and any other remedies available to the Association under this Declaration or Georgia law. The Board of Directors shall have the right to promulgate additional Use Restrictions and Rules regarding guest parking in the Community.

(vii) Nothing herein shall prevent the Declarant and its respective agents, builders, contractors, subcontractors and assigns from parking vehicles on any and all streets during regular business hours to facilitate the construction, development, maintenance and build-out of the Community.

(b) **Animals and Pets.** Other than a reasonable number of dogs, cats, or other usual and common household pets, as determined by the Board in its sole discretion, raising, breeding, or keeping animals of any kind, including, without limitation, livestock, or poultry, is prohibited. Animals which are permitted to roam free, or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Occupants of other Units shall be removed upon request of the Board. If the animal owner fails to honor such request, the Board may institute legal action to have the animal removed and all costs associated therewith, including, without limitation, reasonable attorneys' fees actually incurred, shall be a Specific Assessment against the Unit. Dogs shall be kept on a leash whenever outside of a dwelling located on a Unit and not in a fenced in yard. Pet owners are required to clean up after pets. Pets shall be registered, licensed, and inoculated as required by law. Failure to comply with these restrictions may result in fines as provided herein and in the Bylaws. No dog runs, runners or exterior pens for household pets shall be erected or maintained on any Unit unless approved in accordance with the provisions of Article IX hereof. The Board of Directors shall have the right to adopt

EXHIBIT "C"

Initial Use Restrictions and Rules

additional Use Restrictions and Rules designed to minimize damage and disturbance to other Owners and Occupants including, without limitation, restrictions requiring damage deposits, waste removal, leash controls and noise controls.

(c) **Signs.** No sign of any kind shall be erected by an Owner or Occupant within the Community without the prior written approval of the Reviewer or in compliance with applicable Design Guidelines; provided, however, under no circumstances shall a For-Rent sign be erected, installed, or displayed on a Unit. Notwithstanding the foregoing, the Board and the Declarant shall have the right to erect reasonable and appropriate signs, including, without limitation, signs relating to the development, construction, marketing, or sales of the Residences located on the Units in the Community. The Board shall have the right to impose reasonable, time, place and manner restrictions governing the display and placement of signs in the Community. The Board may impose a reasonable fine per day for the display of any sign which violates this provision and is not removed within twenty-four (24) hours after written demand is delivered to the Owner at that Unit. The provisions of this Section shall not apply to any Person holding a Mortgage who becomes the Owner of a Unit as a purchaser at a judicial or foreclosure sale conducted with respect to a first Mortgage or as transferee pursuant to any proceeding in lieu thereof.

(d) **Business.** An Owner or Occupant residing in a Unit may conduct business activities within a Residence located thereon so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Unit; (ii) the business activity conforms to all zoning requirements for the Community; (iii) the business activity does not involve excessive visitation to the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Community; (iv) 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; or (v) does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage, regardless of whether: (A) such activity is engaged in full or part-time; (B) such activity is intended to or does generate a profit; or (C) a license is required. This subsection shall not apply to any activity conducted by Declarant, or any other builder approved by Declarant with respect to Declarant's development and/ or sale of the Community or Declarant's use of any Units which it owns within the Community. Leasing of Unit for residential occupancy shall not be considered a business activity as provided herein.

(e) **Trash Cans.** Unless otherwise provided by the Board, trash cans and recycle bins shall not be stored in the driveway other than the day of trash collection. Trash and recycling receptacles stored inside yards must be screened from view. Such screening design and materials must be approved by the Reviewer as provided in Article IX hereof or consistent with applicable Design Guidelines. The Board of Directors shall have the authority to adopt Use Restrictions and Rules governing trash removal and/or recycling in the Community.

(f) **Gardening Materials.** Garden hoses, hose reels, sprinklers, and other gardening material and equipment must be stored out of view from adjacent Units and the public right-of-way when not in use.

(g) **Garages.** Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area is not permitted without the prior written approval of the Reviewer pursuant to Article IX.

(h) **Satellite Dishes.** No exterior antenna, receiving dish or similar apparatus of any kind for receiving and/or transmitting audio or video signals shall be placed, allowed or maintained upon any portion of the Community, including any Unit, unless approved in accordance with the provisions of Article IX hereof or in compliance with applicable Design Guidelines; provided, however, no approval shall be necessary to install the following on a Residence located on a Unit: (i) antennas designed to receive direct broadcast satellite services, including direct-to-home satellite services or antennas designed to receive or transmit fixed wireless signals via satellite, that are one meter or less in diameter; (ii) antennas designed to receive video programming services via multi-point distribution services or antennas designed to receive or transmit

EXHIBIT "C"

Initial Use Restrictions and Rules

fixed wireless signals other than via satellite that are one meter or less in diameter or diagonal measurement; or (iii) antennas that are designed and intended to receive television broadcast signals. Owners shall install any permitted antennae on the rear of the dwelling located on the Unit unless such installation: (x) imposes unreasonable delay or prevents the use of the antennae; (y) unreasonably increases the cost of installation; or (z) an acceptable quality signal cannot otherwise be obtained.

(i) **Fences.** Written approval must be obtained from the Reviewer prior to any placement, erection, or installation of any fence or fencing type barrier of any kind on a Unit. Under no circumstances shall any fence be placed, erected, allowed, or maintained upon any Unit closer to the street than the rear one-third of the residence located on the Unit. Additional restrictions may apply to corner lots. Fence types are determined by the Declarant for the Community-Wide Standard and may be set forth in the Design Guidelines, but other types may be approved on an individual basis. Notwithstanding the foregoing, Declarant shall have the right to erect fencing of any type, at any location, on any Unit during the period that such Unit is being used by Declarant as a model home. The Board of Directors shall have the right to erect fencing of any type considered appropriate or desirable by the Board at any location on the Common Area.

(j) **Miscellaneous.** Written approval must be obtained from the Reviewer prior to any construction, erection, or placement of anything, permanently or temporarily, on the outside portions of a Unit in accordance with the provisions of Article IX of the Declaration unless the same is otherwise permitted in the Design Guidelines. This shall include, without limitation, signs, permanent basketball hoops, swing sets and similar sports and play equipment; hedges, walls, dog runs, or animal pens, of any kind, garbage cans, woodpiles, and swimming pools.

(k) **Portable Play Equipment.** Equipment, including soccer goals, pitching/catching devices, children's toys, bicycles, tricycles, basketball goals, regardless of size, and other such items must be stored out of view from adjacent Units and the public right-of-way when not in use.

(l) **Flags.** No approval under Article IX of this Declaration shall be required for any Owner or Occupant to display the flag of the United States of America and the current flag of the State of Georgia on a Unit in accordance with the provisions of the U.S. Flag Code (36 US Code 10) and usual and customary practice. The Board of Directors of the Association may promulgate reasonable Use Restrictions and Rules with respect to the display of flags in the Community, including, without limitation, regulating the size of flags that may be displayed and imposing reasonable time, place and manner restrictions pertaining to the display of the United States flag located on a Unit in the Community; provided, however, no rule or regulation enacted by the Declarant or the Association shall have the effect of prohibiting any Owner or Occupant from displaying the flag of the United States of America on any Unit in the Community in contravention of the Freedom to Display the American Flag Act of 2005.

(m) **Storm Water Detention/Retention Ponds, Creeks, Wetlands and Streams.** Except as herein provided, all storm water retention or detention ponds, wetlands, creeks and streams within the Community shall be used for aesthetic amenities and storm water drainage only, no other use thereof, including, without limitation, swimming, ice skating, playing, or use of personal flotation devices, and other recreation, shall be permitted, without the prior written consent of the Board of Directors. The Association, the Declarant and their respective officers, directors, members, employees, representatives, or agents shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of any storm water detention/retention pond, creek, wetlands or stream within the Community. No Owner shall have any right to place rocks, stones, trash, garbage, sewage, waste water, rubbish, debris, ashes, or other refuse in any body of water within the Community. Applicable governmental agencies, the Declarant, and the Association, shall have the sole right to control the water level of all bodies of water located within the Community and to control the growth and eradication of plants, fowls, reptiles, animals, fish, and fungi in and around any storm water retention pond, creek, wetlands or stream in the Community. Owners shall not be permitted to withdraw water from any storm water detention/retention pond, creek, wetlands or stream without the prior written consent of the Board of Directors and shall have no riparian or littoral rights With respect to the waters in any creek or stream within the Community.

EXHIBIT "C"

Initial Use Restrictions and Rules

(n) **Buffer and Setback Areas.** Portions of the Community may contain buffer areas and/or impervious setback areas, as more particularly identified on a Recorded Plat. All Owners are responsible for preserving any undisturbed stream buffer area or impervious setback area which is located on any portion of a Unit. Any land disturbing and/or construction activities in said buffer or impervious setback areas shall be approved pursuant to Article IX hereof and shall be in compliance with any applicable governmental laws, ordinances, regulations and zoning conditions, including, without limitation, the Control of Erosion and Sedimentation Act, O.C.G.A. Section 12-7-1, *et seq.*, as amended from time to time.

(o) **Transient or Hotel Use.** With the exception of a lender in possession of a Unit following a default in a first Mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, no Unit shall be used for transient or hotel purposes, including, without limitation, listing such Unit on any internet or social media site or other listing agency for short term occupancy or rental.

3. **Prohibited Conditions.** The following shall be prohibited within the Community:

(a) **Quiet Enjoyment.** Any activity which emits foul or obnoxious odors outside of a Unit or creates noise or other conditions which tend to disturb the peace or threaten the safety of the Occupants of other Units; plants, animals, devices, or other things 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 (the inconvenience complained of shall not be fanciful, or such as would affect only one of fastidious taste, but it shall be such as would affect an ordinary, reasonable person as determined in a particular instance by the Board); use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to Occupants of other Units, except alarm devices used exclusively for security purposes; pursuit of hobbies or other activities which tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit. Each Owner hereby agrees that Declarant and its employees and subcontractors may engage in construction activities in the Community and that such activities shall not be in violation of this subsection.

(b) **Laws.** Any activity which violates local, state, or federal laws or regulations. However, the Board shall have no obligation to take enforcement action in the event of a violation.

(c) **Disrepair.** Structures, equipment, or other items on the exterior portions of a Unit which have become unsightly, rusty, dilapidated, or otherwise fallen into disrepair.

(d) **Irrigation.** Sprinkler or irrigation systems or wells of any type which draw upon water from creeks, wetlands, streams, or other ground or surface waters within the Community, except that Declarant and the Association shall have the right to draw water from such sources

(e) **Motorized vehicles.** Motorized vehicles on pathways, trails, or unpaved Common Areas, except for public safety vehicles, vehicles authorized by the Board and vehicles used by any person with a disability, including wheelchairs or other necessary transportation devices.

(f) **Annoyance.** Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the Occupants of other Units; provided, however, construction activities on Units in the Community by the Declarant or its agents or employees shall not be deemed an annoyance as provided herein.

(g) **Burning.** Outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a dwelling on a Unit.

(h) **Dumping.** Dumping of grass clippings, leaves, or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, storm water detention/retention pond, lake, wetlands or elsewhere within the Community is prohibited. Fertilizers and pre-emergents may be applied to landscaping provided care is taken to minimize runoff.

EXHIBIT "C"

Initial Use Restrictions and Rules

(i) **Trash.** Accumulation of rubbish, trash, or garbage, except between regular garbage pickups, and then only in approved containers.

(j) **Drainage.** Obstruction or rechanneling of drainage flows after the installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right.

(k) **Subdivision.** Subdivision of a Unit into two or more Units or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and Recorded, except that Declarant shall be permitted to subdivide or re-plat Units which it owns or other Units with the consent of the Owner thereof.

(l) **Common Area Landscaping.** Except as may be otherwise permitted in this Declaration, removing, altering, or pruning of landscaping on the Common Area.

(m) **Firearms.** The discharge of firearms, with the exception of law enforcement officers during the performance of their duties; provided, the Board shall have no obligation to take action to prevent the discharge of firearms. The term "firearms" includes "B-B" guns, pellet guns, archery equipment and firearms of all types, regardless of size.

(n) **Fuel.** On site storage of fuel, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for the operation of maintenance vehicles, generators, and similar equipment.

(o) **Vegetation.** Any activities which materially disturb or destroy the vegetation, wildlife, wetlands or air quality within or outside of the Community, or which use excessive amounts of water, or which result in unreasonable levels of sound or light pollution.

(p) **Window Treatments.** Installation of foil or other reflective materials on any windows for sunscreens, blinds, shades or for any other purpose. The side of all window treatments, with the exception of stained wood blinds or shutters, which can be seen at any time from the outside of any structure located on a Unit shall be white, off-white or such other color as may be permitted in the Design Guidelines. Bed sheets, blankets, towels, black plastic, paper, and similar type items shall not be used as window treatments.

(q) **Air Conditioning Units.** Installation and use of window air conditioning units.

EXHIBIT "D"

**BYLAWS
OF
QUAIL RUN TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

BYLAWS
OF
QUAIL RUN TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

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**BYLAWS
OF
QUAIL RUN TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

**Article I
Name, Principal Office, and Definitions**

1.1. Name. The name of the corporation is Quail Run Townhomes Homeowners Association, Inc. ("Association").

1.2. Principal Office. The principal office of the Association shall be located in Bulloch County, Georgia. The Association may have such other offices, either within or outside of the State of Georgia, as the Board of Directors may determine or as the affairs of the Association may require.

1.3. Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions for QUAIL RUN TOWNHOMES Recorded in Bulloch County, Georgia, as it may be amended and/or supplemented from time to time ("Declaration"), unless the context indicates otherwise, or the meanings given in the Georgia Nonprofit Corporation Code. Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

**Article II
Membership: Meetings, Quorum, Voting, Proxies**

2.1. Membership. The Association shall have two (2) classes of membership, as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board, either within the Community or as convenient as is possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the closing of the first home or when twenty five percent (25%) of the homes in the Community have been sold, whichever is later, unless the Board determines that it is in the best interest of the Community to hold it earlier. Subsequent regular and annual meetings shall be set by the Board on a date and at a time set by the Board in its sole discretion.

2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon the delivery of a petition signed and dated by Members representing at least twenty five percent (25%) of the total votes in the Association.

2.5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Until the rights of Declarant terminate as provided in the Declaration, a copy of the notice shall also be delivered, either personally or by certified mail, return receipt requested, at the address each has registered with the Secretary of the Association, or alternatively, if no address is on file with the Secretary, the address of the

registered agent on file with the Georgia Secretary of State to Declarant not less than ten (10) nor more than fifty (50) days before the date of such meeting.

In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Association and to the Declarant at its address on file with the Georgia Secretary of State, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing or by electronic transmission signed by the Member entitled to notice and delivered to the Association for inclusion in the minutes for filing with the Association's records, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or the Member's proxy or a Voting Delegate shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members, Voting Delegates or their proxies holding a majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members, Voting Delegates and the Declarant in the manner prescribed for regular meetings.

The Members represented at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

2.8. Voting. The voting rights of the Members shall be as set forth in the Declaration and in these Bylaws, and such provisions are specifically incorporated by this reference.

2.9. Proxies. At all meetings of Members, each Member may vote in person (if a corporation, partnership, or trust, through any officer, director, partner, manager, member, or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Georgia law. All proxies shall be either in writing or by electronic transmission specifying the Unit(s) for which it is given, signed by the Member or a duly authorized attorney-in-fact, dated and filed with the Association's Secretary or Owner's designee prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. An electronic transmission must contain or be accompanied by information from which it can be determined that the Voting Delegate, Member, Member's agent, or Member's attorney-in-fact authorized the electronic transmission. Proxies may be delivered to the Board of Directors by personal delivery, U.S. mail or electronic transmission to the Secretary or other officer or agent authorized to tabulate votes. Every proxy shall be revocable and shall automatically cease upon: (a) receipt of notice by the Secretary of the death or judicially declared incompetence of a Member; (b) receipt by the Secretary or other officer or agent authorized to tabulate votes of written revocation signed by the Member; (c) receipt by the Secretary or other officer or agent authorized to tabulate votes of a subsequent appointment form signed by the Member; (d) attendance by the Member and voting in person at any meeting; or (e) the expiration of eleven (11)

months from the date of the proxy appointment form unless an earlier date is specified therein.

2.10. Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, Voting Delegate, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

2.11. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence, in person or by proxy, of Members entitled to cast twenty five percent (25%) of the total votes in the Association shall constitute a quorum at all meetings of the Association. The Members present at a duly called meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than quorum.

2.12. Conduct of Meetings. The President or any designee the Board approves shall preside over all Association meetings. The Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13. Action by Written Consent. Any action required or permitted to be approved by the Members may be approved without a meeting if one (1) or more consents, in writing or by electronic transmission, setting forth the action so taken, shall be signed, either personally or by an electronic transmission, and dated by Members (including the Declarant, if the consent of the Declarant is required) holding the voting power required to pass such action at a meeting held on the record date for such action. The record date for such action shall be the date that the first Member signs a consent. Such action shall be approved when the Secretary receives a sufficient number of such consents dated within seventy (70) days of the record date for such action. If less than unanimous consent is obtained, the approval shall be effective ten (10) days after the Secretary gives written notice of the approval to all Members who did not sign a consent. Each consent in writing or by electronic transmission shall be included in the minutes of meetings of Members filed in the permanent records of the Association. No consent in writing or by electronic transmission shall be valid unless: (1) the consenting Member has been furnished the same material that, pursuant to the Nonprofit Code, would have been required to be sent to Members in a notice of a meeting at which the proposed action would have been submitted to the Members for action; or (2) the written consent contains an express waiver of the right to receive the material otherwise required to be furnished.

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

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

Article III
Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1 Governing Body; Composition. The business and affairs of the Association shall be governed by a Board of Directors. Each director shall have one equal vote. Except with respect to directors appointed by Declarant during the Declarant Control Period, the directors shall be Members of the Community; provided, however, that no two (2) persons being co-Owners of any one (1) Unit may serve on the Board at the same time. In the case of a Member which is not an individual, any officer, director, partner, member or manager of a limited liability company, or trust officer of such Member shall be eligible to serve as a director unless a written notice to the Association signed by such Member specifies otherwise; however, no Member may have more than one (1) such representative on the Board at any one time, even if such Member owns more than one (1) Unit, except in the case of directors appointed by Declarant. Owners not in good standing with Association and whose dues are not paid current are not allowed to serve as a director.

3.2 Number of Directors. The initial Board shall consist of three (3) directors designated in the Articles of Incorporation. Thereafter, the Board shall consist of either three (3) to seven (7) directors, as provided in Section 3.4 below, but shall remain an odd number.

3.3 Nomination and Election Procedures. Except with respect to directors appointed by Declarant during the Declarant Control Period, elected directors shall be nominated from the floor at a meeting of the Members and may also be nominated by a nominating committee, if such a committee is established by the Board, but no such committee need be appointed by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.4 Election and Term of Office.

(a) During the Declarant Control Period. Declarant shall have the sole and exclusive right to appoint and to remove the directors of the Association until the first to occur of the following (the "**Declarant Control Period**"):

(i) When Declarant no longer owns any property primarily for development or sale in the Community and no longer has the right to unilaterally annex additional property to the provisions of the Declaration as provided in Section 7.1 of the Declaration; or

(ii) Upon Recording a written document, executed by Declarant, terminating the rights of the Declarant and the Class "B" Member.

Notwithstanding its right to appoint and remove officers and directors of the Association, Declarant reserves the right to approve or disapprove specified actions of the Association as provided in Section 3.18 herein.

(b) Upon the Expiration of the Declarant Control Period. Upon the expiration of the Declarant Control Period, directors shall be elected by the Members and hold office as follows:

(i) Association shall call a special meeting to be held at which Members shall elect three (3) directors to serve until the next annual meeting of the Members. At the next annual meeting of the Members following the expiration of the Declarant Control Period, the Members shall elect two (2) directors for an initial term of two (2) years and one (1) director for an initial term of one (1) year. At the expiration of the initial term of office of each director, a successor shall be elected to serve for a term of two (2) years. The directors shall hold office until their respective successors shall have been elected by the Association.

(ii) Thereafter, directors shall be elected at Association's annual meeting. Each Member shall cast the entire vote assigned to Member's Unit for each position to be filled. There shall be no cumulative voting. The number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

(iii) Upon the expiration of the Declarant Control Period, and upon the affirmative vote of sixty-seven (67%) percent of the Members, the number of directors may be expanded to any odd number up to and including seven (7) directors. In the event the Members vote to expand the Board, the additional directors shall each serve a term of two (2) years on a staggered basis such that in one year three (3) directors would be elected for a term of two (2) years, and the following year either two (2) or four (4) directors would be elected for a term of two (2) years each, depending on total number of directors.

3.5 Removal of Directors and Vacancies. At any regular or special meeting of the Association duly called, any one (1) or more directors may be removed, with or without cause, by a vote of a majority of the voting interest of the Members and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Members shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who has had three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment or fine for more than thirty (30) days may be removed by a majority vote of the remaining directors at a meeting.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members may elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by Declarant. Declarant shall be entitled to appoint or remove Directors at any time during the Declarant Control Period. Thereafter, Declarant may appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director it has appointed.

B. Meetings.

3.6 Annual Meetings. The Board shall hold an annual meeting within fourteen (14) days following each annual meeting of the Members at such time and place the Board shall fix.

3.7 Regular Meetings. The Board may hold regular meetings at such time and place a majority of the directors shall determine, but the Board shall hold at least four (4) such meetings during each fiscal year with at least one per quarter. The Board shall give notice of the time and place of a regular meeting to directors not less than six (6) days prior to the meeting; provided, the Board need not give notice of a meeting to any director who has signed a waiver of notice or a written consent to holding the meeting.

3.8 Special Meetings. The Board may hold special meetings when called by written notice signed by the President, the Vice President, or any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at the director's address as shown on Association's records. Notices sent by first class mail shall be deposited into a United States mailbox at least six (6) business days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic communication shall be delivered or communicated at least seventy-two (72) hours before the time set for the meeting. Notices of such meetings shall also be delivered to the Members contemporaneously with the directors' notices.

3.9 Notices; Waiver of Notice.

(a) Notices of meetings of the Board shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The notice shall be given to each director by:

- (i) personal delivery;
- (ii) (first class mail, postage prepaid;
- (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or
- (iv) facsimile, computer, or other electronic communication device, with confirmation of transmission.

All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the records of the Association. Notices of special meetings of the Board shall also be posted in a prominent place within the Community. Notices sent by first class mail shall be deposited into a United States mailbox at least five (5) business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least seventy-two (72) hours before the time set for the meeting.

(b) The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present; and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 Telephonic Participation in Meetings. Members of the Board or any committee the Board designates may participate in a meeting of the Board or committee by means of conference telephone, video conference, or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 3.10 shall constitute presence at such meeting.

3.11 Quorum of Board of Directors. At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless the Bylaws or the Declaration specifically provide otherwise. A meeting at which a quorum is present initially may continue to transact business notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact without further notice any business which it might have transacted at the original meeting. Any amendments to this Section 3.11 shall comply with the provisions of the Section 33-31-1024 of the Georgia Nonprofit Corporation Code.

3.12 Compensation. Directors shall not receive any compensation from Association for acting as such. The Association may reimburse any director for expenses incurred on Association's behalf. Nothing herein shall prohibit Association from compensating a director, or any entity with which a director is affiliated, for services or supplies he or she furnishes to the Association in a capacity other than as a director pursuant to a contract or agreement with Association, provided that such director makes Owner's

interest known to the Board prior to entering into such contract and a majority of the Board, excluding the interested director, approves such contract.

3.13 Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.14 Open Meetings. Subject to the provisions of Section 3.15, all Board meetings shall be open to all Members but attendees other than directors may not participate in any discussion or deliberation unless a director requests permission for that person to speak. In such case, the President may limit the time such person may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session and may exclude persons other than directors. Only the following matters are open for discussion in executive session:

- (a) matters pertaining to the Association employees or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
- (b) consultation with legal counsel regarding disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) investigative proceedings concerning possible or actual criminal conduct;
- (d) matters subject to specific constitutional, statutory; or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and
- (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

3.15 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors, or any action that may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16 Powers. The Board shall have all of the powers and duties necessary for managing the business and affairs of the Association and for performing all responsibilities and exercising all of the Association's rights as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done all acts and things not limited by the Governing Documents or Georgia law to be done and exercised exclusively by the Members.

3.17 Duties. The Board's duties shall include, without limitation:

- (a) causing to be prepared and adopting, in accordance with the Declaration, an annual budget establishing each Member's share of the Common Expenses;
- (b) levying and collecting such Assessments from the Members;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility and entering into agreements with adjacent property owners to allocate maintenance responsibilities and costs of certain public rights-of-way and other property within or adjacent to the Community;
- (d) designating, hiring, and dismissing the personnel necessary to carry out Association's rights and responsibilities and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of

their duties;

(e) depositing all funds received on Association's behalf in a bank depository which it shall approve, and using such funds to operate Association; provided, any reserve fund may be deposited, in the directors' business judgment, in depositories other than banks;

(f) making and amending Use Restrictions and Rules in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning Association; provided, Association's obligation in this regard shall be conditioned in the manner provided in Section 8.5 of the Declaration;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4 hereof;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Community;

(o) indemnifying an Association director, officer, or ARC member, or former Association director, officer, or ARC member to the extent such indemnity is required by Georgia law, the Articles of Incorporation, or the Declaration; and

(p) assisting in the resolution of disputes between Owners and others without litigation, as set forth in the Declaration.

3.18 Right of Declarant to Disapprove Actions. During the Declarant Annexation Period as set forth in the Declaration, Declarant shall have a right to disapprove any action, policy, or program of the Association, the Board, and any committee which, in Declarant's sole judgment, would tend to impair rights of Declarant under the Declaration or these Bylaws, interfere with the development or construction of any portion of the Community, or diminish the level of services Association provides.

(i) Association shall give Declarant written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies as to the Board meetings with Sections 3.7, 3.8, 3.9, and 3.10 hereof and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(ii) Association shall give Declarant the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action,

policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

Declarant, its representatives, or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. Declarant, acting through any officer, director, agent or authorized representative, may exercise its right to disapprove at any time within ten (10) days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of the Board, Association, or any committee. Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repair or any expenditure required to comply with applicable laws and regulations.

3.19 Management. The Board may employ for Association a professional management company at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority. Declarant or an affiliate of Declarant may be employed as managing agent or manager.

The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

3.20 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) Association's cash accounts shall not be commingled with any other accounts;
- (d) the managing agent shall accept no remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, services fees, prizes, gifts, or otherwise; anything of value received shall benefit Association;
- (e) the managing agent shall disclose to the Board promptly any financial or other interest which the managing agent may have in any firm providing goods or services to the Association; and
- (f) an annual report consisting of at least the following shall be made available to all Members within one-hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant; however, upon written request of any holder, guarantor, or insurer of any first Mortgage on a Unit, Association shall provide an audited financial statement. During the Declarant Control Period, the annual report shall include certified financial statement.

3.21 Borrowing. The Association shall have the power to borrow money for any legal purpose; however, the Board shall obtain Member approval in the same manner provided in Section 9.2 of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within

the previous twelve (12) month period, exceeds or would exceed twenty percent (20%) of the Association's budgeted gross expenses for that fiscal year. No Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Members representing at least eighty percent (80%) of the total vote in Association.

3.22 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with residential or nonresidential owners' associations within the outside the Community; however, any common management agreement shall require the Board's consent.

3.23 Enforcement. In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose reasonable monetary fines, which shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote for violation of any duty imposed under the Governing Documents. In addition, the Board may suspend any services Association provides to an Owner or an Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charges owed to the Association. In the event that any Occupant, tenant, employee, guest, or invitee of a Unit violates the Governing Documents, and a fine is imposed, Association shall first assess the fine against the Occupant; however, if the Occupant does not pay the fine within the time period the Board sets, the Owner shall pay the fine upon notice from Association. The Board's failure to enforce any provision of the Governing Documents shall not be deemed a waiver of the Board's right to do so thereafter.

(a) Notice. Prior to imposition of certain sanctions requiring notice under the Declaration, the Board, or its delegate, shall serve the alleged violator with written notice describing (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a period of not less than ten (10) days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; however, the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that are in violation of parking rules) or, following compliance with the dispute resolution procedures set forth in Article XIII of the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessary compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or Person responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Unit for purposes or exercising this power of self-help shall not be deemed as trespass.

3.24 Board Standards. While conducting Association's business affairs, the Board shall be protected by the business judgment rule. The business judgment rule protects a director appointed by Declarant from personal liability so long as the director: (i) serves in a manner the director believes to be in the best interests of the Association and the Members; or (ii) serves in good faith. The business judgment rule protects a director not appointed by Declarant from liability for actions taken or omissions made in the

performance of such director's duties, except for liability for wanton and willful acts or omissions.

In fulfilling its governance responsibilities, the Board's actions shall be governed and tested by the rule of reasonableness. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

The burden of proof in any challenge to an action or inaction by a director shall be on the party asserting liability.

The operational standards of the Board and any committee the Board appoints shall be the requirements set forth in the Governing Documents or the minimum standards which Declarant, the Board, and the Architectural Review Committee may establish. Such standard shall, in all cases, meet or exceed the standards set by Declarant and the Board during the Declarant Control Period. Operational standards may evolve as the needs and demands of the Community change.

3.25 Board Training Seminar. Each director is encouraged to complete a board training seminar within such director's first three (3) months of directorship. Such seminar shall educate the directors about their responsibilities and duties. The seminar may be in live, video or audio tape, or other format.

Article IV Officers

4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the members of the Board; other officers may but need not be members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. This Section 4.1 shall not apply to the Declarant during the period in which the Declarant has the right to appoint and remove the officers and directors of the Association.

4.2. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and directors. The immediate supervision of the affairs of the Association shall be vested in the President. It shall be the President's duty to attend to the business of the Association and maintain strict supervision over all of its affairs and interests. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association and shall manage and operate the business of the Association pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

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

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

4.5. Treasurer. The Treasurer shall keep, or cause to be kept, the financial books and records of the Association, and shall faithfully account for the Association's funds, financial assets, and other assets entrusted to the Treasurer's care and custody. The Treasurer shall make such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the

Association, and shall perform such other duties as the President, or the Board of Directors may prescribe. The Treasurer shall maintain the money and other assets of the Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association to disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Secretary of the Association in the absence or disability of the Secretary.

4.6. Election and Term of Office. Except for officers appointed by the Declarant, the Board shall appoint the officers of the Association at the first meeting of the Board following each annual meeting of the Members, to serve until their successors are elected.

4.7. Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.8. Powers and Duties. The Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the Association's chief executive officer. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

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

4.10. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12 hereof.

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

Article V Committees

Advisory committees to perform such tasks and to serve for such periods as may be designated by the Board or as provided in the Declaration are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. An advisory committee shall not be authorized to exercise any authority of the Board under the Articles of Incorporation, the Declaration, these Bylaws, or the Georgia Nonprofit Corporation Code.

Article VI Miscellaneous

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Association proceedings when not in conflict with Georgia law or the Governing Documents.

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

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Unit, any Member, the Declarant, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to Owner's interest in a Unit the following documents: (i) the Declaration, Bylaws, and Articles of Incorporation and any amendments to the foregoing; (ii) the Use Restrictions and Rules; (iii) the membership register; (iv) books of account; and (v) the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at the office of the management agent or manager, if any, or at such other place within the Community as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made;

and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5. Notices. Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements, and other communications under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or when sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or if by electronic transmission by a form of electronic transmission consented by the Board of Directors as provided in a resolution of the Board of Directors and otherwise in accordance with the Nonprofit Code.; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section 6.5 or if by electronic transmission by a form of electronic transmission consented by the Board of Directors as provided in a resolution of the Board of Directors and otherwise in accordance with the Nonprofit Code.

6.6 Electronic Records, Signatures and Documents. To the extent permitted by the Uniform Electronic Transaction Act, O.C.G.A. § 10-12-1, *et seq.*, the Nonprofit Code, the Declaration and these Bylaws, the Association and its members, officers, directors, Owners and Occupants may perform any obligation or exercise any right by use of electronic means providing sufficient security, reliability, identification and verifiability, which electronic means have been approved by the Board of Directors in its sole discretion.

6.7. Amendment.

(a) By Declarant. So long as Declarant has the right to appoint and remove officers and

directors, Declarant may unilaterally amend these Bylaws for any purpose; provided that such amendment shall not materially adversely affect the substantive rights of an Owner to use and enjoy Owner's Unit or adversely affect the title to any Unit unless the Owner shall consent thereto in writing. Thereafter, Declarant may amend these Bylaws if such amendment is specifically required to enable any governmental or institutional lender, purchaser, guarantor, or insurer of mortgage loans to make, purchase, insure, or guarantee mortgage loans on the Units.

(b) By Members. Except as provided above, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least two-thirds (2/3) of the total votes in the Association, the consent of Declarant, so long as Declarant owns any property in the Community or has the right to unilaterally annex additional property to the Community. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon Recordation, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

If a Member consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Member has the authority so to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.