



NOTICE REGARDING COVENANTS AND/OR RESTRICTIONS

The following Covenants and/or Restrictions are added as a courtesy only and are NOT WARRANTED by the property owner, their broker or agent as to completeness, accuracy, currency, or enforceability. Any interested buyer prospect is urged as part of their due diligence to contact the relevant Community Association or developer to determine for themselves what covenants and/or restrictions currently apply, how long they may remain in force, and if any changes or amendments may be currently under consideration. Additionally, or alternatively, one may wish to consider hiring an attorney to conduct this search for them and provide advice as needed.

GEORGIA, GILMER COUNTY

Clerk's Office -- Superior Court

Filed for record this 26 day of

May, 1988 at 4:00 o'clock

P.M. and Recorded in Book 223 Page 203

this 27 day of May, 1988

[Signature]
Clerk Superior Court

DECLARATION OF PROTECTIVE COVENANTS

FOR

TALKING ROCK CREEK RECREATIONAL ASSOCIATION

GEORGIA, Gordon County,

Clerks Office, Superior Court

Filed for record this 24 day of

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Clerk Court Clerk

MURRAY COUNTY, GEORGIA

4:15 P.M. May 25, 1988

May 26, 1988

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[Signature]

HYATT & RHOADS, P.C.

Attorneys

2400 Marquis One Tower
245 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303
(404) 659-6600

1330 Wells Fargo Bank Building
101 W. Broadway
San Diego, California 92101
(619) 232-0811

1275 K Street, N.W.
Washington, D.C. 20005
(202) 682-1800

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"A"	Land Initially Submitted	1
"B"	Land Subject to Annexation	3
"C"	By-Laws of Talking Rock Creek Recreational Association, Inc.	2

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DECLARATION OF PROTECTIVE COVENANTS

FOR

TALKING ROCK CREEK RECREATIONAL ASSOCIATION

THIS DECLARATION OF PROTECTIVE COVENANTS is made this 23rd day of May, 1988, by Talking Rock Creek Properties, Inc., a Georgia corporation (hereinafter referred to as "Declarant");

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

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) or otherwise shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. This Declaration does not and is not intended to create a horizontal property regime within the meaning of O.C.G.A. § 44-3-70, et seq.

Article I
Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by contract or

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agreement become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, or any public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

Section 2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Talking Rock Creek Recreational Association, Inc., as filed with the Secretary of State of the State of Georgia.

Section 3. "Association" shall mean and refer to Talking Rock Creek Recreational Association, Inc., a Georgia nonprofit corporation, its successors or assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Georgia corporate law.

Section 4. "Base Assessment" shall mean and refer to assessments levied against all Lots in the Properties to fund Common Expenses.

Section 5. "By-Laws" shall mean and refer to the By-Laws of Talking Rock Creek Recreational Association, Inc., attached hereto as Exhibit "C" and incorporated herein by reference, as they may be amended from time to time.

Section 6. "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors, as provided in Article III, Section 2, of the By-Laws.

Section 7. "Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners.

Section 8. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 9. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors.

Section 10. "Declarant" shall mean and refer to Talking Rock Creek Properties, Inc., a Georgia corporation, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 11. "Declaration" shall mean and refer to this Declaration of Protective Covenants for Talking Rock Creek Recreational Association (as amended, renewed, or extended from time to time) and all exhibits attached hereto.

Section 12. "Lot" shall mean and refer to each separately numbered residential lot shown on a recorded plat of survey of the Properties or otherwise established and submitted to this Declaration and shall include, without limitation, residential lots, campground lots and time-share interests.

Section 13. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 14. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 15. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 16. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 17. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Lot which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 18. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 19. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 20. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 3 of this Declaration.

Section 21. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

Article II
Easement of Use and Enjoyment in Common Area.

Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Lot shall be deemed to have delegated all such rights to the lessee.

Article III
Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary of the Association, subject to the provisions of this Declaration and the By-Laws.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Lot.

If more than one (1) Person holds the interest in a Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B". The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in Article III, Section 2, of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a veto power over all actions of the Board of Directors and any committee as provided in Article III, Section 3, of the By-Laws. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of:

(i) expiration of the Declarant's unilateral right to annex property pursuant to Article VIII of this Declaration; or

(ii) when, in its discretion, the Declarant so determines.

Article IV Maintenance

The Association shall maintain and keep in good repair the Area of Common Responsibility, the costs of such maintenance to be a Common Expense allocated among all Lots as part of the Base Assessment. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Area, and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association.

The Association may, in the discretion of the Board, assume all or any portion of the maintenance responsibilities of neighboring owners associations. This assumption of responsibility may take place either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Article V Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area. The Board in its sole discretion may obtain insurance on any other insurable improvements maintained by the Association pursuant to Article IV above. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million (\$1,000,000.00) Dollar combined single limit, a Three Million (\$3,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit, or if not available, the most nearly equivalent coverage available.

Premiums for all insurance on the Common Area shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article I and as more particularly described in Article X, Section 1. Any insurance policy may contain a reasonable deductible, as determined in the sole discretion of the Board.

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All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company authorized to conduct business in the State of Georgia.

(b) All policies on the Common Area shall be issued in the name of the Association for the benefit of the Association and its membership.

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

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

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the north Georgia area.

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

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

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

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

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on

account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

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

(vi) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or nonrenewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available and flood insurance, as deemed necessary. The Board shall also obtain or cause to be provided a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments on all Lots, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or nonrenewal.

Section 2. Individual Insurance. Each Owner acknowledges that the Association shall not be obligated to provide individual insurance on Lots or personal property of Owners, or otherwise provide insurance coverage for Owners except as specifically stated herein.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the improvements covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Repair or reconstruction, as used in this paragraph, means repairing or restoring the improvements to substantially the same condition in which they existed prior

to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

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

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Lot and may be enforced by such Mortgagee.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners on the same basis as provided for Base Assessments. Additional

assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VI
No Partition

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

Article VII
Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the direction of Members representing a majority of the total Association vote and the Declarant, as long as the Declarant owns any property described on Exhibits "A" or "B") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" of this Declaration, and Members representing at least seventy-five (75%) percent of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or

replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII
Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until all property described on Exhibit "B" has been subjected to this Declaration or December 31, 2017, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B", attached hereto and by reference made a part hereof. Such annexation shall be accomplished by filing in the public records of the county or counties in which the Properties are located a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of Members. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Provided, however, that any property which is also described on any plat or parcel map referenced in Exhibit "A," whether or not owned by Declarant, may be submitted either by Supplemental Declaration or by reference to the Declaration in a deed of conveyance which deed must either be from Declarant or contain the written consent of Declarant, which consent may be withheld at the sole discretion of Declarant. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association may annex real property other than that described on Exhibit "B", and following the expiration of the right in Section 1, any property described on Exhibit "B", to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Members representing a majority of the Class "A" votes of the Association (other than those held by Declarant) present at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 1 of this Article.

Annexation shall be accomplished by filing of record in the public records of the county or counties in which the Properties are located a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in Exhibits "A" or "B" which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" hereof.

Article IX Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Common Area,

which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote. Imposition of sanctions shall be as provided in the By-Laws of the Association.

The Association, acting through the Board, shall also have the right to limit or control access to any part of the Common Area by installation, operation and/or maintenance of one or more entrance gates.

The Association, acting through the Board, by contract or other agreement, shall have the right to enforce county ordinances or permit the county to enforce ordinances on the Common Area for the benefit of the Association and its Members.

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

Article X Assessments

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth in Section 6 of this Article. There shall be two (2) types of assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; and (b) Special Assessments as described in Section 3 below.

Base Assessments shall be levied equally on all Lots. Special Assessments shall be levied as provided in Section 3 below. Each Owner, by recorded written consent, acceptance of a deed or recorded contract of sale, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at a rate not to exceed the highest rate allowed by Georgia law as computed from the date the delinquency first occurs, reasonable late charges as determined by the Board of Directors from time to time, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who

was the Owner of such Lot at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Twenty-Five (\$25.00) Dollars for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual Base Assessment for delinquents. Unless the Board otherwise provides, the Base Assessment shall be paid in monthly installments.

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

So long as the Declarant has an option unilaterally to subject additional property to this Declaration, the following shall apply: unless assessments have commenced, pursuant to Section 6 below, on all Lots subject to this Declaration as of the first day of any fiscal year, the Declarant shall be obligated for the difference between the amount of assessments levied on all Lots subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form

of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these.

Section 2. Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Base Assessment to be levied for the coming year against each Lot subject to assessment under Section 6 below shall be computed by dividing the budgeted Common Expenses by the total number of Lots in the Properties. The Board shall cause a copy of the Common Expense budget and notice of the amount of the Base Assessment to be levied against each Lot for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Members by the vote of Members representing at least a majority of the total Class "A" vote in the Association, and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Article II, Section 4, of the By-Laws.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Special Assessments. In addition to the assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments from time to time. Except as otherwise expressly provided in this Declaration, any such assessment shall have the affirmative vote or written consent of Members representing at least fifty-one (51%) percent of the Class "A" vote in the Association and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

Section 4. Lien for Assessments. Upon recording of a notice of lien on any Lot, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens,

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except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure.

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

Section 5. Capital Budget and Contribution. The Board of Directors may annually prepare a capital budget which takes into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, may be fixed by the Board and included in the budget and assessment, as provided in Section 2 of this Article.

Section 6. Date of Commencement of Annual Assessments. The assessments provided for herein shall commence as to each Lot on the first day of the month following the date of conveyance by Declarant. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Lot.

Section 7. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Georgia law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Lot.

The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Lot obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Lots, including such acquirer, its successors and assigns.

Article XI
Use Restrictions

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Common Area, in addition to those contained herein, and to impose reasonable user fees for use of any Common Area facilities. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of Members representing a Majority of the total Class "A" votes in the Association and by the Class "B" member, so long as such membership shall exist.

Article XII
General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Properties subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent permitted by law; provided, however, so long as Georgia law limits the period during which covenants restricting lands to certain uses may run, any provision of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time any such provisions shall automatically be extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners,

has been recorded within the year preceding the end of such period, agreeing to change said provisions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated to the extent specified therein.

Section 2. Amendment. The Declarant may amend this Declaration unilaterally at any time and from to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination which shall be in conflict therewith; (b) necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless such Owner shall consent thereto in writing. So long as it still owns property described in Exhibits "A" and "B" for development as part of the Properties, the Declarant may amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing a majority of the total votes of the Association, including a majority of the votes held by Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of the county or counties in which the Properties are located.

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

So long as the Declarant owns any property described in Exhibits "A" or "B" hereof, no amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege, as applicable.

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Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), 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, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements for Utilities, Etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibits "A" or "B", the Association, and the designees of each (which may include, without limitation, the county and any utility), blanket easements upon, across, over, and under all of the Common Area, for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, roads, walkways, bicycle pathways, lakes, ponds, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewer, meter boxes, telephones, gas, and electricity.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across the Common Area for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes.

Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Common Area, except as may be approved by the Association's Board of

CONTINUED

Directors or as provided by Declarant. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Common Area without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Common Area.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Common Area to local, state, or federal governmental entities, and to grant such easements over and use rights in the Common Area as it may determine are in the best interest of the Association.

Section 5. Easements to Serve Additional Property. The Declarant and its duly authorized agents, representatives, and employees as well as its successors, assigns, licensees and Mortgagees, shall have and there is hereby reserved an easement over the Common Area for the purposes of enjoyment, use, access and development of the Additional Property described in Exhibit "B" attached hereto and by this reference incorporated herein, whether or not such Additional Property is made subject to this Declaration. This easement includes but is not limited to a right of ingress and egress over the Common Area for construction of roads and for tying in and installation of utilities on the Additional Property. Declarant agrees that it, its successors or assigns, shall be responsible for any damages caused to the Common Area as a result of vehicular traffic connected with development of the Additional Property. Declarant further agrees that if the easement is exercised for permanent access to the Additional Property and such Additional Property or any portion thereof is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving the Additional Property. Such agreement shall provide for sharing of costs based on the ratio which the number of Lots on that portion of the Additional Property which is served by the easement and is not made subject to this Declaration bears to the total number of Lots within the Properties and on such portion of the Additional Property.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this

Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 9. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article X hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 10. Conflict. In the event of a conflict between the provisions of this Declaration and the provisions of Georgia law, then to the extent that the provisions of Georgia law cannot be waived by agreement, Georgia law shall control.

Section 11. Binding Effect. Upon acceptance of an instrument conveying any interest in a Lot, each Owner acknowledges the binding effect of this Declaration and agrees, upon the request of the Declarant or the Board of Directors, to execute such documentation and instruments as may be reasonably requested to confirm the binding nature of this Declaration and to effectuate the provisions hereof.

Section 12. Enforceability. To the fullest extent permitted by law, all rights of the Declarant under this Declaration are to be construed in such manner as to render them enforceable.

Article XIII Declarant's Rights

Any or all of the special rights and obligations of the Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the

public records of the county or counties in which the Properties are located. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area and in Lots which it owns such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction, marketing or sale of such Lots, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Lots owned by the Declarant and any buildings which may be owned by the Association, as models and sales offices, respectively.

So long as Declarant has an option to annex additional property pursuant to Article VIII hereof, Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for Talking Rock Creek desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Talking Rock Creek.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) twenty-five (25) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

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IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the day and year first above written.

TALKING ROCK PROPERTIES, INC., a Georgia corporation

By: *Del L. Land* [SEAL]
Del L. Land, Vice President

Attest: *Donna M. Pierce Asst. Sec.* [SEAL]
Donna M. Pierce, Assistant Secretary

[CORPORATE SEAL]

Signed, sealed, and delivered this 23 day of May, 1988, in the presence of:

Tonia C. Sellers
WITNESS

Lee B. Love
NOTARY PUBLIC

My Commission Expires:

Notary Public, Rockdale County, Georgia.
My Commission Expires January 24, 1992

1703g -- 05/19/88

CONTINUED

EXHIBIT "A"

LAND INITIALLY SUBMITTED

ALL OF THE FOLLOWING DESCRIBED PROPERTY WHICH IS HELD OF RECORD BY TALKING ROCK CREEK PROPERTIES, INC. AS SHOWN BY THE LAND RECORDS OF THE COUNTY WHERE THE PROPERTY IS LOCATED AS OF THE TIME OF THE RECORDING HEREOF.

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 103, 114 & 115 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 1 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated December 19, 1984 and recorded in Plat Book 15, Page 67, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 102, 115 & 116 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 2 for Talking Rock Creek Properties, Inc., prepared by Burns L. Jeffries and Assoc., dated February 12, 1985 and recorded in Plat Book 15, Page 110, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 102, 114 & 115 of the 24th District, 2nd Section, of

CONTINUED

Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 3 for Talking Rock Creek Properties, Inc. dated March 6, 1985 and recorded in Plat Book 15, Page 113, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 102, 114 & 115 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 4 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated April 16, 1985 and recorded in Plat Book 15, Page 153, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 79, 101, 102, 115 and 116 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 5 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated May 6, 1985 and recorded in Plat Book 15, Page 202, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 66, 67 and 79 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 6 for Talking Rock Creek

CONTINUED

Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated May 21, 1985 and recorded in Plat Book 15, Page 214, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 79 and 102 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 7 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated June 27, 1985 and recorded in Plat Book 15, Page 243, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 79 and 102 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 8 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated July 25, 1985 and recorded in Plat Book 15, Page 266, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 114, 138 and 139 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 9 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc.,

dated July 29, 1985 and recorded in Plat Book 15, Page 268, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 138 and 139 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 10 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated August 21, 1985 and recorded in Plat Book 15, Page 5, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 114, 138 and 139 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 11 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated September 13, 1985 and recorded in Plat Book 16, Page 34, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 43 and 66 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 12 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated September 1, 1985 and recorded in Plat Book 16, Page 47, et seq. of the Gordon County, Georgia land records; and

CONTINUED

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 30 and 43 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 13 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated November 18, 1985 and recorded in Plat Book 16, Page 104, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 30 and 43 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 14 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated December 19, 1985 and recorded in Plat Book 16, Page 133, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 30, 43, 44 and 66 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 15 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated January 17, 1986 and recorded in Plat Book 16, Page 156, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 43, 44, 65 and 66 of the 24th District, 2nd Section,

of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 16 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated February 14, 1986 and recorded in Plat Book 16, Page 196, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 65 and 66 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 17 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated April 25, 1986 and recorded in Plat Book 16, Page 286, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 65, 66, 79 and 80 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 18 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated May 16, 1985 and recorded in Plat Book 17, Page 16, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 43, 44, 65 and 80 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 19 for Talking Rock Creek

Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated June 12, 1986 and recorded in Plat Book 17, Page 64, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 43, 45 and 65 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 20 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated June 27, 1986 and recorded in Plat Book 17, Page 82, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 44 and 65 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 21 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated July 17, 1986 and recorded in Plat Book 17, Page 111, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 44 and 45 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 22 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc.,

dated July 30, 1986 and recorded in Plat Book 17, Page 147, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 66 and 67 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 23 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated August 25, 1986 and recorded in Plat Book 17, Page 183, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 66 and 67 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 24 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated September 19, 1986 and recorded in Plat Book 17, Page 207, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lot 67 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 25 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated October 9, 1986 and recorded in Plat Book 17, Page 248, et seq. of the Gordon County, Georgia land records; and

CONTINUED

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lot 67 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 26 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated November 14, 1986 and recorded in Plat Book 18, Page 1, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 65, 79 and 80 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 27 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated December 15, 1986 and recorded in Plat Book 18, Page 78, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 80, 81, 100 and 101 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 28 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated June 25, 1987 and recorded in Plat Book 19, Page 16, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 80 and 81 of the 24th District, 2nd Section, of

CONTINUED

Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 29 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated July 10, 1987 and recorded in Plat Book 19, Page 32, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 79, 80, 101 and 102 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 30 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated July 24, 1987 and recorded in Plat Book 19, Page 73, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 80 and 101 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 31 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated September 1, 1987 and recorded in Plat Book 19, Page 117, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 30 and 31 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 32 for Talking Rock Creek

Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated October 2, 1987 and recorded in Plat Book 19, Page 147, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 81, 100, 101, 115, 116, 117 and 137 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 33 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated October 29, 1987 and recorded in Plat Book 19, Page 162, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 115, 116, 117, 136, 137 and 138 of the 24th District, 2nd Section, of Gordon County, Georgia and being more particularly described on that certain parcel map of Unit 34 for Talking Rock Creek Properties, Inc. prepared by Burns L. Jeffries and Assoc., dated February 15, 1988 and recorded in Plat Book 19, Page 267, et seq. of the Gordon County, Georgia land records; and

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 6 and 7 of the 24th District, 2nd Section, of Murray County, Georgia and being more particularly described on that certain parcel map of Phase 1 of R.V. Trailer Park Development

CONTINUED

for Talking Rock Creek Properties, Inc. prepared by Whitfield
Engineering Co., dated January 1, 1988 and recorded in Plat
Book 19, p. 219 of the Murray County, Georgia land records; and

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EXHIBIT "B"
PROPERTY THAT CAN BE UNILATERALLY SUBMITTED
BY THE DECLARANT

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lots 14,15,18,19,21,22,23 and 54 of the 25th District; Land Lots 1 through 6, 28 through 45, 64 through 81, 100 through 117, 136 through 153, 172 through 189, 208 through 225, 244 through 261 and 280 through 297 of the 24th District, all in the 2nd Section of Gordon County, Georgia; together with

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lots 4 through 9 and 33 of District 24, and Land Lots 12, 13, 14, 16, 17, 20, 21, 23, 24, 25, 48, 49, 50, 51, 52, 53, 55 through 61, 84 through 95, 122 through 131 and 158 through 162 of District 25, all in the 2nd Section of Murray County, Georgia; together with

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lots 10 through 27, 46 through 63 and 82 through 99 of District 24 and Land Lots 163, 164, 165, 166, 195 through 202, 231 through 238, 267 through 274 and 303 through 310 of District 25 of Gilmer County, Georgia.

EXHIBIT "C"

BY-LAWS
OF
TALKING ROCK CREEK RECREATIONAL ASSOCIATION, INC.

HYATT & RHOADS, P.C.

Attorneys

2400 Marquis One Tower
245 Peachtree Center Avenue, N.E.
Atlanta, Georgia 30303
(404) 659-6600

1330 Wells Fargo Bank Building
101 W. Broadway
San Diego, California 92101
(619) 232-0811

1275 K Street, N.W.
Washington, D.C. 20005
(202) 682-1800

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BY-LAWS
OF
TALKING ROCK CREEK RECREATIONAL ASSOCIATION, INC.

Article I
Name, Principal Office, and Definitions

Section 1. Name. The name of the Association shall be Talking Rock Creek Recreational Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association in the State of Georgia shall be located in Murray County. The Association may have such other offices, either within or outside the State of Georgia, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in that Declaration of Protective Covenants for Talking Rock Creek Recreational Association (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

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

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the members of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Subsequent regular annual

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meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least ten (10%) percent of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Member shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Member shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Member, either before or after such meeting. Attendance at a meeting in person or by proxy shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not

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present, a majority of the Member who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Member in the manner prescribed for regular meetings.

The Member present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Member to leave less than a quorum, provided that Member representing at least twenty-five (25%) percent of the total votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Member may vote in person or by proxy provided any such proxy is signed, dated and filed with the Secretary of the Association prior to the meeting for which it is valid.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of Members representing a majority of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

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Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

Article III
Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except with respect to directors appointed by the Declarant, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control. Subject to Section 6 below, the Directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

(a) when seventy-five (75%) percent of the Lots planned for the property described on Exhibits "A" and "B" of the Declaration have been conveyed by Declarant;

(b) December 31, 2017; or

(c) when, in its discretion, the Class "B" Member so determines.

Section 3. Veto. This Section 3 may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists.

So long as the Class "B" membership exists, the Class "B" Member shall have a veto power over all actions of the Board and any committee, as is more fully provided in this Section. This veto power shall be exercisable only by the Class "B" Member, its successors, and assigns who specifically

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take this power in a recorded instrument. The veto power shall be as follows:

No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Class "B" Member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Sections 8, 9, and 10, of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Association. The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "B" Member shall have and is hereby granted a veto power over any such action, policy, or program authorized by the Board of Directors or any committee thereof and to be taken by the Board, such committee, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This veto may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its veto power to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

Section 4. Number of Directors. The number of directors in the Association shall be not less than three (3) nor more than five (5), as provided in Section 6 below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

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Section 5. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 6. Election and Term of Office.
Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the time that Class "A" Members own twenty-five (25%) percent of the Lots planned for the property described in Exhibits "A" and "B", or whenever the Class "B" Member earlier determines, the Association shall call a special meeting to be held at which Class "A" Members shall elect one (1) of the three (3) directors. The remaining two (2) directors shall be appointees of the Class "B" Member. The director elected by the Class "A" Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within thirty (30) days after the time Class "A" Members own fifty (50%) percent of the Lots planned for the property described in Exhibits "A" and "B", or whenever the Class "B" Member earlier determines, the Board shall be increased to five (5) directors. The Association shall call a special meeting to be held at which Class "A" Members shall elect two (2) of the five (5) directors. The remaining three (3) directors shall be appointees of the Class "B" Member. The directors elected by the Class "A" Members shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) Within thirty (30) days after the time Class "A" Members own seventy-five (75%) percent of the Lots planned for the property described in Exhibits "A" and "B", or whenever the Class "B" Member earlier determines, the Association shall call a special meeting at which Class "A" members shall elect three (3) of the five (5) directors. The remaining two (2) directors shall be appointees of the Class "B" Member. The directors elected by the Class "A" Members shall serve until the next annual meeting. Notwithstanding this subsection (c), if the regular annual meeting of the Association is scheduled to occur within sixty (60) days after the time Class "A" Members own seventy-five (75%) percent of the Lots planned for the property described on Exhibits "A" and "B", this subsection need not be complied with.

(d) At the first annual meeting of the membership after the termination of the Class "B" Control Period and at each annual meeting of the membership thereafter, the directors shall be elected by the Class "A" Members. Each Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled. The candidates receiving the largest number of votes shall be elected to serve a term of two (2) years. At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. The Directors elected by the Class "A" Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. A director who was elected at large solely by the votes of Members other than the Declarant may be removed from office prior to the expiration of his or her term only by the votes of a majority of Members other than the Declarant. Upon removal of a director, a successor shall then and there be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of

the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board and it may appoint a successor.

B. Meetings.

Section 8. Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meetings of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the

minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board of directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of directors and all transactions and proceedings occurring at such meetings.

Section 15. Open Meetings. Subject to the provisions of Section 16 of this Article, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. The Board may adjourn any meeting and reconvene in executive session, excluding Members other than directors, to discuss matters of a sensitive nature such as potential or pending litigation, personal matters, etc.

Section 16. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 17. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the membership.

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

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual Base Assessment; provided, unless otherwise determined by the Board of Directors, the annual Base Assessment for each Lot's proportionate share of the Common Expenses shall be payable in equal quarterly installments, each such installment to be due and payable in advance on the first day of the quarter for such quarter;

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Area of

Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

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

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Lot, any Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Lot and all other books, records, and financial statements of the Association; and

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

Section 18. Management Agent.

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 17 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on ninety (90) days' or less written notice.

Section 19. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Lot is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessment at the time of the report and describing the status of any action to collect such amounts which remain delinquent;

(g) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provided, during the Class "B" Control Period, the annual report shall include certified financial statements.

Section 20. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Members approval in the same manner provided in Article X, Section 4, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year. Notwithstanding anything to the contrary contained in the Declaration, these By-Laws, or the Articles of Incorporation, during the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Members representing at least fifty-one (51%) percent of the total Association vote.

Section 21. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and By-Laws of the Association, the Association shall have the right to contract with any person or entity for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all directors of the Association.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the Class "B" Control Period unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days notice to the other party.

Section 22. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

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(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have

the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present.

Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Article III, Section 22 of these By-Laws.

Article VI Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. The Declaration is incorporated herein by this reference. If there are conflicts between the provisions of Georgia law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Georgia law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

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

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

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

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

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

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first Lot, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may amend these By-Laws unilaterally at any time and from to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination which shall be in conflict therewith; (b) necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to these By-Laws; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or

Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to these By-Laws; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to these By-Laws; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless such Owner shall consent thereto in writing. So long as it still owns property described in Exhibits "A" and "B" of the Declaration for development as part of the Properties, the Declarant may amend these By-Laws for any other purpose, and so long as the amendment has no material adverse effect upon any right of any Owner. Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing a majority of the total votes of the Association, including a majority of the votes held by Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of the county or counties in which the Properties are located.

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

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FILED & RECORDED: 5-24-88 LEWIS COUCH, CSC