



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.

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RECORDING TIME, BOOK & PAGE

MAIL AFTER RECORDING TO:
RICHARD H. STANCIL
85 S. Main Street, Box 1
HIAWASSEE, GEORGIA 30546

THIS INSTRUMENT WAS PREPARED BY: RICHARD H. STANCIL

BRIEF DESCRIPTION: LOT 26 OF THE HIGHLAND FALLS SUBDIVISION; LL124,
DIST. 10, SEC.1, UNION COUNTY, GEORGIA.

STATE OF GEORGIA
COUNTY OF TOWNS

HIGHLAND FALLS COTTAGES SUBDIVISION
2130 OwlTown Road
Blairsville, Georgia 30512

AMENDMENTS, RESERVATIONS AND RESTRICTIVE COVENANTS
AND EASEMENT REGARDING
HIGHLAND FALLS COTTAGES SUBDIVISION AND
HIGHLAND FALLS SUBDIVISION

Know all men by these presents:

The undersigned are the owners and developers of the property shown on the attached Exhibit "A" which is incorporated herein by reference. These Amendments, Restrictions and Restrictive Covenants and Easement will apply to the property as shown on Exhibit "A" hereto which includes approximately 33 acres (the "property"). These Amendments, Reservations and Restrictive Covenants and Easement will also amend those Covenants and Restrictions regarding Highland Falls Subdivision as recorded in Deed Book 191, Pages 240-242, Union County Records, as such may apply to said property. Other acreage in the vicinity of or adjoining the subdivision which may be included within these covenants at a later date as determined by the Declarant.

Highland Falls Cottages is intended to be a community in which individual ownership of real property is minimum and the common ownership of real estate is maximized. This concept is often referred to as a zero lot line development. Individual cottages will be located on lots consisting of the cottage itself and a surrounding buffer or footprint; with septic and field lines for each cottage to be located within the buffer, and each cottage, or lot owner will be responsible for all maintenance, repair, or replace of the septic tank and field lines serving each lot or cottage.

The Highland Falls Cottages Common Areas will be regulated and controlled by the Highland Falls Cottages Homeowners' Association ("Homeowners' Association" or "Association"), a Georgia Non-Profit Corporation, formed contemporaneously with the filing of these Covenants and Restrictions. The Common Areas will be identified by Plat filed after the Developer has plated and filed on the public record an instrument showing the footprint of each lot or cottage located within the subdivision. Each owner of a lot, cottage or cottage, will automatically be a member of the Association by the purchase of a lot or cottage in the property and will automatically have the right to utilize the common areas under the terms and conditions as provided herein and under the Rules and Regulations to be developed by the Homeowners' Association.

THE DECLARATION DOES NOT AND IS NOT INTENDED TO CREATE A CONDOMINIUM SUBJECT TO THE GEORGIA CONDOMINIUM ACT, O.C.G.A. SECTION 44-3-70, ET. SEQ.

The Reservations and Restrictive Covenants hereinafter set out are to run with the land and will be binding upon all parties and persons owning lots in said Subdivision or claiming under them.

If the owners of such lots or any of them, or their heirs, successors or assigns will violate any of the covenants hereinafter set out, it will be lawful for the undersigned or any other person owning real property situated in such subdivision to prosecute any proceeding at law or in equity against the person or persons violation any of such covenants, either to prevent him from so doing or to recover damages for such violations, or both.

If any portion of the Reservations and Restrictive Covenants is held by a Court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated in any way.

1. No subdivision lot shall be subdivided.
2. No double wide mobile homes, modular homes, or factory constructed homes shall be permanently or temporarily on any lot or subdivision road.
3. Each and every lot is for single family residential purpose only. Rental of lot or cottage is prohibited unless said rental is made by the undersigned or through the undersigned's rental pool or the agent of the undersigned.
4. No such single family residence shall be constructed with less than nine hundred (900) square feet or heated living space, exclusive of any carport, garage, basement, deck, patio and open porches.
5. The roof of all homes must be of metal roof construction and be either green or red in color unless a variance is granted hereunder by the undersigned or its agents.
6. The exterior of all homes must be finished with brick, stone, stucco, vinyl or concrete siding, or wood. The exterior of all homes must be constructed in a reasonable, attractive manner so as not to be detrimental to the value of the home. All external landscaping or external modifications of cottages must be approved in advance by the Declarant or the Homeowners Association or its designee.
7. When the construction of any building is once begun, work thereon must be prosecuted diligently and must be completed within twelve (12) months from the start thereof. No outbuilding, garage, shed, tent, gravel trailer, or temporary building of any kind shall be erected prior to commencement

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of the erection of a residence. Further, no such structure shall be used for temporary or permanent residence purposes. This paragraph should not be construed to prevent the use of a temporary construction shed or adequate sanitary toilet facilities for workmen which may be provided during construction.

8. No animals, birds, or fowl shall be kept or maintained on any part of the property, except ordinary household pets (e.g., dogs, cats, pet birds) which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants, but not for any commercial use or purpose.

9. No lot shall be used in whole or in part for any illegal activity, nor for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing (including junk or inoperable vehicles) that will cause such lot to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding property.

10. All utility lines, including electrical and telephone lines, shall be placed underground. No outside utility lines shall be placed overhead. No above ground tanks for utilities or otherwise shall be located above ground.

11. There are hereby reserved for the purpose of installing and maintaining municipal and public utility facilities and for such other purposes incidental to the development of the property, easements along the subdivision roads and lot lines. All claims for damages, if any, arising out of the construction, maintenance, and repair of utilities or on account of temporary or other inconveniences caused thereby are hereby waived by the lot owner

12. Association Membership and Voting Rights. Every Person who is the record owner of a fee or undivided fee interest in any Lot or Cottage that is subject to this Declaration shall be deemed to have a membership in the Association and shall be entitled to one vote for each Lot or Cottage owned.

13. Assessments.

(a.) Assessments are for the purpose of promoting the recreation, health and maintenance of real and personal property. Each Owner of any Lot or Cottage agrees to pay to the Association annual, special and specific assessments including reasonable fines as may be determined by the Association. All such assessments shall be a charge and lien on the land and the personal obligation of the Owner. Annual assessments shall be levied at a uniform rate per Lot or cottage [i.e., (1/33)]. The Board shall annually prepare an operating and capital budget which shall become effective unless disapproved by a majority of the Total Association Vote. In the event of disapproval the prior year's budget shall apply. Special assessments may be levied if approved at a meeting by two-thirds (2/3) of the Total Association Vote. A capital reserve shall be established and maintained in a segregated account, and shall be for the purpose of insuring that the Association will have cash available to meet unforeseen expenditures.

(b.) Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment is not paid within thirty (30) days, a lien shall attach to the Lot or Cottage. If not paid within sixty (60) days, the Association may institute suit to collect such amounts and/or to foreclose its lien for the benefit of all other Owners.

(c.) Commencement Date The assessments provided for herein shall commence on the first day of

the month following the conveyance. Lots or other property owned by the Declarant shall not be subject to assessment until such time as such becomes occupied as a residence, rented or sold.

(d.) Specific Assessments. The Board may make specific assessment as follows: i) Fines; ii) Expenses which benefit less than all of the Lots or Cottages equitably among all of the Lots or Cottages which is benefitted according to the benefit received; iii) Expenses which benefit all Lots or cottages, but which do not provide an equal benefit to all Lots or Cottages, may be assessed equitably among all Lots according to the benefit received.

14. Maintenance. The Association shall maintain and keep in good repair the Common Property which includes the entryway; streets, roads, streetscapes; cul-de-sac islands; drainage areas; all property outside of Lots or Cottages; the central water system and the common effluent disposal system, if any. Maintenance caused through the wilful or negligent act of an Owner or his invitees or lessees shall be charged to such Owner. Maintenance shall be performed consistent with the Community-Wide Standard. The Owner shall maintain his Lot or cottage and improvements in a manner consistent with the Community Wide Standard and upon failure to so do the Association may provide such maintenance and charge the costs to the Owner as an assessment.
15. Use Restrictions and Rules: The Board of Directors of the Association (the "Board") is authorized to issue such rules as may be deemed necessary and shall include the following:
 - (A) All Lots shall be used for residential use exclusively with certain Board approved exceptions, including leasing under the terms of leases approved by the Board.
 - (B) All plans for improvements shall be submitted to the Declarant, the Board or its Architectural Control Committee.
 - (C) No sign except one "For Sale" sign shall be allowed on any Lot or Cottage.
 - (D) Vehicles shall be parked in the driveway or garage as designated on the master Plat of Survey under which each individual lot is sold.
 - (E) Motorized recreational vehicles, campers etc. shall not be stored on any property.
 - (F) Any lease shall include a written acknowledgment of receipt of the Covenants and By-Laws and a provision that any tenant comply.
 - (G) These rules shall also apply to Occupants and fines against Occupants shall accrue to the Owner if unpaid.
 - (H) No animals are allowed on the common areas except common household pets under the Owners' constraints and only according to the rules as established by the Board. Noisy or dangerous animals will not be tolerated. Fines will be imposed for a violation of these rules.
 - (I) Nuisances of any type or character are not allowed.

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- (J) Unsightly or unkempt conditions shall not be allowed.
 - (K) Antennas must be approved by the Board or its designee prior to installation.
 - (L) Trees more than two inches in diameter two feet from the ground shall not be removed except under certain conditions.
 - (M) Drainage areas shall not be obstructed or rechanneled.
 - (N) Corner lots or cottages shall not landscape in such a way as to obstruct vision.
 - (O) Garbage cans, woodpiles etc. shall be screened or concealed from view except on normal, usual and customary collection days.
16. No Lots or common area shall be subdivided or replated or reconfigured except under special circumstances approved by the Declarant. Should Declarant not own any lots in the property, then approval shall be required of the Board.
 17. The uses of guns of all types within the boundaries of the property are prohibited.
 18. No fence shall be erected without the prior approval of the Board.
 19. Overhead utility lines are not permitted.
 20. Window air-conditioning units are allowed only with approval by the Board.
 21. Exterior lighting visible from the street is not permitted except for seasonal decorative lighting.
 22. No artificial vegetation or plastic animal decoration is permitted. Exterior sculpture and statuary and similar items must be approved by the Board.
 23. Energy conservation equipment is allowed if integral and harmonious to the architecture and then only upon approval of the Board.
 24. Swimming pools or fountains must be approved by the Board; no above ground shall be permitted with the exception of spas and hot tubs located within ten feet of any cottage and properly screened.
 25. Vegetable gardens, hammocks, basketball goals etc. must be approved by the Board as to type and location.
 26. Mailboxes shall be similar to the style and color as designated by the Board.
 27. Changes in exterior finish or texture must be approved by the Board.

28. Clotheslines are not permitted.
29. Entry features installed by the Declarant shall not be disturbed without the prior written approval of the Board.
30. Foil shall not be placed in windows.
31. Fuel and water and other tanks must be underground.
32. Outbuildings and similar structures are not allowed except upon written approval by the Board.
33. Erosion and environmental controls must be maintained by the Owner at all times according to the specifications determined by the Board. A priority shall be given to protecting the water quality of the Trout Stream located on the property.
34. Insurance and Casualty Losses. Each Owner shall carry blanket all-risk casualty insurance on the Lot and all structures constructed thereon and a liability policy covering damage or injury occurring on or in a Lot or cottage. Hazard Insurance shall not be issued in an amount less than One Hundred Thousand Dollars (\$100,000) and the liability policy shall not be issued in an amount less than Three Hundred Thousand Dollars (\$300,000). This required amount may be adjusted by the Declarant or the Association's Board of Directors.
35. Damage and Destruction - Association Insurance. The Association shall maintain General Liability Insurance in an amount not less than One Million Dollars (\$1,000,000.00) to cover the common areas and roadways of the subdivision. This amount may be adjusted by the Association Board of Directors.
36. Damage and Destruction - Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner or by the Association upon the Owners default and the Association has given notice and the Owner has refused or failed to repair or replace within a reasonable time.
37. Condemnation. In the event of a taking by eminent domain of any portion of the Common Property the Association shall restore or replace such property based upon the decision of a vote of seventy-five percent (75%) of the owners of record, one vote per lot.
38. Annexation of Additional Property. Declarant shall have the unilateral right, privilege, and option from time to time at any time until fifteen years after the recording of this Declaration to subject all or any portion of other real property contiguous or adjacent or within the serviceable vicinity of the property. The rights reserved unto Declarant to subject additional land to the Declaration shall not impose any obligation upon Declarant to subject any of such additional land to this Declaration or to the jurisdiction of the Association. Subject to the consent of the Owner(s) thereof and the consent of the Declarant (so long as the Declarant owns any property for development and/or sale

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in the Community or has the right unilaterally to annex additional property to the Community), upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least two-thirds (2/3) of the Lots (other than Lots owned by the Declarant so long as the consent of Declarant is required), the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association.

39. Mortgage Provisions. The Board shall adopt such mortgage provisions which may be reasonable and necessary, or required by any lending institution having a security interest in the property.
40. Easements. There shall be reciprocal appurtenant easements for encroachment and overhang; ingress and egress, use and enjoyment in and to the Common Property; utilities; entry; maintenance; entry features; and construction and sale.
41. Enforcement. Each Owner and Occupant shall comply strictly with the Bylaws, the rules and regulations, the use restrictions, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and in the deed to such Owner's Lot or cottage, if any. The Board of Directors may impose fines, other sanctions, seek damages or injunctive relief. The Association or its duly authorized agent shall have the power to enter upon any Lot or cottage or any other portion of the Community to abate or remove any condition which violates this Declaration, the Bylaws, the rules and regulations, or the use restrictions of Highland Falls Cottages implemented by Highland Falls Cottages, Inc. or the Board.
42. Duration. The covenants and restrictions of this Declaration shall run with the land and bind the owners of the property and their successors-in-interest, and those claiming by and through the owners until such time as two-thirds (2/3) of the Lots or cottages and the Declarant votes to remove the same.
43. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant, and/or by the affirmative vote of two-thirds (2/3) of the Owners should the Declarant no longer own or have a security interest in any of the property.
44. Books and Records. All books and records of the Association shall be made available for inspection and copying by any member of the Association at any reasonable time and for a purpose reasonably related to such Person's interest subject to usual rules of convenience and accommodation.
45. Financial Review. A review of the books and records of the Association shall be made annually in the manner as the Board of Directors or as majority of the Association, one vote per lot, may decide.
46. Notice of Sale or Lease. In the event an Owner sells or leases such Owner's Lot, the Owner shall give to the Declarant and to the Association, in writing, at least fourteen (14) days prior to the effective date of such sale or lease, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require. In the case of a lease, the lease shall be subject to the approval of the Declarant and/or the Association, such approval not to be unreasonably

withheld. The purpose of such approval is to ensure that the sale and the lease will not in any manner

47. **Variances.** The Declarant or if no Declarant, the Board is authorized to grant individual variances if consistent with the overall scheme of development for Highland Falls Cottages Subdivision.
48. **Use of Common Areas, Recreational Facilities and Trout streams and Ponds by Nonmembers.** Declarant and if no Declarant, the Board shall have the right to grant to persons who are not members of the Association the right to use the Common Areas and Community recreational facilities (if any) constructed by Declarant. The Declarant may grant nonmember use rights to individuals as an easement appurtenant to such individuals' cottage or real property so that such use rights shall automatically inure to the benefit of both the original grantees and their respective successors-in-title to such real property.
49. **Central water system.** The central water system shall be administered according to the terms and conditions as may be established from time to time by the Board.
50. **Rental Pool.** All owners of record of lots within Highland Falls Cottages Subdivision who wish to rent their units for income or gain shall participate through the Rental Pool operated by the Declarant, or by the Homeowners' Association if delegated to the Association by the Declarant. Only in the event that said Rental Pool does not exist, or is abandoned or becomes inactive shall the Owner have the right to rent or lease a cottage or cottage located in the Subdivision. The owners shall be charged a rental pool fee to participate in the Rental Pool; said fee not to exceed twenty-five percent of the gross rental income under a schedule of rents approved by the Declarant and by the Homeowners Association jointly. The Declarant shall establish the rental schedule with each individual cottage or cottage owner until such time as the Homeowners' Association is activated or operational.
51. **Amenities Property.** Attached hereto as Exhibit "B" is a legal description of the property known as the Amenities Property. Said property is owned at the time of the execution of these Covenants by Highland Falls Investments, Inc. Highland Falls Cottages Subdivision, by and through Highland Falls Cottages, Inc., and Highland Falls Subdivision, by and through the Highland Falls Homeowners Association, Inc., has received an Easement for use of the Amenities Property by the owners of lots in the Highland Falls Cottages Subdivision and the Highland Falls Subdivision subject to the terms of said Deed of Easement. Said Easement is recorded upon the public records of Union County in Deed Book 307, Page 224-225

The Amenities Properties is restricted to its current use as pasture land, walking and horse trails, stable, and woodlands under the terms of said easement. In no event shall the Amenities Property be developed for any additional commercial purposes, nor shall any cottages or buildings be located thereon unless approved by the Declarant, the Highland Falls Cottages Homeowners Association, Inc. and the Highland Falls Homeowners Association, Inc., jointly.

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- 52. Tap Fees: A tap fee of Seven Hundred and Fifty Dollars (\$750.00) shall be charged to each cottage for water hookups at time of connection. Said fees shall be made payable to the Declarant.
- 53. Utilities Fees and Garbage Fees: To the extent possible, the Homeowners Association shall contract for the provision of common services on behalf of all lots or cottages. The Association shall establish an annual assessment and bill each individual on a yearly or quarterly basis per cottage for that cottage's pro rate share of costs and escrows as determine by the Association.

IN WITNESS WHEREOF, the owners and developers hereby set their hands and affix their seals, this 15th day of December, 1998.

HIGHLAND FALLS INVESTMENTS, INC.

By:

Carter Redd
 CARTER REDD, PRESIDENT

(Corporate Seal)
 SEAL AFFIXED

Terrell Redd, E. M. Redd
 TERRELL REDD, VICE-PRESIDENT

[Signature]
 WITNESS

Cotton M. Smith (Seal)
 NOTARY PUBLIC

My Commission Expires: _____



MY COMMISSION EXPIRES: 12/31/2001