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After Recording Return To:  
The Law Office of Margaret K. Clark, PC  
1 Diamond Causeway, Suite 21 #204  
Savannah, Georgia 31406  
Attn: Margaret K. Clark

Cross Reference:  
Deed Book 290Z, Folio 376  
Deed Book 309A, Folio 62

STATE OF GEORGIA

COUNTY OF CHATHAM

**AMENDED AND RESTATED NEIGHBORHOOD DECLARATION OF**  
**COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR HIGHLANDS CROSSING TOWNHOMES**

WHEREAS, Genesis Real Estate Group, LLC, a Georgia limited liability company (hereafter referred to as “Declarant”), recorded that certain Neighborhood Declaration of Covenants, Conditions and Restrictions for Highlands Crossing Townhomes on July 15, 2005, in Deed Book 290Z, Folio 376, *et. seq.* of the Chatham County, Georgia land records and re-recorded on July 3, 2006, in Deed Book 309A, Folio 62, *et. seq.* of the Chatham County, Georgia land records (hereafter referred to as “Original Declaration”);

WHEREAS, Highlands Crossing Townhomes Property Owners Association, Inc. (hereafter referred to as “Neighborhood Association”) is the homeowners association identified and defined within the Original Declaration;

WHEREAS, the By-Laws of Highlands Crossing Townhomes Property Owners Association, Inc. (hereafter referred to as “Original Bylaws”) are the bylaws of the Association;

WHEREAS, pursuant to Article XIV, Section 4 of the Original Declaration, the Neighborhood Association shall have the power to amend the Original Declaration, by a vote of two-thirds (2/3) of the number of the total members of the Association and the Declarant;

WHEREAS, pursuant to Article 7, Section 5 of the Original Bylaws, the Original Bylaws may be altered, amended, or repealed or new Bylaws may be adopted by the Declarant for so long as it is a Class B Member and thereafter by the affirmative vote of a majority of the Members of the Association;

WHEREAS, as of the date hereof, the Class B Membership has terminated and all rights of Declarant have terminated;

WHEREAS, this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Highlands Crossing Townhomes and the Amended and Restated Bylaws of Highlands Crossing Townhomes Property Owners Association, Inc. attached hereto were approved at a duly called meeting of the members by a vote of at least two-thirds (2/3) of the number of the total members of the Association; and

NOW, THEREFORE, the Original Declaration and the Original Bylaws are hereby stricken in their entirety and the following are simultaneously substituted therefor:

**AMENDED AND RESTATED NEIGHBORHOOD DECLARATION OF**  
**COVENANTS, CONDITIONS, AND RESTRICTIONS**  
**FOR HIGHLANDS CROSSING TOWNHOMES**

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**AMENDED AND RESTATED NEIGHBORHOOD DECLARATION OF**  
**COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR HIGHLANDS CROSSING TOWNHOMES**

ARTICLE I.                   GEORGIA PROPERTY OWNERS' ASSOCIATION ACT

Highlands Crossing Townhomes is a residential property owners' Community which is submitted to the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.*, as may be amended or supplemented.

ARTICLE II.                 DEFINITIONS

2.1.    Act means the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.*, as may be amended or supplemented.

2.2.    Association means Highlands Crossing Townhomes Property Owners Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

2.3.    Board or Board of Directors means the elected body responsible for the management and operation of the Association.

2.4.    Bylaws mean the Amended and Restated Bylaws of Highlands Crossing Townhomes Property Owners Association, Inc., attached to this Declaration as Exhibit "B" and incorporated herein by this reference.

2.5.    Common Area means any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners. Common Area shall additionally mean any entrance monument and sign for the Community, as well as any associated improvements and landscaping. Common Area shall not include any real property conveyed to the Master Association, if any.

2.6.    Community or Highlands Crossing Townhomes means all property subjected and annexed to this Declaration and the Original Declaration.

2.7.    Community-Wide Standard means the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board.



2.8. Declaration means this Amended and Restated Neighborhood Declaration of Covenants, Conditions, and Restrictions for Highlands Crossing Townhomes.

2.9. Effective Date of this Declaration means the date that this Amended and Restated Neighborhood Declaration of Covenants, Conditions, and Restrictions for Highlands Crossing Townhomes is recorded in the Chatham County, Georgia land records.

2.10. Lot means a portion of the Community intended for ownership and use as a single-family dwelling site and as shown on the plats for the Community recorded in the Chatham County, Georgia land records.

2.11. Master Association means Highlands Owners Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

2.12. Master Declaration means the Declaration of Covenants, Conditions, and Restrictions for the Highlands recorded on May 6, 2000 in Deed Book 260-W, Folio 167, *et. seq.* of the Chatham County, Georgia land records.

2.13. Mortgage means any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation against a Unit.

2.14. Mortgagee or Mortgage Holder means the holder of any Mortgage.

2.15. Occupant means any Person occupying a Unit for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

2.16. Original Declaration means the original Neighborhood Declaration of Covenants, Conditions and Restrictions for Highlands Crossing Townhomes on July 15, 2005, in Deed Book 290Z, Folio 376, *et. seq.* of the Chatham County, Georgia land records and re-recorded on July 3, 2006, in Deed Book 309A, Folio 62, *et. seq.* of the Chatham County, Georgia land records.

2.17. Owner means the record title holder of a Unit, whether one or more Persons, but shall not include a Mortgage Holder.

2.18. Party Wall means any wall built as part of the original construction of two or more dwellings that is placed on the dividing line or platted lot line between such Lots of such dwellings.

2.19. Person means any individual, corporation, firm, association, partnership, trust, or other legal entity.

2.20. Townhouse means the one single-family dwelling constructed on a Lot.

ARTICLE III. PROPERTY SUBJECT TO DECLARATION

The property subject to this Declaration is as follows: (1) all that property described in Exhibit "A" attached hereto and incorporated herein by this reference; and (2) all that property subjected to the Original Declaration, including all prior amendments and supplements thereto.

ARTICLE IV. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1. Membership. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, shall be a member of the Association. This is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot owned. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

4.2. Voting. Members shall be entitled to one (1) equal vote for each Lot owned. When more than one (1) Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners determine among themselves. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it. A member's right to vote shall automatically be suspended during any period in which a member is more than thirty (30) days delinquent on any assessment or charge, and the member shall be ineligible to vote on any matter until the member's account balance has been paid in full and such member's vote shall not be counted for any purpose.

4.3. Entity Members. In the event an Owner is a corporation, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is the designated agent of such legal entity shall be eligible to represent such entity in the affairs of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity which is the Owner of the Lot. The membership rights of an Owner which is a corporation, partnership, trust, or other legal entity shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

ARTICLE V. ASSOCIATION RIGHTS AND RESTRICTIONS.

5.1. Association Rights and Restrictions. The Association, acting through its Board of Directors, shall have the right and authority, in addition to and not in limitation of any other right it may have, to:

(a) make and to enforce reasonable rules and regulations governing the use of the Lots, Townhouses, and of the Common Area;

(b) enforce the Declaration, Bylaws, and rules and regulations of the Association by imposing reasonable monetary fines and suspending use and voting privileges. These powers, however, shall not limit any other legal means of enforcing such documents or provisions by either the Association or, in an appropriate case, by an aggrieved Owner;

(c) grant permits, licenses, utility easements, and other easements, permits or licenses under, through or over the Common Area;

(d) the right of the Board of Directors to convey all or a portion of the Common Area to any Person upon the written approval of at least two-thirds (2/3) of the total vote of the Association membership;

(e) control, manage, operate, maintain, replace and, in the Board's discretion, alter or improve all portions of the Community for which the Association is assigned maintenance responsibility under this Declaration;

(f) deal with the Common Area in the event of damage or destruction as a result of casualty loss, condemnation, or eminent domain, in accordance with the provisions of this Declaration; and

(g) represent the Owners in dealing with governmental entities on matters related to the Common Area.

## ARTICLE VI. ASSESSMENTS

6.1. Purpose of Assessment. The Association shall have the power to levy assessments as provided herein. Assessments shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Association and the membership, and for expenses of the Association as provided within the Declaration, and as otherwise authorized by the Board.

6.2. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments and charges; (ii) special assessments pursuant to Section 6.7 of this Article; and (iii) specific assessments pursuant to Section 6.3 of this Article.

All such assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred (including post-judgment attorney fees from any prior judgment, if any), shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each assessment is made. Such amounts shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. Each Owner and the Owner's grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any

conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board. Unless otherwise determined by the Board of Directors annual assessments shall be paid in monthly installments. No Owner may be exempted from liability, or otherwise withhold payment of assessments, for any reason whatsoever.

The lien provided for herein shall have priority as provided in the Act. The Association, in the Board's discretion, may, but shall not be obligated to, record a notice of such lien in the Chatham County, Georgia land records evidencing the lien created under the Act and this Declaration.

6.3. Uniform Rate of Assessment and Specific Assessments. Annual assessments and special assessments shall be fixed at a uniform rate for all Lots. Notwithstanding the above, the Board of Directors shall have the power to levy specific assessments against Lots pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. The Board of Directors shall have the power to levy specific special assessments as follows:

(a) Except for expenses incurred for maintenance and repair of items which are the Association's maintenance responsibility hereunder, any common expenses benefiting less than all of the Lots or significantly disproportionately benefiting all Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received.

(b) Any common expenses occasioned by the conduct of less than all of those entitled to occupy all of the Lots or by the licensees or invitees of any Lot may be specifically assessed against such Lot, including attorney's fees actually incurred by the Association in enforcing the Declaration, Bylaws or Association rules and regulations, regardless of whether or not an enforcement lawsuit has been filed.

(c) Fines levied by the Board of Directors for violations of the Declaration, Bylaws, and/or rules and regulations of the Association.

6.4. Computation of Operating Budget and Assessment. Prior to the beginning of each new fiscal year after the Effective Date of this Declaration, the Board of Directors shall (1) prepare a budget covering the estimated expenses of the Association for the upcoming new fiscal year, and shall fix in the budget the amount of the annual assessment for the upcoming new fiscal year, and (2) deliver a copy of the budget to each Owner at least sixty (60) days prior to the beginning of the new fiscal year. The budget shall not operate as a limitation on expenditures by the Board, but, rather, the budget is merely an estimate of expenses on which the Board may base the annual assessment.

In the event the annual assessment is not increased more than ten percent (10%) from the prior year's annual assessment, the budget and assessment shall become effective without membership approval. In the event the annual assessment is increased more than ten percent (10%) from the prior year's annual assessment, the budget and the assessment shall become effective only if approved by the affirmative vote of two-thirds (2/3) of those members present, in person or by proxy, at a meeting of the members, a quorum being obtained.

6.5. Fiscal Year. The fiscal year of the Association may be set by Board resolution or, in the absence thereof, shall be the calendar year.

6.6. Reserve Budget and Reserve Account. The Board may prepare an annual or multi-year reserve budget which shall take into account the number and nature of replaceable assets, the expected life of such assets, and the expected repair or replacement costs of the assets. The Board may establish a reserve account for such expected repair or replacement costs, and may fund the reserve account from collected assessments. The reserve budget shall not operate as a limitation on the expenditures of funds in the reserve account, but, rather, the Board may spend funds in the reserve account as deemed reasonable by the Board.

6.7. Special Assessments. The Board may levy a special assessment against all Lots to pay the costs of any improvement or repair on the Common Area, or for any other purpose as determined by the Board; provided, however, prior to becoming effective, any special assessment must be approved by the affirmative vote of two-thirds (2/3) of those members present, in person or by proxy, at a meeting of the members, a quorum being obtained. An approved special assessment may be required to be paid during the fiscal year, or alternatively, if approved by the affirmative vote of two-thirds (2/3) of those members present, in person or by proxy, at a meeting of the members, a quorum being obtained, may be paid over a set number of years.

6.8. Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(a) If any assessment, fine, or charge is not paid in full within fifteen (15) days of the due date, a late charge equal to the greater of ten dollars (\$10.00) or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner, and interest at the rate of ten percent (10%) per annum, or such higher rate as permitted by the Act, shall accrue from the due date.

(b) If partial payment of an assessment, fine, or charge is made, the amount received may be applied by the Board, in respective order, to post-judgment attorney's fee from any prior judgment, if any, then to costs and attorney's fees not reduced to a judgment, then to interest, then to late charges, then to delinquent assessments and then to current assessments.

(c) If an assessment, fine, or charge due from an Owner remains delinquent and unpaid for more than thirty (30) days from the date due, then a notice of delinquency may be given to that Owner stating that if the unpaid assessment or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board may accelerate and declare immediately due all of that owner's unpaid installments of the assessment. If the Owner fails to pay all amounts currently due within ten (10) days of the date of the notice of delinquency, the Board may then accelerate and declare immediately due all installments of the assessment without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall thereby lose the privilege of paying the assessment in installments, unless reinstated in the Board's discretion. The notice of acceleration provided herein may be included in a collection litigation complaint filed against an owner for unpaid assessments and charges.

(d) If an assessment, fine, or charge remains unpaid more than sixty (60) days after the due date, the Association, acting through the Board, may institute suit to collect all amounts due pursuant to the provisions of the Act, the Declaration, the Bylaws, and Georgia law, including reasonable attorney's fees actually incurred (and including post-judgment attorney's fees from any prior judgment, if any).

(e) A member's right to vote shall automatically be suspended during any period in which a member is more than thirty (30) days delinquent on any assessment or charge, and the member shall be ineligible to vote on any matter until the member's account balance has been paid in full.

6.9. Capital Contribution Assessments (Initiation Fee). Upon the conveyance of ownership of a Lot to any Person, including all resales, a capital contribution assessment (an initiation fee) shall become due and payable to the Association by each new Owner. The amount of the capital contribution assessment shall be One-Sixth (1/6) of the annual assessment in effect for the fiscal year in which the conveyance occurs. The capital contribution assessment shall not be deemed to be an advance payment of any assessment and may not be paid in lieu of any assessment. The capital contribution assessment shall be the personal obligation of the new Owner and shall constitute a lien against the Lot. Notwithstanding anything to the contrary herein, no capital contribution assessment shall be due as a result of a conveyance of a Lot to an Owner's spouse or a corporation, partnership, company, or legal entity in which the Owner is a principal.

6.10. Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against such Lot. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein.

ARTICLE VII.           ARCHITECTURAL CONTROLS.

7.1.    Architectural Standards. No Owner, Occupant, or any other Person may make any exterior change, alteration, modification (including exterior painting), or construction on a Lot, the Townhouse, or the Common Property, nor erect, place or post any thing or object which may affect the appearance of a Lot, the Townhouse, or the Common Property (including, but not limited to, any fence, playground equipment, light (except for reasonable seasonal decorative lights displayed on the Owner's Lot or Townhouse between October 1 and January 15), basketball goal, storm door, exterior sculpture, or fountain), nor place any object in any window which is visible from the exterior of a Townhouse, without first obtaining the written approval of the Board of Directors.

The standard for approval of all improvements hereunder shall include, but not be limited to: (1) aesthetic consideration, (2) materials to be used, (3) compliance with the Community-Wide Standard, this Declaration, or design standards which may be adopted by the Board, (4) harmony with the external design of the existing dwellings, Lots and structures, and the location in relation to surrounding dwellings, structures and topography, and (5) any other matter deemed to be relevant or appropriate by the Board.

Applications for approval of any such architectural modification shall be in writing and shall provide such information as the Board may reasonably require. If the Board fails to approve, conditionally approve, or to disapprove such application within forty-five (45) days after the application and such information as the Board may reasonably require shall have been submitted, its approval will not be required and this Article shall be deemed complied with, unless such construction, modification or improvement otherwise is in violation of the Declaration, the Bylaws, the design standards, the Association's rules and regulations, or applicable zoning ordinances.

The Board shall be the sole arbiter of the application and may withhold approval for any reason whatsoever, including purely aesthetic considerations. The Association, acting through the Board, shall be entitled to stop any construction or modification which is not in conformance with approved plans. The Board may publish design standards for exterior alterations or additions, and any request in compliance therewith shall be approved.

7.2.    Professional Consultants. The Board of Directors shall have the authority to select and employ professional consultants to assist it in discharging its duties, the cost of such consultants to be paid by the Owner of any Lot for which an application has been submitted for approval. The Owner of any such Lot shall be responsible for paying the full costs of each review, whether or not the submitted application is approved by the Board, and the Board may require payment of all such costs prior to approval of the application. The Board also may charge reasonable fees to cover the cost of review or inspections performed hereunder.

7.3. Reconsideration. In the event the Board disapproves any application or part thereof, an Owner shall have the right to request the Board reconsider its decision. Such request for reconsideration must be in writing, contain all information the Owner would like the Board to consider, and be mailed to the Association by certified mail, return receipt requested. The Board shall rule on the request for reconsideration within thirty (30) days of receiving written notice requesting such reconsideration from the Owner. If the Board fails to render a decision on such request for reconsideration within thirty (30) days after the written request and such information as the Board may reasonably require shall have been submitted, the original Board decision shall be deemed final. In ruling on the request for reconsideration, the Board shall consider all relevant materials presented to it by the Owner, the original decision of the Board, and the application of the Owner to the Board. The Board of Directors shall have the final authority to approve, disapprove, or conditionally approve or disapprove the application of the Owner. If the Board does not receive written notice from the Owner by certified mail, return receipt requested requesting a reconsideration within fourteen (14) days from the date of the Board's notice to the Owner of its decision, the decision of the Board shall become final and all rights to request a reconsideration shall terminate.

7.4. Limitation of Liability. Review and approval of any application pursuant to this Article may be made on any basis, including solely the basis of aesthetic considerations, and neither the Association, the Board, nor any member of the foregoing shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Association, the Board, nor any member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design, or quality of approved construction on or modifications to any Lot, nor may any action be brought against the Association, the Board, or any member thereof, for any such injury, damage, or loss. Neither the Association, the Board, nor any member thereof, shall be liable to any Person for any reason whatsoever for any injuries or damages whatsoever relating in any way to the approval, disapproval, conditional approval, or the failure to approve or deny any application submitted to it pursuant to the terms of this Article.

7.5. No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board will change from time to time and that interpretation, application, and enforcement of the architectural standards may vary accordingly. The approval of the Board of any proposals, plans, and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval of the Board, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

7.6. Enforcement. Any construction, alteration, or other work done in violation of this Article, the Declaration, the Bylaws, the design standards or any applicable zoning regulations shall be deemed to be nonconforming. Upon written request from the Board, a violating Owner



shall, at the Owner's sole cost and expense, remove such nonconforming construction, alteration, or other work and restore the property to substantially the same condition as existed prior to such construction, alteration or work. Should the Owner fail to do so, the Board or its designees shall have the right, in addition to all other available remedies to remove the violation and restore the property, or obtain a court order compelling the violating Owner to do so. All costs thereof, including reasonable attorney's fees, may be assessed against such Lot, regardless of whether or not litigation is filed.

In addition to the above, the Board shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Article and its decisions. All costs of any such action, including reasonable attorney's fees, may be assessed against such Lot. Furthermore, the Board shall have the authority to record in the Chatham County, Georgia land records notices of violation of the provisions of this Article. The Board may also pursue any other enforcement option set forth in this Declaration.

7.7. Commencement and Completion of Construction. All improvements approved by the Board hereunder must be commenced within ninety (90) days from the date of approval. If not commenced within such time, then such approval shall be deemed revoked by the Board, unless the Board gives a written extension for commencing the work. Additionally, except with written Board approval otherwise, and except for delays caused by strikes, fires, national emergencies, critical materials shortages or other intervening forces beyond the control of the Owner, all work approved by the Board hereunder shall be completed within ninety (90) days of commencement.

7.8. Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition, or alteration, unless otherwise agreed to in writing by the Board. It is the responsibility of every Owner of a Lot to determine for himself or herself what architectural modifications have been made to his or her Lot by any predecessor-in-interest. In the discretion of the Board, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

## ARTICLE VIII. USE RESTRICTIONS

Each Owner of a Lot shall be responsible for ensuring that the Owner's family, guests, tenants, and Occupants comply with all provisions of this Declaration, the Bylaws, and the rules and regulations of the Association. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants, or Occupants, the Association may take action under this Declaration against the Owner as if the

Owner committed the violation in conjunction with the Owner's family, guests, tenants, or Occupants.

8.1. Residential Use. Each Lot shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any part of the Community, including business uses ancillary to a primary residential use, except that the Owner or Occupant residing in a dwelling on a Lot may conduct such ancillary business activities within that dwelling so long as (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the dwelling; (2) the business activity does not involve visitation of the Lot by employees, clients, customers, suppliers, or other business invitees; provided, however, this provision shall not preclude delivery of materials or items by United States Postal delivery or by other customary parcel delivery services (U.P.S., Federal Express, etc.); (3) the business activity conforms to all zoning requirements for the Community; (4) the business activity does not increase traffic in the Community; (5) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (6) the business activity does not involve the delivery of inventory or equipment to the Lot; and (7) 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 Board's sole discretion.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Short-term rentals, transient tenants, and any other service utilized to temporarily rent Lots and/or Townhouses as accommodations to guests or tenants (for example, Airbnb, HomeAway, VRBO, or other similar services) are expressly prohibited. Such rental arrangements shall be considered a business activity regardless if the Owner resides at the Lot.

8.2. Number of Occupants.

(a) The maximum number of occupants in a Townhouse on a Lot shall be limited to two (2) people per bedroom in the Townhouse as originally constructed. "Occupancy," for purposes hereof, shall be defined as staying overnight in a Townhouse for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any calendar year. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Act of 1988 or any amendments thereto.

(b) If an Owner of a Lot is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the

natural person(s) who will occupy the Townhouse on the Lot; provided, however, in the event the corporation, partnership, trust or other legal entity not being a natural person, or any officer, director, member, employee, trustee, partner or agent of such legal entity, receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument from or on behalf of the designated person(s), then such arrangement shall be considered leasing for purposes of this Declaration and the Owner shall be required to comply with Article IX of this Declaration. The designated person(s) to occupy the dwelling may not be changed more frequently than once every twelve (12) months.

8.3. Vehicles and Parking. The Board may adopt reasonable rules governing the parking of vehicles within the Community, including the assignment of parking spaces and guest parking. Vehicles may only be parked in such areas as authorized in writing by the Board. Vehicles shall not be parked on any lawn, yard, or street. Each Lot shall be assigned two (2) parking space. Such assigned parking spaces shall be reserved for the exclusive use of the Owner of such Lot, and such Owner's guests, invitees, and licensees. All other parking in the Community shall be on a first-come basis.

Disabled and stored vehicles are prohibited from being parked in the Community. For purposes of this Section, a vehicle shall be considered "disabled" if it does not have a current license tag or is inoperable. A vehicle shall be considered "stored" if it remains in a location without prior written Board permission, for fourteen (14) consecutive days or longer or if it is covered for more than three (3) consecutive days with a car cover or tarp.

Boats, trailers, trucks, full-size vans (excluding mini-vans or utility vehicles used as passenger vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes and containing visible evidence of commercial use (such as tool boxes or tool racks), and vehicles with commercial writings on their exteriors are prohibited from being parked in the Community, except in areas designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Area during normal business hours for the purpose of serving a Lot or the Common Area; provided, that, without the written consent of the Board, no such vehicle shall be authorized to remain on the Common Area overnight or for any purpose except serving a Lot or the Common Area.

If any vehicle is parked on any portion of the Community in violation of this Article or in violation of the Association's rules and regulations, the Board may send a notice to the vehicle owner or user, or place a notice on the vehicle, specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation and shall include the name and telephone number of the person or entity which will do the towing. In addition, the notice shall include the cost of recovery and information as to the form of payment. If twenty-four (24)

hours after such notice is placed on the vehicle, or three (3) days after the notice has been sent to the owner, the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the vehicle owner or user.

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

8.4. Animals. No Owner or Occupant may keep any animals other than a reasonable number of generally recognized household pets on any portion of the Community. No Owner or Occupant may keep, breed or maintain any animal for any commercial purpose. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors in unfenced areas. Dogs may not be left unattended while leashed or tethered to any post, tree, or object. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on a Lot without prior written Board approval.

Feces left by any animal on the Common Property, on any Lot, or in any Townhouse, including the animal owner's Lot or Townhouse, or anywhere in the Community must be removed promptly by the owner of the animal or the person responsible for the animal. Fines may be imposed to enforce this provision.

No potbellied pigs, chickens, or livestock may be brought into or kept in the Community at any time. No dog determined in the sole discretion of the Board to be a dangerous dog may be brought into or kept in the Community at any time by any Lot Owner, Occupant, or guest of an Owner or Occupant. Any animal which endangers the health or safety of any Owner or Occupant of any Lot or which creates a nuisance or unreasonable disturbance, as may be determined in the Board's sole discretion, must be permanently removed from the Community upon seven (7) days written notice by the Board. If the Owner or Occupant fails to comply with such notice, the Board may remove the animal and/or obtain a court order requiring the Owner or Occupant to do so. Any animal which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any member of the community may be removed by the Board without prior notice to the animal's owner.

Any Owner or Occupant who keeps or maintains any animal on any portion of the Community shall be deemed to have indemnified and agreed to hold the Association, its directors,

officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such animal within the Community.

8.5. Fences. No fence of any kind, including, but not limited to, functional or decorative fences, may be placed in the Community except as installed by or on behalf of the Association. “Invisible fences” for the confinement of pets are also prohibited.

8.6. Window Treatments. Unless otherwise approved in writing by the Board, all windows in a Townhouse that face toward the street shall have window treatments, and any portion of any window treatment in a Townhouse that is visible from outside of the Townhouse shall be white or off-white in color. Sheets, blankets, towels, flags, and other such items shall not be placed in any window or in way used as window treatments.

8.7. Antennas and Satellite Dishes. No transmission antenna of any kind may be erected anywhere in the Community without written approval of the Board. No satellite dish, direct broadcast satellite (DBS) antenna, or multi-channel multi-point distribution service (MMDS) larger than one meter in diameter shall be placed, allowed, or maintained upon any portion of the Community, including a Lot. Satellite dishes and DBS and MMDS antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association authorized by the FCC, both as may be amended from time to time. Such items shall be installed in the least conspicuous location available on the Lot which permits reception of an acceptable signal. Except as provided by this Section, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Community, whether attached to a home or structure or otherwise.

8.8. Abandoned Personal Property. Personal property is prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Area without prior written Board permission. Neither the Association nor any director, officer or agent thereof shall be liable to any Person for any claim of damage resulting from the removal and/or discard of the personal property after such twenty-four (24) hour period.

8.9. Use of Common Area. There shall be no obstruction of the Common Area, nor shall any vehicle or anything else be kept, parked or stored on the private streets and drives within the Community without prior approval of the Board. No Owner or other Person shall make any modification to or alteration of the Common Area without the prior written approval of the Board.

With prior written Board approval, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Area for use for a period of time as set by the Board. The Board is authorized to charge a fee in an amount to be determined by the Board to the Owner for such reservation. Any such Owner or Owners who reserve a portion of the

Common Area hereunder shall assume, on behalf of himself/herself/themselves and his/her/their guests, Occupants and family, all risks associated with the use of the Common Area and all liability for any damage or injury to any person or thing as a result of such use. The Association, nor any director, officer or agent thereof shall be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, or its agents or employees.

8.10. Prohibition of Nuisance and Noise. Noxious, destructive, offensive, or unsanitary activity shall not be carried on within the Community. No Lot Owner or Occupant may use or allow the use of the Lot or any portion of the Community at any time, in any way, which may endanger the health or property of other Occupants, unreasonably annoy, disturb or cause embarrassment or discomfort to other Owners or Occupants, or, in the Board's discretion, constitute a nuisance. The intention of this provision is to grant the Association and aggrieved Owners and Occupants a right of redress for actions, activities or conduct which unreasonably disturbs or impairs the peaceful and safe enjoyment of the Community. In this regard, specific unauthorized and unreasonable annoyances or disturbances shall include, but not be limited to, the following:

(a) Any screaming, shouting, excessively loud talking, whistling, or playing of music or television if such conduct can be heard in the normal course of activities in any other Townhouse;

(b) Any fighting, raucous behavior, or insobriety if such conduct can be heard in any other Townhouse;

(c) The use of any alarm, equipment, or devise, mechanical or otherwise, which creates or produces excessively loud sounds or any vibrations at any time if such sounds can be heard or vibrations felt in the normal course of activities in any other Townhouse;

(d) Any threatening or intimidating conduct towards any resident, guest, or pet in the Community;

(e) Any conduct which, in the Board's reasonable discretion, creates any danger or risk of injury to others or damage to property or which creates any threat to health or safety of any other resident or pet;

(f) Any excessively loud play or playground activities at any time if such conduct can be heard in the normal course of activities in any other Townhouse;

(g) Any consistent dog barking that can be heard in the normal course of activities in any other Townhouse;

(h) Any conduct which creates any noxious or offensive odor at any time if such odors can be detected in the normal course of activities in any other Townhouse;

(i) Any similar action or activity which interferes with the peaceful use and enjoyment of other Townhouses or the Common Property by any Owner, member of the Owner's family, guests, invitees, or Occupants; or

(j) Any construction or similar activities, which can be heard in other Townhouses outside the hours of 7:30 a.m. and 7:30 p.m. Monday through Friday and 9:00 a.m. and 6:00 p.m. Saturday.

Nothing herein shall be construed to affect the rights of an aggrieved Owner or Occupant to proceed individually against a violator of this Section. The Board may, in its discretion, require any aggrieved Owner or Occupant to seek redress personally against the violator before the Association intervenes and commences enforcement action hereunder; provided, further, due to the general nature of violations of this Section, the Board may, in its discretion, elect that the Association not intervene or enforce this Section. No claim for any loss, damage or otherwise, and no defense of selective, arbitrary, or capricious enforcement, shall exist for any Person as a result of any decision by the Board not to enforce this Section.

8.11. Signs. Except as may be required by legal proceedings, no signs, advertising posters or billboards of any kind shall be erected, placed, or permitted to remain in the Community without the prior approval of the Board or its designee, except that two (2) professional security signs not to exceed ten inches (10") by ten inches (10") each in size may be displayed on a Lot or from within a Townhouse on a Lot and one (1) professionally lettered "For Sale" sign not to exceed two feet (2') by two feet (2') in size may be displayed from within a Townhouse on a Lot being offered for sale. The Board shall have the right to erect reasonable and appropriate signs on the Common Area on behalf of the Association. The Board also shall have the authority to adopt regulations permitting temporary signs on Lots announcing open houses, births, birthdays or other events for limited periods of time. No "For Sale" signs or directional signs shall be permitted on the Common Area without the approval of the Board.

8.12. Rubbish, Trash, and Garbage. All rubbish (including plant material), trash, and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate on a Lot or in a Townhouse. Rubbish, trash, and garbage shall be disposed of in appropriate sealed bags and placed in proper receptacles for collection. The Board may establish rules and regulations regarding the storage location of trash bags, trash cans, and receptacles and the placement of same for pick-up.

8.13. Unightly or Unkempt Conditions. The pursuit of hobbies or other activities, including, but not limited to, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be

pursued or undertaken in any part of the Community, except in a Townhouse. Clothing, bedding, rugs, mops, appliances, indoor furniture, toys, parcels, equipment, pallets, trash, debris, pet food, and other household items shall not be placed or stored outside the Townhouse. Only appropriate outdoor items, such as neatly stacked firewood, patio furniture, grills, and similar items may be kept outside of a Townhouse.

8.14. Impairment of Townhouses and Easements. An Owner shall not undertake any act or work that will impair the structural soundness or integrity of another Townhouse or impair any easement, nor do any act nor allow any condition to exist which will adversely affect other Lots or their Owners or Occupants.

8.15. Erosion Control. No activity which may create erosion or siltation problems anywhere in the Community shall be undertaken.

8.16. Subdivision of Lots. No Lot may be subdivided into a smaller Lot.

8.17. Window Air Conditioners. No air condition shall be installed in any window of any Townhouse.

8.18. Clotheslines. No outside clothesline shall be permitted.

## ARTICLE IX. LEASING

In order to protect the equity of the individual Owners within the Community, to carry out the purpose for which Community was formed by preserving the character of the Community as a residential property of predominantly owner occupied homes, to prevent the Community from assuming the character of a renter occupied community, and to comply with any eligibility criteria for mortgages, including mortgages on the secondary mortgage market, insofar as such criteria provide that the Community be substantially owner occupied, leasing of Lots shall be governed by the restrictions imposed by this Section.

9.1. Prohibition. Except as provided herein, the leasing of Lots shall be prohibited.

9.2. Definition. “Leasing,” for purposes of the Declaration, is defined as the regular, exclusive occupancy of a Lot by any person or persons other than the Owner; provided, however, leasing shall not include occupancy by the spouse, child or parent of an Owner and shall not include the occupancy by a roommate of an Owner who occupies the Lot as such Owner’s primary residence.

9.3. General. Any Owner who desires to lease such Owner’s Lot may do so only if the Owner has applied for and received from the Board of Directors either a “Leasing Permit” or a “Hardship Leasing Permit.” Such a permit, upon its issuance, will allow an Owner to lease his or



her Lot provided that such leasing is in strict accordance with the terms of the permit and this Article. The Board of Directors shall have the authority to establish conditions as to the duration and use of such permits. All permits shall be valid only as to a specific Lot Owner and Lot and shall not be transferable between either Lots or Lot Owners. The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and Bylaws, in order to enforce the provisions of this Article. Any transaction which does not comply with this Article shall be voidable at the option of the Board of Directors, and the Board of Directors shall be empowered to bring an eviction proceeding against any Person who has leased a Lot in violation of this Article.

9.4. Leasing Permits. An Owner's request for a Leasing Permit shall be approved if current, outstanding Leasing Permits have not been issued for more than twenty percent (20%) of the total number of Lots. A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (1) the sale or transfer of the Lot to a third party (excluding sales or transfers to an Owner's spouse or a person cohabitating with the Owner, or a corporation, partnership, company, or legal entity in which the Owner is a principal); (2) the failure of a Lot Owner to lease his or her Lot pursuant to an approved lease within three (3) months of the Leasing Permit having been issued; (3) the failure of a Lot Owner to have his or her Lot leased pursuant to an approved lease for any consecutive three (3) month period thereafter; or (4) the occurrence of the date referenced in a written notification by the Owner to the Association that the Owner will, as of said date, no longer need the Leasing Permit.

If current Leasing Permits have been issued for twenty percent (20%) of the total number of Lots, no additional Leasing Permits shall be issued (except for Hardship Leasing Permits, as set forth below) until the number of outstanding current Leasing Permits falls below twenty percent (20%) of the total number of Lots. Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit and shall be issued a Leasing Permit if they so desire when the number of current outstanding Leasing Permits issued falls to less than twenty percent (20%) of the total number of Lots. The issuance of a Hardship Leasing Permit to an Owner shall not cause the Owner to be removed from the waiting list for a Leasing Permit.

9.5. Undue Hardship. If the failure to lease will result in a hardship, an Owner may seek to lease on a hardship basis by applying to the Board of Directors for a Hardship Leasing Permit. The Board of Directors shall have the sole authority to issue or deny requests for Hardship Leasing Permits in its discretion. In making such a determination, the Board may take any factor into account, including: (1) the nature, degree, and likely duration of the hardship, (2) the number of Hardship Leasing Permits which have been issued to other Owners, (3) the Owner's ability to cure the hardship, and (4) whether previous Hardship Leasing Permits have been issued to the Owner. Hardship Leasing Permits shall be valid for a term not to exceed one year. Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if during the term of the permit, the Owner is approved for and receives a Leasing Permit.

9.6. Leasing Provisions. Leasing of Lots shall be governed by the following provisions:

(a) Notice. At least seven (7) days prior to entering into the lease of a Lot, the Owner shall provide the Board of Directors with a copy of the proposed lease and such other information as the Board may reasonably require. The Board may approve or disapprove the form of said lease. In the event a lease form is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease form into compliance with the Declaration, any rules and regulations adopted pursuant thereto, and any criteria determined by the Board. Within ten (10) days from the execution of the lease by both parties, the Owner shall provide the Board with a copy of the executed lease and the names and phone number of the lessees. Nothing contained in this Section 9.6 shall permit the Board to approve or deny a lessee.

(b) General. Lots may be leased only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Lots or assignment of leases unless approved in writing by the Board. All leases shall be for a period of at least one (1) year unless otherwise approved in writing by the Board. Transient tenancy and short-term rentals are prohibited. The Lot Owner must provide the lessee copies of the Declaration, Bylaws, and Association rules and regulations. No Person shall occupy a dwelling on a Lot in violation of this Article IX, including the occupancy of a dwelling if the Owner has not received a Leasing Permit or a Hardship Leasing Permit. Any such occupancy shall be deemed a violation of this Declaration.

(c) Liability for Assessments and Compliance With Declaration, Bylaws, and Rules and Regulations. Any lease of a Lot shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner covenants and agrees that any lease of a Lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into a lease by existence of this covenant on the Lot. Any lessee, by occupancy of a Lot under the definition of “leasing” stated herein, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(1) Liability for Assessments. Lessee agrees to be personally obligated for the payment of all assessments and all other charges which become due as a consequence of lessee’s activities, including, but not limited to, activities which violate provisions of the Declaration, the Bylaws, or the rules and regulations adopted pursuant thereto. The above provision shall not be construed to release the Lot Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

Additionally, when a Lot Owner who is leasing his or her Lot fails to pay any assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Lot Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon demand by the Board of Directors, lessee shall pay to the Association all unpaid annual and special assessments and other charges, as lawfully determined and made payable during the remaining term of the lease and any other period of

occupancy by lessee following such demand. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's demand to pay assessments or other charges to the Association, lessee shall be personally obligated to pay to the Association all late charges, fines, interest, and costs of collection, including, but not limited to, reasonable attorney's fees actually incurred, to the same extent lessee would be required to make such payments to the Association if lessee were the Owner of the premises during the term of the agreement and any other period of occupancy by lessee, and including all amounts paid by lessee to lessor following the date of such demand from the Board.

(2) Compliance with Declaration, Bylaws, and Rules and Regulations.

Lessee shall abide by and comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other occupants and guests in order to insure compliance with the foregoing. Lessee acknowledges that the violation by lessee or any occupant living with lessee of any provision of the Declaration, Bylaws, or rules and regulations adopted thereunder shall constitute a default under this lease. Owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto. If the lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule and regulation for which a fine is imposed, such fine may be assessed against the lessee and/or the Owner; provided, however, if a fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Board of the lessee's failure to do so. Unpaid fines shall constitute a lien against the Lot. Any lessee charged with a violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto is entitled to the same procedure to which an Owner is entitled prior to the imposition of a fine or other sanction.

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

9.7. Applicability of this Article (Grandfathering of Existing Leases). Except as provided herein, leases existing on the Effective Date of this Declaration shall not be subject to

the terms of this Article, and such leases may continue in accordance with the terms of the Original Declaration as it existed prior to the Effective Date of this Declaration.

Any assignment, extension, renewal, or modification of any lease agreement, including, but not limited to, changes in the terms or duration of occupancy, shall be considered a termination of the old lease and commencement of a new lease which must comply with this Article.

Notwithstanding the above, in order for an Owner to obtain the grandfathering provided herein, within ninety (90) days of the Effective Date of this Declaration, the Owner must provide written notice to the Board of Directors that the Owner is leasing the Owner's Lot and must provide the Board a written copy of the lease (failure to provide such notice and copy of the lease to the Board within such ninety (90) day period shall disqualify the Owner from this grandfathering provision).

## ARTICLE X. MAINTENANCE RESPONSIBILITY

10.1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair, and replacement of all landscaping, grass areas, private streets, paving, and other improvements situated on the Common Property. The Association shall also maintain and keep in good repair all water and sewer pipes or facilities which serve only the Common Property, to the extent that such pipes and facilities are not maintained by public, private, or municipal utility companies. The Association shall maintain the detention/retention ponds, drainage facilities, and entry areas that serve the Community. Such maintenance shall be performed consistent with this Declaration and the Community-Wide Standard established pursuant hereto.

The Association shall also maintain and keep in good repair all landscaping within the Community, whether located on a Lot or Common Property, which shall consist of and be limited to: (i) mowing, edging, weeding, trimming, and keeping any planting beds in good condition and free of weeds; (ii) replacement of any dead vegetation; (iii) replacement of pine straw or other ground covering on a schedule as determined by the Board; and (iv) the adjustment and setting of the irrigation system and its automatic timers.

The Association shall also maintain and keep in good repair certain portions of the exteriors of the Townhouses, which shall consist of and be limited to: (i) roofs, which shall be limited to the shingles, flashing, and felt, but which shall exclude the roof decking and trusses; (ii) gutters and downspouts; (iii) all portions of any balcony, deck, porch, stoop, or patio serving a Townhouse, including surfaces, railings, steps, supports, and structures of same, and all dividing fences or structures between any balcony, deck, porch, or patio; (iv) parking areas, walkways, and front walks providing access to a Townhouse or Lot; (v) the exterior siding of the Townhouses; (vi) all fences within the Community.

The Association's maintenance shall specifically exclude the following, all of which shall be the responsibility of the Owner: (i) all windows, window cases, window frames, window sills, and caulking, including all glass surfaces and hardware; (ii) all exterior doors and doorframes which are part of the entry system, including all glass surfaces and hardware; (iii) all portions of the heating and air conditioning system serving the Unit, including the compressor and any vents, electrical lines or other pipes or lines related thereto, whether or not located on the Owner's Lot; (iv) shutters, columns, and pediments attached to a Townhouse; (v) exterior lighting attached to a Townhouse; (vi) any pipe, line, conduit, structure, or other apparatus serving only one (1) Lot, whether or not located on the Owner's Lot; (vii) utility boxes serving an Owner's Lot and Townhouse; (viii) any additional landscaping installed by or on behalf of an Owner; (ix) tree roots, including, but not limited to, tree roots entering into or otherwise affecting a pipe, line, conduit, structure, or other apparatus serving only one (1) Lot; and (x) foundations and footings of the Townhouse located on a Lot, including waterproofing.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Property or any other area within the Community by an Owner or Occupant which is the Association's responsibility hereunder shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair. Additionally, in the event an Owner or Occupant performs such maintenance or repair, the Association may require the Owner or Occupant to restore such property to substantially the same condition as it existed prior to such maintenance or repair or may fine the Owner or Occupant in accordance with the terms of this Declaration.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any other Person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Community or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner of any Lot or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of portion of the Community. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Article where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

In the event any item which is the Association's obligation to maintain is damaged or destroyed as a result of the act or omission of an Owner, Occupant of the Owner's Lot, or a guest of an Owner or Occupant, such Owner shall be liable for the costs of the repair or reconstruction, and such amount may be assessed against the Owner.

10.2. Owner's Responsibility. Except as specifically provided in Section 10.1 above, each Owner shall maintain and keep in good repair, condition, and order the Owner's Lot, the Townhouse located on such Owner's Lot, and all structures located on such Owner's Lot. Without limiting the generality of the foregoing, each Owner is specifically responsible for: (i) all windows, window cases, window frames, window sills, and caulking, including all glass surfaces and hardware; (ii) all exterior doors and doorframes which are part of the entry system, including all glass surfaces and hardware; (iii) all portions of the heating and air conditioning system serving the Unit, including the compressor and any vents, electrical lines or other pipes or lines related thereto, whether or not located on the Owner's Lot; (iv) shutters, columns, and pediments attached to a Townhouse; (v) exterior lighting attached to a Townhouse; (vi) any pipe, line, conduit, structure, or other apparatus serving only one (1) Lot, whether or not located on the Owner's Lot; (vii) utility boxes serving an Owner's Lot and Townhouse; (viii) any additional landscaping installed by or on behalf of an Owner; (ix) tree roots, including, but not limited to, tree roots entering into or otherwise affecting a pipe, line, conduit, structure, or other apparatus serving only one (1) Lot; and (x) foundations and footings of the Townhouse located on a Lot, including waterproofing. The Owner shall additionally be responsible for dispensing chemicals for the extermination of insects and pests for both the interior and exterior portions of the Owner's Townhouse and Lot.

10.3. Failure to Maintain. If the Board determines that any Owner has failed or refused to discharge properly the Owner's obligation with regard to the maintenance as provided in this Article, then, except in the case of an emergency as determined in the sole discretion of the Board, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense.

The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board. Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete the maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days and diligently pursue completion of such repair or replacement. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be an assessment and lien against the Owner and the Unit.

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

In the event the Board exercises such self-help as provided herein, and in the event further self-help based upon the same or a substantially similar violation is deemed necessary by the Board within the following six (6) months, the Board may exercise such self-help without further notice to the Owner, and all costs shall be an assessment and lien against the Owner and the Lot.

The Board may alternatively and/or additionally enforce this Section through monetary fines against the Owner or Occupant of the Lot, and each day the maintenance, repair, or replacement is not completed shall constitute a separate violation for which fines may be assessed on a daily basis.

10.4. Measures Related to Insurance Coverage. The Board shall have the authority to require any Lot Owner to do any act or perform any work involving portions of the Community which are the Owner's maintenance responsibility, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Community, reduce the Association's insurance premium(s) or otherwise assist the Board in procuring or maintaining insurance coverage. This authority shall include, but shall not be limited to, requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring Owners to install smoke detectors; requiring Owners to make improvements to the Lots and Townhouses; and such other measures as the Board may reasonably require so long as the costs of such work does not exceed in any twelve (12) month period the greater of either five hundred (\$500.00) dollars per Lot or 1/6th of the annual assessment then in effect.

10.5. Maintenance Standards and Interpretation. The Board of Directors, in its discretion, may determine schedules of maintenance and repair for the Common Property and any other property within the Community which the Association is responsible to maintain hereunder, and may do so based on the availability of funds for performance of such projects. The Board shall attempt to determine and prioritize schedules based on its opinion of severity of damage and need for corrective work or maintenance. Maintenance and repairs which are part of the Association's responsibility need not be made upon Owner request if, in the Board's discretion, an emergency condition does not exist and such maintenance or repair is included or is to be included within the Board's schedule of maintenance or repairs.

The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to another. These variances shall not constitute a waiver by the Board of the right to adopt and enforce

maintenance standards under this Article. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

## ARTICLE XI. PARTY WALLS

11.1. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls and liability for personal damage due to negligence of willful acts or omissions shall apply to all Party Walls within the Community that are built as part of the original construction of the dwellings and any replacement thereof. In the event any portion of any structure or facility, as originally constructed, including, without limitation, any Party Wall, shall protrude over an adjoining Lot or dwelling, it shall be deemed that such Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection or Party Wall. The foregoing shall also apply to any replacements of any Party Walls. The foregoing conditions shall be perpetual in duration.

11.2. Painting. Each Owner shall be responsible for painting the portion of any Party Wall that faces his or her dwelling.

11.3. Repair, Replacement and Maintenance of Party Walls. Each Owner shall be responsible for painting the portion of any Party Wall that faces his or her dwelling.

(a) Generally. The cost of reasonable repair and maintenance of Party Walls (other than painting) shall be shared equally by the Owners of the dwellings sharing such improvements without prejudice, however, to the right of any Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

(b) Failure to Contribute. In the event that an Owner shall fail or refuse to pay his pro rata share of costs of repair, maintenance, or replacement of a Party Wall (whether or not through his or her own fault or the failure of his or her insurance company to pay any claim), then and in that event, the Owner advancing monies therefor shall have a right to file a claim of lien for such monies advanced in the public records and pursue any other available legal remedies against such other Owner.

(c) Alterations. The Owner of a dwelling sharing a Party Wall with an adjoining dwelling shall not cut windows or other openings in the Party Wall, nor make any alterations, additions or structural changes in the Party Wall.

(d) Weatherproofing. Notwithstanding any other provisions of this Declaration, an Owner who by his or her negligent or willful act causes a Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.



(e) Easements. Each Owner sharing a Party Wall shall have all easement rights reasonably necessary to perform the obligations contained herein over the Lots or dwellings sharing the Party Wall. Without limiting the generality of the foregoing, in the event an electrical meter, electrical apparatus, CATV cable or other utilities apparatus is installed within a Lot and serves more than such Lot, the Owners of the other Lot(s) served thereby shall have an easement for access to inspection and repair of such apparatus, provided that such easement rights shall be exercised in a reasonable manner and the Owner of the Lot encumbered by the easement shall be reimbursed for any physical damage to his Lot as a result of such exercise by the Owner(s) making use of such easement(s).

## ARTICLE XII. EASEMENTS

12.1. Easements for Use and Enjoyment. Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Area, subject to the following provisions:

(a) the terms and conditions of this Declaration, the Bylaws, and the rules and regulations of the Association;

(b) the right of the Association, acting through the Board, to make and to enforce reasonable rules and regulations governing the use of the Common Property, the Lots, and the Townhouses;

(c) the right of the Association to suspend the right of an Owner to use the Common Area for any period during which any assessment against the Owner or Owner's Lot which is provided for herein remains unpaid and for a reasonable period of time for an infraction of the Declaration, Bylaws, or rules and regulations; provided, however, the Board may not prohibit pedestrian, medical, fire, police or other health, safety, service or emergency vehicle ingress or egress to or from the Lot or deny necessary parking of clearly and properly identified handicapped vehicles used by handicapped Owners, Occupants or guests protected by the Fair Housing Amendments Act of 1988;

(d) the right of the Association to borrow money as may be set forth in the Bylaws; provided, however, the lien and encumbrance of any such mortgage given by the Association against the Common Area shall be subject and subordinate to any rights, interests, options, easements, and privileges herein reserved or established for any Lot or Lot Owner;

(e) the right of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Lot Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, the Owner's family, tenants, guests, and invitees

(f) the right of the Association to grant permits, licenses, or easements across the Common Area;

(g) the right of the Association to designate certain portions of the Common Area as Limited Common Area; and

(h) the right of the Board of Directors to convey all or a portion of the Common Area to any Person upon the written approval of at least two-thirds (2/3) of the total vote of the Association membership.

Any Lot Owner may delegate the Owner's right of use and enjoyment in and to the Common Property and facilities located thereon to the members of the Owner's family, or to the Owner's tenants and guests, and shall be deemed to have made a delegation of all such rights to the Occupants if the Owner's Lot is leased; provided, however, the Owner shall retain such rights necessary for ingress and egress to and from the Owner's Lot and Townhouse.

12.2. Easement for Entry. The Association shall have an easement to enter onto any Lot and dwelling for emergency, security, safety, and for other purposes reasonably necessary for the proper maintenance and operation of the Community, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner or Occupant; provided, however, no notice to the Owner or Occupant shall be required for the Association to perform its maintenance obligations as set forth in this Declaration. This right of entry shall include the right of the Association to enter a Lot to cure any violation of the Declaration, Bylaws, or rules and regulations of the Association and any condition which may increase the possibility of a fire or other hazard in the event that an Owner fails or refuses to cure the condition upon request by the Board. Nothing contained in this Section shall require the Association to enter onto any Lot or dwelling for emergency, security, safety, or for other purposes.

12.3. Easement for Private Streets, Sidewalks and Signs. Each Owner, subject to the terms of this Declaration, the Bylaws, and the rules and regulations of the Association, shall have a perpetual, non-exclusive right-of-way easement for vehicular and pedestrian access, ingress and egress over and across the private streets within the Community, as depicted on the subdivision plat(s) for the Community recorded in the Chatham County, Georgia land records. The right-of-way easement herein granted shall permit joint usage of such easement by (a) the Owners and Occupants, (b) the legal representatives, successors and assigns of the Owners, and (c) invitees and licensees of the Owners and Occupants. The Association shall have a perpetual, non-exclusive right and easement upon, over and across the private streets and roads and such other portions of the Community for the installation, maintenance, and use of such streets and roads, sidewalks, traffic directional signs, and related activities and improvements.

12.4. Easement for Entrance Sign and Landscaping. The Association shall have an easement over any portion of a Lot on which any entrance feature, including, but not limited to, the Community sign, fencing and landscaping, are located. Such entrance features shall remain the personal property of the Association. The Association shall be solely liable for the maintenance, repair and/or replacement of the entrance features, fencing, landscaping, and annual flowers. The Association shall additionally have an easement for the installation and maintenance of utility and water lines across the Lot to the entrance features.

### ARTICLE XIII. SALE OF LOTS

13.1. Grantor's Obligation for Notice. A Lot Owner intending to make a transfer or sale of a Lot or any interest in a Lot shall give the Board written notice of such intention within seven (7) days after execution of the transfer or sales documents. The Owner shall furnish the Board, as part of the notice, the name and address of the intended grantee and such other information as the Board may reasonably require. This Article shall not be construed to create a right of first refusal in the Association or in any third party.

13.2. Grantee's Obligation for Notice. Within seven (7) days after receiving title to a Lot, the grantee of the Lot shall give the Board written notice of such ownership of the Lot. Upon failure of a Owner to give the required notice within the seven (7) day period provided herein, the Board may levy a fine against the Lot and Owner thereof, and assess the Owner for all costs incurred by the Association in determining the Owner's identity.

### ARTICLE XIV. INSURANCE

14.1. Hazard Insurance on Common Property. The Association's Board or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property, excluding the Limited Common Property. The insurance shall include fire and extended coverage, including coverage for vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

14.2. Liability Insurance and Directors' and Officers' Liability Insurance. The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents in their capacities as such, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least one million (\$1,000,000.00) dollars.

14.3. Premiums and Deductible on Association Policies. Premiums for all insurance obtained by the Association shall be a common expense of the Association. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

14.4. Policy Terms. All such insurance coverage obtained by the Board shall be written in the name of the Association. Such insurance shall be governed by the following provisions:

(a) All policies shall be written with a company licensed to do business in Georgia.

(b) All policies on the Common Area shall be for the benefit of the Association and its members.

(c) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.

(e) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies should be reviewed annually by one or more qualified persons.

(f) The Board shall use reasonable effort to secure insurance policies that will provide for the following:

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

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

(3) a provision that no policy may be canceled, invalidated, suspended or subjected to nonrenewal on account of any one or more individual Owners, and a provision that no policy may be canceled, invalidated, suspended, or subjected to nonrenewal due to any defect or conduct of any director, officer, or agent of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time for the required cure to be performed;

(4) that any “other insurance” clause in any policy exclude individual Owners’ policies from consideration; and

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

14.5. Individual Lot Owner Insurance. Each Owner shall carry blanket all-risk casualty insurance, if reasonably available, or if not reasonably available, fire and extended coverage, on the Owner’s Lot, and all structures constructed thereon meeting the same requirements as set forth in this Article for insurance on the Common Property obtained by the Association. Each Owner shall also carry flood insurance on the Owner’s Lot, and all structures constructed thereon meeting the same requirements as set forth in this Article for insurance on the Common Property obtained by the Association. Upon request by the Board, the Owner shall furnish a copy of such insurance policy or policies to the Association. In the event that any Owner fails to obtain insurance or fails to furnish proof of a current insurance policy in effect, the Association may purchase such insurance on behalf of the Owner and assess the cost thereof to the Owner. The Association may in addition, or in the alternative, impose a monetary fine to enforce this provision. Nothing contained in this Section shall require the Association to purchase insurance on behalf of the Owner.

Each Owner further covenants and agrees that, in the event of damage and destruction of structures on his, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds.

14.6. Termite Bond. The Association shall take all steps necessary to prevent, and treat for, termites. The Association, acting through the Board, may additionally, but shall not be required to, obtain and maintain a termite bond for all Townhouses throughout the Community.

## ARTICLE XV. REPAIR AND RECONSTRUCTION

15.1. Common Property. In the event of damage to or destruction of all or any part of the Common Property insured by the Association as a result of fire or other casualty, unless eighty percent (80%) of the Lot Owners vote not to proceed with the reconstruction and repair of the all or any portion of the Common Property, the Board or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the damaged part of the Common Property.

15.2. Cost Estimates. As soon as reasonably practical after a fire or other casualty causing damage to the Common Property insured by the Association, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Lot) to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may

also include professional fees and premiums for such bonds as the Board determines to be necessary.

15.3. Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, a special assessment shall be made against all of the Lot Owners without the necessity of a vote of the members or compliance with Article VI, Section 6.7 above. If, after repair and reconstruction is completed, there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board.

#### ARTICLE XVI. AMENDMENTS

This Declaration may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent, of the Association members holding at least two-thirds (2/3) of the total vote of the Association. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and filed in Chatham County, Georgia land records.

Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the owners, may amend the Declaration to comply with any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association (“Fannie Mae”), the Department of Housing and Urban Community (“HUD”) and the Veterans Administration (“VA”).

Any action to challenge the validity of this Declaration or an amendment adopted under this Article must be brought within one (1) year of the recording of same in the Chatham County, Georgia land records. No action to challenge this Declaration or any such amendment may be brought after such time.

#### ARTICLE XVII. GENERAL PROVISIONS

17.1. Enforcement. In addition to any other enforcement right set forth within the Declaration or Bylaws, the Association, acting through the Board of Directors, shall have the right to enforce any violation of the Declaration, Bylaws or rules and regulations of the Association by a proceeding at law or in equity, or as otherwise provided herein. Owners may enforce the Declaration against other Owners by a proceeding at law or in equity.

(a) Fines and Suspensions of Use. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner’s Lot, for any violation of the Declaration, Bylaws, or any Association rules and regulations. The Board shall further have the power to suspend the use of any Common Area for any violation of the Declaration, Bylaws,

or any Association rules and regulations. If any Occupant violates the Declaration, Bylaws or Association rules and regulations and a fine is imposed, the fine may be imposed against the Owner and/or Occupant. The Board may establish and promulgate a fining schedule. The Board shall not impose a fine or suspend the right to use the Common Area, unless and until the Board has sent or delivered written notice to the Owner or Occupant as provided herein; provided, however, an Owner's right to use the recreational facilities shall automatically be suspended without notice during any period in which an Owner is more than thirty (30) days delinquent on any assessment or charge, and the Owner shall be ineligible to use the recreational facilities until the Owner's account balance has been paid in full.

(i) Notice. If any provision of the Declaration or Bylaws or any Association rule or regulation is violated, the Board shall send the violating Owner or Occupant written notice identifying the violation and fine and/or suspension being imposed and advising the Owner or Occupant of the right to request a hearing before the Board to contest the violation or the fine and/or suspension or to request reconsideration of the fine and/or suspension. A request for a hearing must be in writing and must be received by the Association from the Owner or Occupant within ten (10) days of the date of the notice. Fines and suspensions may commence upon sending of the notice despite the fact that the Owner or Occupant may request a hearing. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per day basis without further notice to the Owner or Occupant.

(ii) Hearing. If a written request for a hearing is received from the Owner or Occupant within ten (10) days of the date of the violation notice provided above, then the Board shall schedule and hold in executive session a Board meeting as a hearing affording the Owner or Occupant a reasonable opportunity to be heard, and no fines shall be imposed until after the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time. Failure to request a timely hearing as provided herein shall result in loss of the right to challenge and request reconsideration of the fines or suspension.

(b) Suspension of Voting. A member's right to vote shall automatically be suspended during any period in which a member is more than thirty (30) days delinquent on any assessment or charge or during any period in which the member is in violation of the Declaration. The Association shall not be required to provide any notice to such member that the member's voting rights have been automatically suspended.

(c) Abatement and Self-Help. The Board or its designee may exercise self-help in order to remove or abate any violation of the Declaration; provided, however, the Board shall first provide the Owner of the Lot ten (10) days notice of the Board's intention to exercise self-help and provide the Owner with an opportunity to remove or abate the violation, provided further,

such notice shall not be required if the Board determines that an emergency exists. All costs of self-help or of otherwise enforcing the Declaration, Bylaws or Association rules, including reasonable attorney's fees actually incurred, shall be assessed against the Owner, Occupant and/or Lot subject to the violation.

(d) Notice of Violation. The Association shall have the authority to record in the Chatham County, Georgia land records a notice of violation identifying an uncured violation of the Declaration, Bylaws, or rules and regulations regarding a Lot.

(e) Enforcement Costs. The Owner or Occupant responsible for a violation shall be liable for all costs incurred in enforcement, including reasonable attorney's fees actually incurred, whether or not a legal proceeding in law or equity is filed in connection with the violation. In the event an Occupant is responsible for the violation, the Owner shall also be liable for all costs incurred in enforcement against such Occupant, including reasonable attorney's fees actually incurred, whether or not a legal proceeding in law or equity is filed in connection with the violation. The costs shall become a lien against the Owner's Lot.

(f) Waiver. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter. Neither the Declarant, the Association, its Board of Directors, any duly created committee, any member of any of the foregoing, the Association's officers, nor agents shall have any liability of any kind as a result of any failure to enforce any provision contained in this Declaration, the Bylaws, or the rules and regulations. Each Owner acknowledges and agrees that the Association has the discretion to pursue covenant violations based on the gravity of the violation, the strength of the Association's legal and factual position, and the Association's financial position. The Association's decision regarding any specific covenant violation shall not affect the rights of other Owners with respect to that violation.

17.2. Duration. The Covenants and Restrictions within the Declaration shall run with and bind the property subject to this Declaration perpetually or as otherwise provided by Georgia law.

17.3. SECURITY. THE ASSOCIATION MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SAFETY AT THE COMMUNITY; HOWEVER, EACH OWNER, FOR HIMSELF OR HERSELF AND HIS OR HER TENANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT THE ASSOCIATION IS NOT A PROVIDER OF SECURITY AND SHALL HAVE NO DUTY TO PROVIDE SECURITY AT THE COMMUNITY. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER TO PROTECT HIS OR HER PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH LOT OWNER.



THE ASSOCIATION SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SAFETY MEASURES UNDERTAKEN.

17.4. Dispute Resolution. Any Lot Owner or Occupant must give written notice to the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute against the Association before that Owner or Occupant files any lawsuit against the Association, the Board, or any officer or director, or any agent of same. The Owner or Occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance and resolve the dispute in an amicable fashion, and shall give the Association a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Association shall give notice of the date, time, and place of the hearing to the Person requesting the hearing. The Association shall schedule the hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the notice of hearing from the Person requesting the hearing. Alternatively, the Board may notify the Owner or Occupant that it is waiving the requirement of the Owner or Occupant to request and attend the hearing with the Board.

17.5. No Discrimination. No action shall be taken by 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 handicap.

17.6. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

17.7. Eminent Domain. If all or any part of the Common Area shall be taken or conveyed in lieu of or under threat of condemnation by any authority having power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. If the taking involves a portion of

the Common Area on which improvements have been constructed, then, unless within one hundred and eight days (180) days after such taking at least seventy-five percent (75%) of the total number of Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining Common Area to the extent land is available therefor.

If the Common Areas or any portion thereof, or any Lot or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any mortgage will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of this Declaration or any other document establishing or relating to the Community will entitle any Owner or any other party to priority over such Owner's mortgagee with respect to the distribution of the proceeds of any award or settlement relating to such Owner's Lot.

17.8. Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation of the Association, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

17.9. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect the application of such provision to other circumstances or affect any other provision, which shall remain in full force and effect.

17.10. Conflicts. The duties, powers, and obligations of the Association, including the members, directors, and officers, shall be those set forth in the Georgia Property Owners' Association, the Georgia Nonprofit Corporation Code, the Declaration, the Bylaws, the Articles of Incorporation, and the rules and regulations of the Association. If there are conflicts or inconsistencies between such, then the provisions of the Georgia Property Owners' Association, the Georgia Nonprofit Corporation Code, the Declaration, the Bylaws, the Articles of Incorporation, and the rules and regulations of the Association, in that order, shall prevail; and each Owner of a Lot, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

17.11. Preparer. This Declaration was prepared by Margaret K. Clark, Esq., The Law Office of Margaret K. Clark, PC, 1 Diamond Causeway, Suite 21 #204, Savannah, Georgia 31406.

IN WITNESS WHEREOF, the undersigned hereby certify that the agreement of the required parties was lawfully obtained and that all notices provided for in the Original Declaration were properly given.

This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

HIGHLANDS CROSSING TOWNHOMES  
PROPERTY OWNERS ASSOCIATION,  
INC.

\_\_\_\_\_  
Signature of President  
Print Name: \_\_\_\_\_

Sworn to and subscribed before me  
this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Witness: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Signature of Secretary  
Print Name: \_\_\_\_\_

Sworn to and subscribed before me  
this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Witness: \_\_\_\_\_

\_\_\_\_\_  
Notary Public