



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.



EXHIBIT "A"

AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND
RESERVATION OF EASEMENTS FOR
SALACOA HIGHLANDS

THIS INSTRUMENT ESTABLISHES A MANDATORY MEMBERSHIP HOMEOWNERS ASSOCIATION, BUT DOES NOT SUBMIT THE COMMUNITY TO THE PROVISIONS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. § 44-3-220, *ET SEQ.*

IMPORTANT NOTICE:

CLOSING ATTORNEYS MUST CONTACT THE ASSOCIATION FOR ESTOPPEL CERTIFICATES REGARDING BOTH ASSESSMENTS AND CHARGES DUE ON LOTS AND ANY UNCURED VIOLATIONS OR UNAUTHORIZED IMPROVEMENTS TO LOTS. THIS DECLARATION SUBMITS THE PROPERTY TO THE PROVISIONS OF THE **GEORGIA PROPERTY OWNERS' ASSOCIATION ACT**, O.C.G.A. SECTION 44-3-220, *ET SEQ.*



Article I

Name

The name of the Community is Salacoa HighlandsSM, which is a residential property owners' development which hereby submits to the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.* (Michie 1982), as may be amended.

Article II

Definitions

Section 1. Unless the context otherwise requires, capitalized terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall be defined as set forth in this Article 2. Otherwise, the terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the Georgia Nonprofit Corporation Code.

(a) Act means the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.* (Michie 1982), as may be amended.

(b) Architectural Control Committee or ACC mean the committee established to exercise the architectural review powers set forth herein, which shall be the Board of Directors of the Association unless the Board appoints a separate Architectural Control Committee.

(c) Articles of Incorporation or Articles means the Articles of Incorporation of Salacoa Highlands Homeowners Association, Inc., filed with the Secretary of State of the State of Georgia.

(d) Association means Salacoa Highlands Homeowners Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

(e) Association Governing Documents means this Declaration and all exhibits hereto, the Bylaws, the Articles of Incorporation, the plats and all rules and regulations and architectural guidelines for the Association, all as may be supplemented or amended.

(f) Board or Board of Directors means the body responsible for management and operation of the Association.

(g) Bylaws means the Bylaws of Salacoa Highlands Homeowners Association, Inc. attached to this Declaration as Exhibit "1" and incorporated herein by this reference.


(h) Common Property means any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned or leased by the Association for the common use and enjoyment of the Owners.

(i) Common Expenses means the expenses incurred or anticipated to be incurred for the general benefit of all Lots, including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Property.

(j) Community means that real estate which is submitted to the Act and further described in Article III, Section 1 of t this Declaration, Community is a residential property owners' development which hereby submits to the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.* (Michie 1982), as may be amended.

(l) Community-Wide Standard means the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors and the Architectural Control Committee.

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(m) Declaration means this Amended Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Salacoa Highlands.

(n) Director means a member of the Association's Board of Directors.

(o) Effective Date means the date that this Declaration is recorded in the Pickens County, Georgia land records.

(p) Lot means a portion of the Community intended for ownership and use as a single-family dwelling site subject to this Declaration, as may be shown on the Plats for the Community recorded in the Pickens County, Georgia land records.

(q) Mortgage means any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance of fee title for such purpose.

(r) Mortgagee or Mortgage Holder means the holder of any Mortgage.

(s) Occupant means any person staying overnight in a dwelling on a Lot for a total of more than 30 days, either consecutive or nonconsecutive, in any calendar year.


(t) Officer means an individual who is elected by the Board of Directors to serve as President, Vice President, Secretary, or Treasurer or to hold such other office as may be established by the Board of Directors.

(u) Owner means the record title holder of a Lot, but shall not include a Mortgage Holder. For purposes hereof, the holder of a tax deed on a Lot shall be deemed a co-Owner thereof, notwithstanding the fact that there may exist a right of redemption on such Lot.

(v) Person means any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

(w) Plats means those plats of the survey relating to the Community and being i) Subdivision Plat of North Basin, recorded in Plat Book O, Page 27, Pickens County, Georgia land records; ii) Subdivision Plat of North Basin, recorded in Plat Book O, Page 28, aforesaid county land records; iii) Plat for North Basin, recorded in Plat Book O, Page 71, aforesaid county land records; iv) Final Plat for Salacoa Heights, Section 1, recorded in Plat Book Q, Page 208, *et seq.*, aforesaid county land records; v) Final Plat for Salacoa Heights, Section 3, recorded in Plat Book Q, Page 237, *et seq.*, aforesaid county land records; vi) Final Plat for Salacoa Highlands, Section 2, recorded in Plat Book Q, Page 239, *et seq.*, aforesaid county land records; vii) Final Plat for Salacoa Heights, Section 4, recorded in Plat Book Q, Page 261, *et seq.*, aforesaid county land records; viii) Plat of Revised Lot 165, Salacoa Highlands, Section 2 and Revised Lot 203, Salacoa Heights, Section 3, recorded in Plat Book Q, Page 301, aforesaid county land records; ix) Final Plat for Salacoa Heights, Section 5, recorded in Plat Book Q, Page 302, *et seq.*, aforesaid county land records; x) Final Plat for Salacoa Highlands, Section 7, recorded in Plat Book Q, Page 305, *et seq.*, aforesaid county land records; xi) Final Plat for Salacoa Heights, Section 6, recorded in Plat Book R, Page 3, *et seq.*, aforesaid county land records; xii) Final Plat for Salacoa Heights, Section 8, recorded in Plat Book R, Page 42, *et seq.*, aforesaid county land records; xiii) Plat of Revised Lots 121 & 122, Salacoa Highlands, recorded in Plat Book R, Page 90, aforesaid county land records; xiv) Final Plat for Salacoa Heights, Section 9, recorded in Plat Book R, Page 172, *et seq.*, aforesaid county land records; xv) Final Plat for Salacoa Heights, Section 10, recorded in Plat Book R, Page 225, *et seq.*, aforesaid county land records; xvi) Final Plat for Salacoa Heights, Section 11, recorded in Plat Book R, Page 265, *et seq.*, aforesaid county land records; xvii) Final Plat for Salacoa Heights, Section 12, recorded in Plat Book S, Page 14, *et seq.*, aforesaid county land records; xviii) Final Plat for Salacoa Heights, Section 13, recorded in Plat Book S, Page 65, *et seq.*, aforesaid county land records; xix) Final Plat for Salacoa Heights, Section 15, recorded in Plat Book S, Page 145, *et seq.*, aforesaid county land records; xx) Final Plat for Salacoa Heights, Section 14, recorded in Plat Book S, Page 148, *et seq.*, aforesaid county land records; xxi) Final Plat for Salacoa Heights, Section 16, recorded in Plat Book S, Page 195, *et seq.*, aforesaid county land records; xxii) Final Plat for Salacoa Heights, Section 17, recorded in Plat Book S, Page 222, *et seq.*, aforesaid county land records; xxiii) Plat of Revised Lot 310, Salacoa Heights, Section 8, recorded in Plat Book S, Page 273, aforesaid county land records; and xxiv)

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Plat of Revised Lot 157, Salacoa Highlands, Section 2, recorded in Plat Book S, Page 274, aforesaid county land records. All of the Plats of survey are incorporated herein by this reference.

(x) Violator means any Owner who violates the Association Governing Documents and any Owner's family member, guest or Occupant who violates such provisions; provided, however, if an Owner's family member, guest or Occupant violates the Association Governing Documents, the Owner of the relevant Lot shall also be considered a Violator.

Article III

Submitted Property and Additional Property

Section 1. Submitted Property. . The certain real property lying and being in Land Lots 112, 113, 140, 141, 147, 148 and 149 of the 13th District, 2nd Section, Pickens County, Georgia as more particularly shown on those certain plats as follow: i) Subdivision Plat of North Basin, recorded in Plat Book O, Page 27, Pickens County, Georgia land records; ii) Subdivision Plat of North Basin, recorded in Plat Book O, Page 28, aforesaid county land records; iii) Plat for North Basin, recorded in Plat Book O, Page 71, aforesaid county land records; iv) Final Plat for Salacoa Heights, Section 1, recorded in Plat Book Q, Page 208, *et seq.*, aforesaid county land records; v) Final Plat for Salacoa Heights, Section 3, recorded in Plat Book Q, Page 237, *et seq.*, aforesaid county land records; vi) Final Plat for Salacoa Highlands, Section 2, recorded in Plat Book Q, Page 239, *et seq.*, aforesaid county land records; vii) Final Plat for Salacoa Heights, Section 4, recorded in Plat Book Q, Page 261, *et seq.*, aforesaid county land records; viii) Plat of Revised Lot 165, Salacoa Highlands, Section 2 and Revised Lot 203, Salacoa Heights, Section 3, recorded in Plat Book Q, Page 301, aforesaid county land records; ix) Final Plat for Salacoa Heights, Section 5, recorded in Plat Book Q, Page 302, *et seq.*, aforesaid county land records; x) Final Plat for Salacoa Highlands, Section 7, recorded in Plat Book Q, Page 305, *et seq.*, aforesaid county land records; xi) Final Plat for Salacoa Heights, Section 6, recorded in Plat Book R, Page 3, *et seq.*, aforesaid county land records; xii) Final Plat for Salacoa Heights, Section 8, recorded in Plat Book R, Page 42, *et seq.*, aforesaid county land records; xiii) Plat of Revised Lots 121 & 122, Salacoa Highlands, recorded in Plat Book R, Page 90, aforesaid county land records; xiv) Final Plat for Salacoa Heights, Section 9, recorded in Plat Book R, Page 172, *et seq.*, aforesaid county land records; xv) Final Plat for Salacoa Heights, Section 10, recorded in Plat Book R, Page 225, *et seq.*, aforesaid county land records; xvi) Final Plat for Salacoa Heights, Section 11, recorded in Plat Book R, Page 265, *et seq.*, aforesaid county land records; xvii) Final Plat for Salacoa Heights, Section 12, recorded in Plat Book S, Page 14, *et seq.*, aforesaid county land records; xviii) Final Plat for Salacoa Heights, Section 13, recorded in Plat Book S, Page 65, *et seq.*, aforesaid county land records; xix) Final Plat for Salacoa Heights, Section 15, recorded in Plat Book S, Page 145, *et seq.*, aforesaid county land records; xx) Final Plat for Salacoa Heights, Section 14, recorded in Plat Book S, Page 148, *et seq.*, aforesaid county land records; xxi) Final Plat for Salacoa Heights, Section 16, recorded in Plat Book S, Page 195, *et seq.*, aforesaid county land records; xxii) Final Plat for Salacoa Heights, Section 17, recorded in Plat Book S, Page 222, *et seq.*, aforesaid county land records; xxiii) Plat of Revised Lot 310, Salacoa Heights, Section 8, recorded in Plat Book S, Page 273, aforesaid county land records; and xxiv) Plat of Revised Lot 157, Salacoa Highlands, Section 2, recorded in Plat Book S, Page 274, aforesaid county land records; which plats are hereby referred to and made a part of this description, which property was developed as the Salacoa Highlands subdivision ("the Salacoa Highlands Property") and subjected to the provisions of that certain Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Salacoa Highlands which was recorded on December 12, 1986 at Deed Book 121, Page 270, *et seq.*, Pickens County, Georgia land records, which by this reference is incorporated herein (hereinafter as supplemented and amended from time to time referred to as the "Original Declaration"); and that is held of record by the undersigned Owners executing a Consent Form. Lot numbers identifying the subjected property are shown under the signatures of the undersigned Owners on the Consent Form. By virtue of recording this Declaration, said property shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to provisions of the Act and the covenants, conditions, restrictions, easements, assessments, and liens set forth in this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property subject to this Declaration, and shall be binding on all Persons having any right, title or interest in all or any portion of the real property subject to the Declaration, their respective heirs, legal representatives, successors-in-title and assigns, and shall be for the benefit of all owners of the property subject to this Declaration.



Section 2. Additional Property. Any property shown on any Plat, which property has not been submitted to the Declaration, may be submitted to the Declaration by recording a supplementary consent form executed by the owner of such property and by the Board of Directors. Other property not shown on any Plat may be submitted to this Declaration with the approval of Owners holding at least a majority of the eligible vote of the total Association membership and by recording a consent form executed by the owner of such property and by the Board of Directors.

Article IV

Association Membership and Voting Rights

Section 1. Membership. The Association shall have one class of membership. Each Lot Owner shall be a member of the Association. This does not include persons who hold an interest merely as security for the performance of an obligation. The giving of a security interest shall not terminate an Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot owned in the Community. An Owner's spouse may exercise all membership rights and privileges of the Owner.

Section 2. Voting. The Owner(s) of the Lot shall be entitled to one equally weighted vote for such Lot, which vote may be exercised and suspended as provided in this Declaration and the Bylaws.

Article V

Allocation of Liability for Common Expenses

Section 1. General Allocations. Except as provided below, or elsewhere in the Act or the Association Governing Documents, the amount of all Common Expenses shall be assessed against all the Lots equally.

Section 2. Specific Assessments. Notwithstanding the above, the Board of Directors shall have the power to levy specific assessments pursuant to Section 44-3-225(a) of the Act as, in its discretion, it shall deem appropriate. Failure of the Board to do so shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to do so in the future.

Article VI

Assessments

Section 1. Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments levied by the Association shall be used generally for the purpose of promoting the recreation, health, safety and welfare of the membership and their enjoyment and use of the Common Property and in particular for the acquisition, improvement, maintenance and operation of the Common Property and to pay for the services which the Association is authorized to provide including, but not limited to, the payment of taxes and insurance thereon, construction of improvements, repairs, replacement, and additions to Common Property, payment of the cost of labor, equipment, material, management and supervision necessary to carry out its authorized functions.

Section 2. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all assessments and other charges levied pursuant to this Declaration and the Bylaws.

All assessments and charges levied against a Lot and its Owner, together with interest, costs and reasonable attorneys' fees actually incurred (including post-judgment attorneys' fees, costs and expenses), and rents (if the Board of Directors so elects), in the maximum amounts permitted under the Act, shall be: (1) a charge and a continuing lien against such Lot; and (2) the personal obligation of the Person who is the Owner of the Lot on the due date of the assessment. Each Owner and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance of the Lot. The Association, in the Board's discretion, may record a notice of such lien in the Pickens County, Georgia land



records evidencing the lien created under the Act and this Declaration. The lien provided for herein shall have priority as provided in the Act.

Assessments shall be paid in such manner and on such dates as determined by the Board of Directors. No Owner may exempt himself or herself from liability, or otherwise withhold payment of assessments, for any reason whatsoever.

Section 3. Delinquent Assessments. All assessments and charges not paid on or before the due date shall be delinquent, and the Owner shall be in default. In addition to the powers set forth below for collection of unpaid assessments and charges, the Association shall be entitled to exercise all other rights and remedies provided by law and in equity to satisfy an Owner's debt.

If any assessment or charge, or any part or installment thereof, is not paid in full within 30 days of the due date, or such later date as may be provided by the Board of Directors:

- (i) a late charge equal to the greater of \$10.00 or 10% of the amount of each assessment or installment thereof not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner
- (ii) interest at the rate of 10% per annum, or such higher rate as may be authorized by the Act, shall accrue on each assessment or installment thereof and any delinquency or late charge pertaining thereto from the due date;
- (iii) the Board may accelerate and declare immediately due any unpaid installments of that Owner's assessments and charges. Upon acceleration, the Owner shall lose the privilege of paying such assessments and charges in installments, unless the Board otherwise reinstates such privilege in writing. If the Association has pending legal action against an Owner for unpaid assessments or charges, then no notice shall be required to accelerate unpaid installments of any annual or special assessments that come due during any fiscal year after such legal action commences, until all amounts owed are paid in full or the Board otherwise reinstates such privilege in writing; and
- (iv) the Association may bring legal action to collect all sums owed under the Declaration and Georgia law.

If assessments or other charges, or any part thereof, remain unpaid more than 30 days after the due date, the Owner's right to vote shall be suspended automatically until all amounts owed are paid in full or the Board of Directors otherwise reinstates such rights in writing.

If part payment of assessments or other charges is made, the amount received may be applied first to post-judgment attorneys' fees, costs and expenses, then to costs and attorneys' fees not reduced to a judgment, then to interest, then to late charges, then to delinquent assessments and then to current assessments.

Section 4. Computation of Operating Budget and Assessment. To establish the annual assessment for a fiscal year, the Board of Directors shall prepare a budget covering the estimated costs of operating the Community, which may include a reserve contribution as provided below. The Board shall provide the budget to the Owners at least 21 days before the due date of such assessment or the first installment thereof.

The budget and the assessment shall become effective unless, before the due date of such assessment, a majority of the total Association membership votes to disapprove them at a duly called membership meeting. If the membership disapproves the proposed budget or the Board of Directors fails for any reason to determine a new budget, the budget then in effect shall continue until a new budget is adopted as provided herein. The Board may adopt an adjusted budget at any time during the year following the procedure specified above.

Section 5. Special Assessments. In addition to the all other assessments and charges provided for herein, the Board of Directors may levy a special assessment against all Owners for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected maintenance or repair and replacement of the Common Property and capital improvements thereof, and to repay any loan or advance made to the Association to enable it to perform the duties and functions authorized herein; provided, however,



that any such special assessment that would exceed the amount of the annual assessment for the year in which the special assessment is to be levied must be approved by at least a majority of those Owners present or represented by proxy at a duly called meeting of the members, notice of which shall specify the purpose of such meeting.

Section 6. Capital Budget and Contribution. The Board of Directors may prepare an annual or multi-year capital reserve budget and may establish a capital reserve fund contribution based on such budget. Capital reserve budgets should take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost.

Section 7. Working Capital Contribution – Lots Submitted after Effective Date. Any Lot submitted to this Declaration in accordance with Article III, Section 2 after the Effective Date shall pay a Working Capital Contribution fee in the amount of \$1,000.00. The working capital contribution shall be collected at or before the recording of the supplementary owner consent form; or if not collected at closing, immediately upon demand to the Association. The working capital contribution shall constitute a specific assessment against the Lot, shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. The working capital contribution may be used by the Association for any purpose which provides a direct benefit to the Community, including, without limitation, for the payment of operating expenses of the Association and other expenses incurred by the Association pursuant to the provisions of this Declaration. Section 8. Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments and charges due and unpaid, including but not limited to any late charges, interest, fines, attorneys' fees or other charges against such Lot. The Association shall respond in writing within five business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee, as a prerequisite to the issuance of such a statement, not to exceed any existing statutory cap on such fee. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein, if such statement is reasonably relied upon in connection with the issuance of any Mortgage on such Lot.

Section 8. Surplus Funds and Common Profits. Common profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, be: (1) distributed to the Owners; (2) credited to the next assessment chargeable to the Owners; or (3) added to the Association's capital reserve account.

Article VII


Maintenance Responsibility

Section 1. Owner's Maintenance Responsibility. Each Owner shall keep his or her Lot and the structure thereon in good order and repair, including, but not limited to, the seeding, watering and mowing of rear lawns, the pruning and cutting of all trees and shrubbery, and the painting (or such appropriate external care) of the structure all in a manner with such frequency as is consistent with good property management.

Section 2. Association's Maintenance Responsibility. The Association shall maintain, keep in good repair, replace and, in the Board of Directors' discretion, improve or alter the Common Property. This maintenance obligation shall include amenities, paved access and parking areas, greenbelts, trees, shrubs, grass, walks, drives and other improvements located on the Common Property. The Association shall also continue to maintain and keep in good repair all water and sewer pipes or facilities which serve the Common Property that, as of the Effective Date of this Declaration, the Association currently has maintenance responsibility for, to the extent that such pipes and facilities are not maintained, now or in the future, by public, private, or municipal utility companies.

The Association shall have the right, but not the obligation, to maintain public rights of way adjacent to the Community and other property not owned by the Association; if the Board of Directors in its sole discretion determines that such maintenance would benefit the Community. At any point thereafter, the Board can cease to maintain such property and such maintenance obligation will revert back to the party originally responsible therefore.

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The foregoing maintenance shall be performed consistent with the Community-Wide Standard.

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

If the Board of Directors determines that the need for maintenance or repair on the Common Property is caused through the willful or negligent act of any Owner or Occupant or his or her family, guests, tenants, or invitees, then the Association may charge the cost of any such maintenance, repair, or replacement as a specific assessment against the Owner/Occupant's Lot and the Owner thereof.

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

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Property by an Owner or Occupant which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Property) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

The Board of Directors may establish, interpret and enforce maintenance standards for the Community. These standards may vary over time, however, the variances shall not constitute a waiver by the Board of the right to establish and enforce maintenance standards under this Article. No Board decision or interpretation regarding maintenance standards shall constitute a binding precedent with respect to subsequent Board decisions or interpretations.

Article VIII

Architectural Controls

A. Architectural Control Committee

Section 1. General. The Architectural Control Committee ("ACC") shall constitute a standing committee of the Association. The ACC shall consist of the Board of Directors unless the Board of Directors delegates to other Persons the authority to serve on the ACC.

Section 2. Approval Required. No structure, dwelling, improvement or addition shall be placed upon any part of the Community and no construction, alteration, modification, grading, tree-cutting or building shall commence upon any part of the Community, unless approved in accordance with this Article or as otherwise expressly permitted herein.

Section 3. Standards and Interpretation. The ACC may establish, amend and publish written Community-Wide Standards for modifications that affect the exterior appearance of Lots. These standards may vary for different parts of the Community, based on street visibility and location of the proposed modification or Lot. Any standards established by the ACC hereunder may be amended or vetoed by a majority of the total Association vote. No ACC decision or interpretation regarding such standards shall constitute a binding precedent with respect to subsequent ACC decisions or interpretations.



Section 4. Application Process and Review. The ACC may establish procedures, forms, conditions and requirements for the submission of applications for modifications to the exterior appearance of a Lot. Such applications shall be in writing and submitted to the ACC. If the application requests any variance from provisions of this Declaration or published Community-Wide Standards related to the exterior appearance of the Lot, the Owner must expressly identify such variance in the application. No approval issued hereunder shall authorize such a variance unless that variance is expressly identified in the application and specifically approved in writing by the ACC.

Except as may otherwise be determined by the Board, the ACC or its designated representative shall be the sole arbiter of such application.

The standard for approval of such modifications shall include, but not be limited to: (1) aesthetic consideration; (2) materials to be used; (3) compliance with the Community-Wide Standards, this Declaration, or the design standards which may be established by the Board; (4) harmony with the external design of the existing dwellings, Lots and structures, and the location in relation to surrounding structures and topography; and (5) any other matter deemed to be relevant or appropriate by the ACC. The ACC shall approve any request that it determines, in its reasonable discretion, to be in substantial compliance with such standard for approval.

Section 5. Ruling on Application. If the ACC fails to approve or to disapprove such application within 45 days after the application and all required information have been submitted, the Owner submitting the application may issue written notice, via certified mail, to the Association President, informing the President of the Owner's intent to proceed with the modification as identified in the application. Unless the Association issues a written disapproval of the application within 10 days of receipt of the Owner's notice, the approval will not be required and this subsection will be deemed complied with as to the items specifically identified in the application. However, even if the requirements of this subsection are satisfied, nothing herein shall authorize anyone to construct or maintain any modification that is otherwise in violation of the Association Governing Documents, or of any applicable zoning or other laws. Except as provided in this subsection, no approval of a modification shall be valid unless issued in writing. Owners may not rely on any verbal approval or statements from any person as the approval required for a modification.

Section 6. Appeal. If the ACC does not consist of the Board of Directors, and the ACC disapproves any application or part thereof, an Owner may, in writing, appeal the ACC's decision to the Board. The notice of appeal must be sent to the Board by certified mail and received by the Board within 14 days from the date of the ACC's disapproval notice, or the decision of the ACC shall become final and all rights of appeal shall terminate. Within 45 days of receipt of a timely appeal, the Board shall approve, disapprove, or conditionally approve the Owner's application, and such ruling shall be final and binding on the Owner.

Section 7. Commencement and Completion of Construction. All modifications approved hereunder must be commenced within six months from the date of approval, or such approval shall be deemed revoked, unless the ACC gives a written extension for commencing the work. All work approved hereunder shall be completed in its entirety within six months from the date of commencement, unless otherwise agreed in writing by the ACC.

Section 8. Professional Consultants and Fees. The Board of Directors shall be authorized to charge, as a specific assessment, against any Owner and Lot: (1) a reasonable administrative fee for review of modifications on, or submitted plans for, such Lot; and (2) reasonable fees for any architect, engineer, attorney, or other professional consultant engaged by the Board to assist with review of modifications on, or submitted plans for, such Lot. Any professional consultants fees shall constitute specific assessments as described in this Declaration.

Section 9. Limitation of Liability. The Association, Board of Directors, ACC, and members thereof, are not responsible for ensuring, and shall not be held liable for any injury, damage or loss arising out of: (1) the quality, structural integrity or



soundness of any modification on a Lot; or (2) any modification's compliance with building codes, zoning regulations or other governmental requirements.

Article IX

Use Restrictions

Each Owner shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of the Association Governing Documents. In addition to the following use restrictions, the Board of Directors may establish rules and regulations in accordance with the terms hereof and as specified in the Bylaws.

Section 1. Residential Use. Each Lot shall be restricted to residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any portion of the Community, except that the Owner or Occupant residing in a dwelling on a Lot may conduct ancillary business activities within the dwelling so long as:

- (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the dwelling;
- (ii) the business activity does not involve visitation or deliveries to the Lot by employees, clients, customers, suppliers, couriers, mail carriers, or other business invitees in greater volume than would normally be expected for a Lot without business activity;
- (iii) the business activity does not involve use of the Common Property, except for necessary access to and from the Lot by permitted business invitees;
- (iv) the business activity is legal and conforms to all zoning requirements for the Community;
- (v) the business activity does not increase any insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; and
- (vi) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Owners or Occupants, as determined in Board of Director's discretion.


The term "business," as used in this provision, shall include, without limitation, any occupation, work or activity that involves the provision of goods or services to persons other than the provider's family for a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore.

Section 2. Mobile Homes, et al. No mobile home, living trailer, modular home or pre-fabricated home of any nature (except log homes) shall be permitted on any of the Lots in the Community.

Section 3. Animals. No chickens or other fowl or livestock, except horses, shall be raised, kept or otherwise maintained on any lot. A maximum of one horse per 2.5 acres of land is allowed; provided, however, that no more than 3 horses shall be allowed on any one Lot in the Community, and no horses shall be allowed on any Lot fronting a lake. All horses and associated structures (barns, stables, wood fences, etc.) shall be kept behind the dwelling on the Lot and within a reasonable setback set forth by the ACC. Horses must be fenced at least 50 feet from all property lines. Plans for clearing and grassing any proposed pasture must be approved beforehand by the Board to ensure a minimal impact, both visually and otherwise, on passerby on the road right-of-way and neighboring Lots. No animals may cause noxious odors, damage to a stream course, nuisance or hazard, nor cause noise to disturb the comfort and serenity of neighbors. No Owner or Occupant may raise, keep, breed or maintain any animal for any commercial purpose in the Community, including, but not limited to, selling for profit.

Any Owner or Occupant who keeps or maintains any animal in the Community agrees to indemnify and hereby holds harmless the Association, its Directors, Officers, and agents, from any loss, damage, claim or

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liability of any kind or character whatsoever related to such animal. The Board may establish additional rules regarding animals in the Community, which may include restrictions on the breeds, number and/or size of permitted animals.

Section 4. Subdivision of Lots. No Lot may be subdivided into a smaller Lot without the prior written approval of the Board of Directors

Section 5. Use of Common Property. There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on or removed from any part of the Common Property without the express written consent of the Board of Directors. The Association may remove and either discard or store any unauthorized personal property left or kept on the Common Property and the Association shall have no obligation to return, replace or reimburse the owner for such property. The Association is not liable to any Person for any loss of, theft of, or damage to any personal property. Owners and Occupants, on behalf of themselves and their guests and family, assume all risks associated with such use of the Common Property and all liability for any damage or injury to any person or property as a result of such use. The Association shall not be liable for any damage or injury resulting from such use.

Section 6. Prohibition of Damage and Illegal Conduct. Without prior written consent of the Board of Directors, nothing shall be done or kept in the Community which would increase the Common Expenses, damage the Common Property, or be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. Noxious, destructive, offensive, hazardous, or unsanitary activity shall not be carried on in the Community, as such activity or conduct may be defined in the Association's rules and regulations.

Section 7. Parking. All recreational vehicles, boats, travel trailers, or similar such vehicles must be parked at the rear of any dwelling on a Lot and out of view from any nearby residences. Trucks, vehicles containing visible evidence of commercial use, such as tool boxes, tool racks, ladders, ladder racks or tow winches, and vehicles with commercial writings on their exteriors (except for law enforcement vehicles marked as such) shall be prohibited from being parked in the Community, except: (1) in garages or as otherwise approved by the Board; or (2), in the case of service vehicles, on a temporary basis during daytime business hours or during emergencies for the purpose of serving a Lot.

Section 8. Garages. Garage doors visible from a main road should remain closed when not in use for ingress, egress or garage use, or when the Owner or Occupant is not outside on the Lot.


Section 9. Fencing. No chain link fences, posts, rock fences, rock posts, or other fencing shall be constructed in the front of any dwelling on a Lot, unless approved by the ACC.

Section 10. Signs. Except as may be provided for herein or as may be required by legal proceedings or any governmental construction permitting process, no signs, advertising posters, political placards or billboards of any kind shall be erected, placed, or permitted to remain in the Community without the prior written consent of the Board of Directors, other than: (1) two professional security signs not to exceed six inches by six inches each in size displayed on a Lot; (2) one professionally lettered "For Sale" sign not to exceed 24" by 30" in size displayed on a Lot being offered for sale; and (3) three professionally lettered political candidate endorsement placards not to exceed 24" by 30" in size displayed on a Lot from 30 days before an election to five days after such election. The Board may establish rules permitting temporary signs on Lots announcing open houses, births, birthdays or other events for limited periods of time. The Board shall have the right to erect signs on the Common Property.

Section 11. Rubbish and Trash. Owners and Occupants shall regularly remove all rubbish and trash from the Lot. No rubbish or trash shall be placed on the Common Property, except as provided herein. Rubbish and trash shall be disposed of in appropriate sealed bags and placed in proper receptacles for collection.

Section 12. Unightly or Unkempt Conditions. Owners and Occupants are prohibited from engaging in activities which cause disorderly, unsightly or unkempt conditions on the Common Property or outside of a dwelling in the Community, such as the assembly and disassembly of motor vehicles and other mechanical devices. No Owner shall allow junk cars or abandoned cars, boats, trailer, campers or trucks to be or remain

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on any Lot. No concrete blocks shall be left exposed on any home, building, or any other area on a Lot. Clothing, clothes lines, drying yards, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the dwelling. Only appropriate outdoor items, such as neatly stacked firewood, potted plants, patio furniture and grills may be kept outside the dwelling on any Lot. Owners and Occupants shall maintain such items in a neat and attractive condition, as determined in the Board's sole discretion. Notwithstanding the above, no shed, tool storage areas, workshop, garage, or outbuilding for storage of yard equipment shall be placed on a Lot, unless concealed by hedges, lattice work or screening, which screening may be the residence itself, acceptable to the ACC.

Section 13. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. Each Owner and Occupant shall ensure that any drainage grating and/or headwalls on the Owner's Lot are clear of obstruction and debris. Furthermore, no Owner or Occupant may obstruct or rechannel the drainage flows across the Owner's Lot.

Section 14. Erosion Control; Contamination. No Owner or Occupant shall engage in any activity which creates erosion or siltation problems or causes contamination of or damage to any stream, water course or any other Lot in the Community. Each Owner and Occupant shall be liable for all damages and restoration costs resulting from such unauthorized activity.

Section 15. Impairment of Easements. No Owner or Occupant shall impair any easement existing in the Community, or do any act or allow any condition to exist which will adversely affect the other Lots or their Owners or Occupants.

Section 16. Sight Distance at Intersections. All property located at street intersections shall be landscaped and kept so as to permit safe sight across the street corners. No vehicle, fence, wall, hedge, shrub, tree or other landscaping shall be placed or permitted to remain where it would create a traffic or sight problem.

Article X

Insurance

Section 1. General. The Board shall obtain the following insurance:

- (i) A hazard insurance policy for all insurable improvements on the Common Property. This insurance shall include, at a minimum, coverage for fire, wind, storm, hail, vandalism, malicious mischief and civil commotion and shall be in an amount sufficient to cover the full replacement cost of such insurable improvements. Alternatively, the Board may purchase "all-risk" coverage in like amounts.
- (ii) A public liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, in their capacities as such, with a combined single limit of at least \$1,000,000.00.
- (iii) A Directors' and Officers' liability insurance policy with a limit of at least \$1,000,000.00.
- (iv) A fidelity bond or dishonesty insurance on Directors, Officers, employees, and other persons handling or responsible for the Association's funds, regardless of whether they are compensated by the Association. If reasonably available, the fidelity bond or dishonesty insurance shall cover at least one-quarter of the annual assessments from all members plus the reserve funds in the custody of the Association at any time during the term of the bond or policy. The bond or policy must provide that it may not be canceled, substantially modified or subject to non-renewal without at least 30-days prior written notice to the Association.

Section 2. Additional Association Insurance. The Board may obtain such additional insurance as it deems appropriate.



Section 3. Premiums and Deductibles on Association Policies. Premiums for all Association insurance shall be a Common Expense. The policies may contain reasonable deductibles. Deductibles shall not be subtracted from the face amount of the policies in determining whether the insurance equals the full replacement cost of the insurable improvements.

Section 4. General Insurance Provisions. In addition to any other terms the Board deems appropriate, all Association insurance shall be governed by the following provisions:

- (i) All policies shall be written with a company licensed to do business in Georgia;
- (ii) All policies on the Common Property shall be in the name of the Association for the benefit of itself and its members;
- (iii) The Board shall have exclusive authority to adjust losses under all Association insurance policies;
- (iv) The insurance carried by the Association shall be primary and shall not be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees;
- (v) All hazard insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if reasonably available; and
- (vi) A qualified person who is in the real estate industry and familiar with construction in the county where the Community is located shall review the Association's hazard insurance policy at least bi-annually to evaluate the sufficiency of such coverage.

Article XI

Easements

Section 1. Members' Easements. Every Owner in good standing shall have an easement of use and enjoyment in and to the Common Property which shall be appurtenant to and shall pass with title to his or her Lot, subject to the Association's right to:

- (i) As provided in its Articles and Bylaws, to suspend the enjoyment rights of any Owner for any period during which an assessment remains unpaid and for any other violation of the Association Governing Documents;
- (ii) Charge reasonable admission and other fees for the use of any portion of the Common Property;
- (iii) Publish and enact reasonable rules and regulations governing the use of the Common Property;
- (iv) Limit the number of Owners' guests who may use the Common Property;
- (v) Provide for the exclusive use and enjoyment of specific portions of the Common Property at certain designated times by an Owner;
- (vi) Borrow money for the purpose of maintaining, repairing, restoring, replacing, modifying, adding, or improving the Common Property, or any portion thereof, and any facilities thereon; provided that:
 - (a) If the Association desires to give a Mortgage conveying all or any portion of the Common Property as security for the repayment of such loan, then at least a majority of those Owners present or represented by proxy at a duly called meeting of the members, notice of which shall specify the purpose of such meeting, must



approve the action and the lien and encumbrance of such Mortgage must be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of any Owner or the holder of any Mortgage encumbering any Lot or other property located within the Community; and

- (b) If the borrowed funds are for modifying, adding, or improving amenities on the Common Property and the total amount of such borrowed funds exceeds or would exceed 5% of the budgeted gross expenses of the Association for that fiscal year, then at least a majority of those Owners present or represented by proxy at a duly called meeting of the members, notice of which shall specify the purpose of such meeting, must approve the action;
- (vii) Dedicate or grant licenses, permits, easements, leases, and rights-of-way over, under and through the Common Property, acting by and through the Board of Directors and without a vote of the Owners;
- (viii) Dedicate or transfer all or any portion of the Common Property upon the approval of Owners holding majority of the total Association vote;

The Owners' rights and easements granted in this Article are subject to: (1) all other rights of the Association and other Owners set forth in this Declaration, the Bylaws or the Articles of Incorporation; and (2) all encumbrances and other matters of public record affecting title to the Common Property.

Section 2. Easements for Utilities. There is hereby reserved to the Association, or its designee, blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repair, replacement, and maintenance of: (a) gas, water, sanitary sewer and electricity services and all other utilities serving any portion of the Community; (b) any water runoff and storm drainage systems; and (c) any other services such as, but not limited to, any telephone and telecommunication systems or security system serving the Community. The Board of Directors has the right to grant a specific license or easement by separate recordable document to any party furnishing such utilities or services.

Section 3. Easement for Entry. There is hereby reserved to the Association and its designee, an easement and right, but not the obligation, to enter onto any Lot for emergency, life-safety, security and safety. The right may be exercised by the Association's Board of Directors, Officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner or Occupant. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event that an Owner fails or refuses to cure the condition upon request by the Board. No one exercising the easement and rights granted in this Section shall be liable for trespass, damages, or in any other manner by virtue of exercising such rights. The failure to exercise the rights herein or to exercise said rights in a timely manner shall not create liability to any of the above-referenced parties, it being agreed that no duty to enter a Lot shall exist.

Section 4. Easement for Association Maintenance. There is hereby reserved to the Association and its designee, an easement and right across all portions of the Community, to allow the Association to fulfill the maintenance obligations described in this Declaration. This easement shall be exercised with a minimum of interference to the quiet enjoyment of the Owner's property, reasonable steps shall be taken to protect the Owner's property, and any Person causing damage to the Owner's property shall repair the damage at its sole expense.

Section 5. Public in General. The easements and rights created in this Article do not, are not intended to, and shall not be construed to create any easements or rights in or for the benefit of the general public; provided, however, nothing set forth herein shall in any way limit or restrict any easements or rights already granted to the public as such easements or rights are previously recorded in the Pickens County, Georgia land records. The Board of Directors hereby reserves the right to close temporarily, all or any portion of the Community that, in the reasonable opinion of the Board, may be legally necessary to prevent a



dedication of such property, or the accrual of any rights to such property, to the general public or to any Person other than the Persons for which such easements are expressly created in this Declaration.

Article XII

Authority and Enforcement

Section 1. Compliance with Association Governing Documents. All Owners, Occupants and their guests shall comply with the Association Governing Documents. The Association, and in an appropriate case, one or more aggrieved Owners, may take action to enforce the terms of the Association Governing Documents directly against all Violators. If an Owner's family member, guest or Occupant violates the Association Governing Documents, the Association, in its sole discretion, is permitted to enforce the terms of the Association Governing Documents against: (1) only the Owner; (2) only the violating family member, guest or Occupant; or (3) both the Owner and the violating family member, guest or Occupant. Notwithstanding anything herein to the contrary, the Owner of the Lot is always ultimately responsible for his or her own actions and the actions of all family members, Occupants and guests of such Lot.

Nothing herein shall be construed to affect the rights of an aggrieved Owner or Occupant to proceed independently for relief from interference with his or her personal or property rights against a Person violating the Association Governing Documents. The Board of Directors may, in its discretion, require the aggrieved Owner or Occupant to independently pursue all available remedies under Georgia law against the Violator before the Association intervenes and commences enforcement action against such Violator.

Section 2. Types of Enforcement Actions. In the event of a violation of the Association Governing Documents, the Association shall have the power to take any or all of the following actions separately or simultaneously; provided, however, all suspensions and fines shall comply with the procedures described below and nothing herein shall authorize the Association or the Board to deny ingress and egress to or from a Lot:

- (i) Suspend all Violators' rights to use the Common Property;
- (ii) Suspend the voting rights of a violating Owner;
- (iii) Impose reasonable fines against all Violators, which shall constitute a lien on the violating Owner's Lot;
- (iv) Use self-help to remedy the violation at the sole expense of the Owner, and any such entry and abatement or removal shall not be deemed a trespass;
- (v) Bring an action for permanent injunction, temporary injunction and/or specific performance to compel the Violator to cease and/or correct the violation; and
- (vi) Record in the Pickens County land records a notice of violation identifying any uncured violation of the Association Governing Documents regarding the Lot.

Section 3. Suspension and Fining Procedure. Except as provided below, before imposing fines or suspending right to use the Common Property or the right to vote, the Association shall give a written violation notice to the Violator as provided below.

- (i) Notice. The written violation notice to the Violator shall:
 - (a) Identify the violation, suspension(s) and/or fine(s) being imposed; and
 - (b) Advise the Violator of the right to request a violation hearing before the Board of Directors to contest the violation or request reconsideration suspension(s) or the fine(s).




Notwithstanding the Violator's right to request a violation hearing, suspension(s) and/or fine(s) shall commence on the date of the written violation notice, unless a later date is specified in such notice.

- (ii) Hearing. If the Violator submits a written request for a violation hearing within 10 days of the date of the violation notice described above, then the Board of Directors shall schedule and hold, in executive session, a violation hearing. If a Violator fails to timely request a violation hearing, such Violator loses the right to contest the violation and request reconsideration of the suspension(s) and/or the fine(s). If a Violator timely requests a violation hearing, the Violator shall have a reasonable opportunity to address the Board regarding the violation; provided, however, the Board may establish rules of conduct for the violation hearing, including but not limited to, limits on the amount of time one person can speak and limits on the number of participants who may be present at one time. The minutes of the violation hearing shall contain a written statement of the results of such hearing.
- (iii) Notwithstanding the above, no violation notice or violation hearing shall be required to:
- (a) Impose late charges on delinquent assessments;
 - (b) Suspend a violating Owner's voting rights if the Violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the violating Owner's right to vote shall be automatic and shall continue until the violation no longer exists or the Board of Directors otherwise reinstates such rights in writing;
 - (c) Suspend a Violator's right to use the Common Property if the Violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the Violator's right to use the Common Property shall be automatic;
 - (d) Engage in self-help in an emergency;
 - (e) Impose fines for each day of a continuing violation, in which case, each day the violation continues or occurs again after the initiation violation notice constitutes a separate violation, and fine(s) may be imposed on a per diem basis without any further notice to the Violator; or
 - (f) Impose fines if the same violation occurs again on the same Lot within a 12 month period after the initial violation notice, in which case fine(s) may be imposed on a per diem basis without any further notice to the Violator.

Section 4. Self-Help. In addition to all other enforcement rights granted herein, the Board of Directors may elect to enforce any provision of the Association Governing Documents by self-help without the necessity for compliance with the Suspension and Fining Procedures described above. By way of example, the Association or its duly authorized agent shall have the authority to abate or remove any structure, thing or condition that violates the Association Governing Documents, including, but not limited to, towing of vehicles that are in violation of any parking rules and regulations. Unless an emergency exists, before exercising self-help, the Association shall give the Violator at least 10 days' prior written notice. Such notice shall request that the Violator remove and abate the violation and restore the property to substantially the same condition that existed prior to the structure, thing or condition being placed on the property and causing the violation. Such removal, abatement and restoration shall be accomplished at the Violator's sole cost and expense. If the same violation occurs again within a 12 month period after the initial notice of self-help, the Association may exercise self-help without any further notice to the Violator.

Section 5. Injunctions and Other Suits at Law or in Equity. All Owners agree and acknowledge that there may not be adequate remedies at law to enforce the Association Governing Documents. Therefore, in addition to all other enforcement rights granted herein, the Association is hereby entitled to bring an action

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for permanent injunction, temporary injunction and/or specific performance to compel a Violator to cease and desist and/or correct any violation.

Section 6. Costs and Attorney's Fees in Enforcement Actions. In any action taken by the Association to enforce the Association Governing Documents, the Association shall be entitled to recover from the Violator, any and all costs incurred by the Association, including but not limited to attorneys' fees actually incurred, all of which shall constitute a lien against the violating Owner's Lot.

Section 7. Failure to Enforce. The Board of Directors has the sole discretion to decide which, if any, enforcement action to pursue against each Violator. The failure of the Board to enforce any provision of the Association Governing Documents shall not be deemed a waiver of the right of the Board to do so thereafter. No right of action shall exist against the Association for failure to enforce if the Board of Directors determines that:

- (i) The Association's position is not strong enough to justify taking enforcement action;
- (ii) A particular violation is not of such a material nature as to be objectionable to a reasonable person;
- (iii) A particular violation is not of such a material nature to justify the expense and resources to pursue or continue to pursue enforcement action; or
- (iv) The aggrieved Owner or Occupant asserting a failure of enforcement has not independently pursued all available individual remedies under Georgia law.

Article XIII

Amendments


Section 1. Member Approval Procedure. Except where a higher vote is required for action under any other provisions of this Declaration, the Bylaws or by the Act, this Declaration may be amended with the approval of Owners holding 2/3 of the total Association vote. Notice of a meeting, if any, at which a proposed amendment will be considered, shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Pickens County, Georgia land records.

Section 2. Default Approval Procedure. It is recognized that, when Owners fail to participate in an amendment vote because of apathy or other reasons which are not based on any disagreement with a proposed amendment, important amendments to the Declaration or Bylaws may have no chance of approval, with the supermajority voting requirements established under the Act. It also is recognized that supermajority voting requirements are important for Owner actions as significant as amending this Declaration or the Bylaws. To balance these competing concerns, this Section establishes a mechanism which provides every eligible Owner an opportunity to issue a vote of approval, disapproval or abstention on proposed amendments to the Declaration or Bylaws, but also a realistic mechanism for approving important amendments, without the damaging consequences of Owner non-response.

The Board shall issue notice of all proposed amendments to each Owner. With each such notice, the Board shall include a copy of the proposed amendment, along with a consent form or ballot, which complies with the requirements of the Bylaws. Each such consent form or ballot shall give Owners an opportunity to vote for, vote against or abstain from voting on the proposed amendment.

If the amendment is not approved or defeated by sufficient vote within 60 days of the amendment notice described above, then the Board may seek to obtain default approval from Owners under this Subsection. In such case, the Board shall send default approval notice, by certified mail and to the address consistent with the notice provision of the Bylaws, to all Owners who have not returned consents or ballots on a proposed amendment within that 60-day period. This default approval notice also shall include a consent form or ballot, as provided above, along with a statement that the Owner's failure to return an executed consent form or ballot, marked with a vote for, a vote against, or an abstention from voting on the amendment, within 30 days of the date of such default approval notice, will be deemed consent to such amendment. If the Board

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does not receive such consent or ballot within that 30-day period, the Owner shall be deemed to have consented to and approved the amendment.

Section 3. Amendments to Comply with Law or Conform Documents. Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the Owners, may amend this Declaration and the Bylaws to comply with any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA"), or to resolve conflicts between this Declaration, the Bylaws, the Articles, and applicable laws.

Section 4. Validity of Amendments. An amendment to the Declaration shall be presumed valid one year after the recording thereof in the Pickens County, Georgia land records.

Article XIV

General Provisions

Section 1. Security. The Association may, but shall not be required to, provide measures or take actions which directly or indirectly improve security in the Community. Each Owner, for himself or herself and his or her Occupants, tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security. The Association has no duty to provide security in the Community. Furthermore, the Association does not guarantee that Owners, Occupants and other people will not commit criminal acts in the Community or that unauthorized people will not gain access to the Community. It shall be the responsibility of each Owner to protect his or her person and property, and all responsibility to provide such security shall lie solely with each Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of measures undertaken.

Section 2. Dispute Resolution. Before filing any lawsuit or administrative proceeding against the Association, the Board of Directors, any Officer or Director, or the Association's property manager, an Owner or Occupant shall request in writing and attend a meeting with the Board to discuss an amicable resolution of any dispute. The Owner or Occupant shall, in such request and at the meeting, make a good faith effort to explain the grievance and resolve the dispute. Upon receiving a request for a meeting, the Board shall give notice of the date, time and place of the meeting to the person requesting the meeting. The Board shall schedule this meeting for a date not less than seven or more than 30 days from the date of receipt of the meeting request, except with the approval of the Owner or Occupant. After the meeting, the Board shall have a reasonable opportunity to address the Owner's or Occupant's grievance before a suit is filed.

Section 3. Implied Rights. In addition to express rights, the Association may exercise any right or privilege implied from the existence of any express right or privilege or reasonably necessary to effectuate any such right or privilege.

Section 4. Electronic Records, Notices and Signatures. Notwithstanding any other portion of this Declaration, records, signatures and notices shall not be denied validity or effectiveness hereunder solely on the grounds that they are transmitted, stored, made or presented electronically. The relevant provisions of the Bylaws shall govern the giving of all notices required by this Declaration.

Section 5. Use of Words "Salacoa Highlands". "Salacoa Highlands" is a service mark of the Association. No person shall use the term "Salacoa Highlands" or any derivative in any printed or promotional material without the Association's prior written consent. However, Owners may use the terms "Salacoa Highlands"sm in printed or promotional matter where such term is used solely to specify that particular property is located within the Community. Any use of the name "Salacoa Highlands"sm shall be in a manner in which proprietary rights to such name are protected.

Section 6. Preamble. The preambles and recitals of this Declaration are by reference made a part of this document as if fully stated herein in their entirety.



Section 7. Duration. The covenants and restrictions of this Declaration shall run with and bind the real property in the Community perpetually to the extent provided in the Act.

Section 8. Severability. Invalidation of any one of these covenants or restrictions, by judgment, court order, or otherwise, shall in no way affect the application of such provision to other circumstances or affect any other provision(s), which shall remain in full force and effect.



EXHIBIT "1"

Bylaws

Salacoa Highlands Homeowners Association, Inc.



Article I

General Provisions

Section 1. Applicability. These Bylaws provide for the self-government of Salacoa Highlands Homeowners Association, Inc., in accordance with the Georgia Property Owner's Association Act ("Act"), the Articles of Incorporation filed with the Secretary of State of Georgia, and the Amended and Restated Declaration of Covenants, Conditions Restrictions and Reservation of Easements for Salacoa Highlands, recorded in the Pickens County, Georgia land records ("Declaration").

Section 2. Name. The name of the corporation is Salacoa Highlands Homeowners Association, Inc. ("Association").

Section 3. Definitions. The terms used herein shall have their generally accepted meanings or the meanings specified in Article II of the Declaration.

Section 4. Membership. An Owner of a Lot shall automatically become a member of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership. If more than one Person holds title to a Lot, the membership shall be shared in the same proportion as the title, but there shall be only one membership and one vote per Lot. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of the Lot. Membership may be transferred only in connection with the transfer of the Lot.

Section 5. Entity Members. If an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director or other designated agent of such corporation, manager or member of such limited liability company, partner of such partnership, beneficiary or other designated agent of such trust, or representative of such other legal entity shall be eligible to represent such entity in the affairs of the Association, including, without limitation, serving on the Association's Board of Directors. Such person's relationship with the Association, and any office or directorship held, shall terminate automatically upon the termination of such person's relationship with the entity that is the Owner of the Lot. Termination of the person's relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy may be filled in accordance with these Bylaws.

Section 6. Voting. Each Lot shall be entitled to one vote, which vote may be cast by the Owner or by a lawful proxy as provided below. When more than one Person owns a Lot, the vote for such Lot shall be exercised as they determine between or among themselves. In no event shall more than one vote be cast with respect to any Lot. If only one co-Owner or only an Owner's spouse attempts to cast the vote for a Lot, it shall be conclusively presumed that such vote is authorized for the Lot. If the co-Owners or an Owner and his or her spouse disagree about how to cast the Lot's vote, and two or more of them attempt to cast the Lot's vote, such Persons shall not be recognized and such votes shall not be counted. If a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge or if any Owner or Occupant of the Lot is in violation of the Association Governing Documents and the voting rights for such Lot have been suspended, the Owner of such Lot shall not be eligible to: (1) vote, either in person or by proxy; (2) act as proxy for any other Owner; (3) issue a written ballot or written consent; (4) be elected to the Board of Directors; or (5) vote as a Director (if serving on the Board of Directors). In establishing the total number of eligible votes for a quorum, a majority, or any other purposes, such Lot shall not be counted as an eligible vote.

Section 7. Electronic Communications

- (i) Records and Signatures. Whenever the Association Governing Documents require that a document, record or instrument be "written" or "in writing," the requirement is deemed satisfied by an electronic record if the Board of Directors has affirmatively published regulations permitting an electronic record or document as a substitute for a written item. Whenever these Bylaws require a signature on a document, record or instrument, an electronic signature satisfies that requirement

only if: (a) the Board of Directors has affirmatively published regulations permitting an electronic signature as a substitute for a written signature; and (b) the electronic signature is easily recognizable as a secure electronic signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (c) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

- (ii) Verification and Liability for Falsification. The Board of Directors may require reasonable verification of any electronic signature, document, record or instrument. Absent or pending verification, the Board may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not clearly authentic. Neither the Board of Directors nor the Association shall be liable to any Owner or any other Person for accepting or acting in reliance upon an electronic signature or electronic record that the Board reasonably believes to be authentic, or rejecting any such item which the Board reasonably believes not to be authentic. Any Owner or Person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic signature shall fully indemnify the Association for actual damages, reasonable attorneys' fees actually incurred and expenses incurred as a result of such acts.

Article II

Membership Meetings and Actions

Section 1. Annual Meetings. The purpose of the annual membership meeting shall be to elect Directors of the corporation and conduct other business that shall come before the meeting. The regular annual membership meeting shall be called 60 days before or after the close of the Association's fiscal year with the date, time, and location to be set by the Board of Directors. No annual membership meeting shall be set on a legal holiday.

Section 2. Special Meetings. Special membership meetings may be called for any purposes at any time by the Board of Directors or upon written petition of 10% of the Owners. Any such written petition by the Owners must identify the special meeting purpose on each page of the petition and must be for a purpose on which the Association membership is authorized to act under these Bylaws or the Declaration. The petition, with original signatures, must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of Owners have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special membership meeting for all lawful purposes stated in the petition, at a date, time and location selected by the President. The Secretary shall send notice of such special membership meeting in accordance with these Bylaws within 30 days of the date of delivery of the petition to the Secretary. Except as provided herein, no business may be conducted at a special membership meeting unless notice thereof is included in the meeting notice.

Section 3. Notice of Meetings. The Secretary shall give notice of each annual or special membership meeting to the record Owner or Owners of each Lot, or to the Lot address, at least 21 days prior to each annual membership meeting and at least 7 days prior to each special membership meeting. The notice shall state the date, time and location of the meeting, and for any special meeting, the purpose of the meeting. Giving notice as provided in these Bylaws shall be considered proper service of notice.

Section 4. Waiver of Notice. Waiver of notice of a membership meeting shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any membership meeting, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of improper notice of the date, time, and location thereof and of any specific business being conducted at such meeting, unless such Owner specifically objects to improper notice at the time the meeting is called to order or the Owner objects to improper notice of the specific business before the business is put to a vote.

Section 5. Quorum. The presence, in person or by proxy at the beginning of the meeting, of Owners entitled to cast one-third (1/3) of the eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned





and shall not need to be reestablished. In establishing the total number of eligible votes for a quorum, if a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or if the voting rights for a Lot have been suspended, that Lot shall not be counted as an eligible vote.

Section 6. Adjourned and Reconvened Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 5 nor more than 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 members in the manner prescribed for regular meetings.

Section 7. Proxies. Any Owner entitled to vote may do so by written proxy. To be valid, a proxy must be signed, dated, and presented to the Board of Directors at or before registration at the membership meeting for which it is to be used. The Board may accept proxies by whatever means it deems acceptable. A proxy is revoked only if: (1) the Owner giving the proxy attends the meeting in person; (2) the Owner giving the proxy signs and delivers to the Board a written statement revoking the proxy or substituting another person as proxy; or (3) before the proxy is exercised, the Board receives notice of the death or incapacity of the Owner giving the proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 8. Action Taken Without a Meeting. In the Board's discretion, any action that may be taken by the Owners at any annual or special membership meeting may be taken without a meeting by written ballot or written consent as provided below.

- (i) Written Ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the vote cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the vote of approval equals or exceeds that which would be required to approve the matter at a meeting at which the total vote cast was the same as the vote cast by ballot. All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter, other than election of Directors; and (3) specify the time by which such ballot must be received by the Board of Directors in order to be counted. A ballot may not be revoked. The Association shall maintain such ballots in its file for at least three years.
- (ii) Written Consent. Approval by written consent shall be valid only when the affirmative written consents received equals or exceeds the vote that would be required to approve the matter at a meeting. Consents shall be filed with the minutes of the membership meetings. Except for amendments to the recorded Association Governing Documents that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written consent shall be effective 10 days after sending the notice of approval to all members.

Section 9. Order and Conduct of Business. The President shall establish the agenda for and preside at all membership meetings. The Secretary shall keep the minutes of all membership meetings. The Board of Directors may establish rules of conduct and the order of business for all membership meetings and, at the discretion of the Board of Directors, Robert's Rules of Order (latest edition) shall govern all membership meetings. The Board may order the removal of anyone attending a membership meeting who, in the opinion of the Board, disrupts the conduct of the business at such meeting. Such disruptive behavior may include, without limitation, interrupting other members that are duly authorized to speak, making aggressive or threatening comments or gestures to other members, and filming or recording members without the consent of the member(s) being filmed or recorded.




Article III

Board of Directors

Section 1. Composition and Selection.


- (i) Number and Eligibility. A Board of Directors shall govern the affairs of the Association. The number of Directors shall be not less than 3 nor more than 5, as provided by a majority vote of the members from time to time. Directors shall be Owners or spouses of such Owners; provided, however, no person and his or her co-Owner or spouse may serve on the Board at the same time. If, at the time of an election, a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for a Lot have been suspended, no person representing such Lot shall be eligible for election to the Board.
- (ii) Term of Office. The Directors shall be chosen by the members at the annual meeting of the members and shall serve for a period of 1 year. A Director shall hold office until his or her respective successor is elected for the start of a new term, he or she is removed, or he or she resigns. At the expiration of a Director's term of office, if a successor cannot be elected for any reason, the existing Director shall continue to hold office and begin serving another term until his or her successor is elected to fill the remainder of such new term, or he or she resigns.
- (iii) Removal of Directors.
 - (a) Removal by the Owners. At any duly called membership meeting, for which the notice given called for a vote to remove any Director(s), such Director(s) may be removed, with or without cause, by members holding a majority of the total Association vote. A successor may then and there be elected to fill the vacancy created. Any Director whose removal has been proposed by the membership shall be given an opportunity to be heard at the meeting. To ensure a Director has a chance to present a statement to the membership, the Owners' vote to remove a Director cannot be accomplished by written ballot or written consent.
 - (b) Removal by the Board of Directors. Any Director may be removed by a majority vote of the other Association Directors, present at a regular or special Board meeting at which quorum is present, if: (1) he or she has 3 consecutive unexcused absences from Board meetings; (2) his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge; (3) the voting rights for his or her Lot have been suspended; (4) he or she was appointed by the other Directors to fill a vacancy; or (5) he or she files any legal action, counterclaim or administrative action against the Association, any Director or Officer, in his or her capacity as such, or the Association's managing agent.
- (iv) Vacancies. Vacancies in the Board of Directors caused by any reason, except the removal of a Director by vote of the Association membership, shall be filled by a vote of the remaining Directors. Unless earlier removed, the successor so selected shall hold office until the next annual membership meeting, at which point the membership shall have an opportunity to vote in a Director to fill the remainder of the term.
- (v) Nomination. 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 1 or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at each annual meeting of the members to serve a term of one year and to select candidates for next years' election. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but at least 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.

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- (vi) Elections. Directors shall be elected at the annual membership meeting. Voting shall be by written ballot, unless dispensed with by unanimous consent or unless a slate of candidates is unopposed and is accepted by acclamation. The nominees receiving the most votes shall fill the directorships for which elections are held. There shall be no cumulative voting.

Section 2. Meetings.

- (i) 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 one meeting every 3 months.
- (ii) Special Meetings. The President is authorized to call a special Board meeting. In addition, the President is required to call a special Board meeting at the request of at least a majority of the Directors.
- (iii) Notice of Meetings. The President or Secretary shall give each Director at least three days' notice of any Board of Directors meeting; provided, however: (i) newly elected Board may meet immediately following their election without notice; and (ii) regularly scheduled Board meetings may be held without notice if the schedule for such meetings is announced in advance to the Directors.
- (iv) Waiver of Notice. Waiver of notice of a Board of Directors meeting shall be deemed the equivalent of proper notice. Any Director may, in writing, waive notice of any Board meeting, either before or after such meeting. A Director's attendance at a Board meeting shall be deemed waiver by such Director of improper notice, unless such Director objects to improper notice at the time the meeting is called to order. If all Directors are present at any Board meeting, no notice shall be required, and any business may be transacted at such meeting.
- (v) Quorum and Voting. The presence of Directors entitled to cast one-half of the eligible votes of the Board of Directors shall constitute a quorum for the transaction of business. One or more Directors who participate in a Board meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, if all persons participating in such meeting can hear each other. Directors may not participate in Board meetings by proxy. Unless otherwise provided herein, all decisions of the Board of Directors shall be by majority vote of those present at a meeting at which quorum is established. No Director shall participate in any vote of the Board if, at the time of the vote, his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for such Lot have been suspended.
- (vi) Compensation. No Director shall receive any compensation from the Association for acting as such unless approved at a regular or special meeting of the Association by members representing a majority of the total vote 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.
- (vii) Conduct of Meetings. The President shall establish the agenda for and preside at all Board meetings. The Secretary shall keep the minutes of all Board meetings. The President may establish rules of conduct and the order of business for all Board meetings. If the Board allows members to attend Board meetings, then except as expressly authorized by the Board, only Directors may participate in discussions or deliberations at the Board meeting. Notwithstanding the above, the Directors may adjourn any Board meeting and reconvene in executive session, with only the Directors and other people authorized by the Board present. In executive session, the Board may discuss and vote upon personnel matters, litigation in which the Association is or may become involved, delinquent accounts, violations of the Association Governing Documents, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session. The Board may order the removal of anyone attending a Board meeting who, in the opinion of the Board, disrupts the conduct of the business at such meeting. Such disruptive behavior may include, without limitation, interrupting other members that are duly authorized to speak, making aggressive or threatening comments or gestures to other members, filming or recording members without the consent of the member(s)

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being filmed or recorded, and failing to leave such meeting upon request after an announcement that the Board will reconvene in executive session.

- (viii) Action Taken Without a Meeting. The Board of Directors can take action outside of a properly called meeting if all of the eligible Directors consent in writing to such action. Such signed, written consents must describe the action taken outside a meeting and be filed with the minutes of the Board meetings. Such consent shall have the same force and effect as a unanimous vote.

Section 3. Authority.

- (i) Powers and Duties. 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, the Act, or these Bylaws directed to be done and exercised exclusively by the membership. The Board of Directors may 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 Bylaws 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) control, manage, operate, maintain, repair, replace, and improve all portions of the Common Property as defined in the Declaration;
 - (b) borrow money for the purpose of maintaining, repairing, restoring, replacing, modifying, adding, or improving the Common Property, or any portion thereof, and any facilities thereon, in accordance with Article XI, Section 1(vi) of the Declaration;
 - (c) grant and accept licenses, permits, easements, leases, and rights-of-way over, under and through the Common Property, per Article XI, Section 1(vii) of the Declaration;
 - (d) acquire, hold and dispose of tangible and intangible personal property and real property; provided, however, that the right to dedicate or transfer all or any portion of the Common Property must be approved by Owners holding majority of the total Association vote in accordance with Article XI, Section 1(viii) of the Declaration;
 - (e) make, delete and amend reasonable rules and regulations governing the use of the Community;
 - (f) enforce by legal means the provisions of the Association Governing Documents as provided therein and by the Act;
 - (g) bring or defend any actions or proceedings which may be instituted on behalf of or against the Owners concerning the Association or the Common Property;
 - (h) prepare and adopt an annual budget and establish the contribution from each Owner to the Common Expenses;
 - (i) establish the means and methods of collecting assessments as provided in the Declaration;
 - (j) deposit Association funds in a financial depository or institution that the Board of Directors shall approve and use such funds to administer the Association;
 - (k) designate the signatories of all Association bank and other financial accounts;
 - (l) obtain and carry insurance against casualties and liabilities as provided in the Declaration and pay the premium cost thereof;



- (m) make or contract for the making of repairs, additions and improvements to, or alterations of, the Common Property after damage or destruction by fire or other casualty, in accordance with the other provisions of the Declaration and these Bylaws;
 - (n) designate, hire, dismiss and contract with the personnel necessary to operate the Association and the personnel necessary to maintain, repair, replace and improve the Common Property and, where appropriate, compensate such personnel;
 - (o) purchase equipment, supplies and material to be used by Association personnel in the performance of their duties.
 - (p) paying the cost of all services rendered to the Association or its members and not chargeable directly to specific Owners; and
 - (q) 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;
- (ii) Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, to be compensated as established by the Board of Directors, and to perform such duties and services as the Board shall authorize. The Board shall use reasonable efforts to provide for termination of any such management contract with or without cause and without penalty, upon no more than thirty days' written notice, and for a term not in excess of one year.
- (iii) Committees. The Board may establish such other committees as it shall determine, with the powers and duties that the Board of Directors shall authorize. Unless otherwise provided by the Board of Directors, the Board in its discretion may appoint and remove the members and chairpersons of each committee.
- (iv) Liability and Indemnification. The Association shall indemnify every Director, officer and committee member against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon such Director, officer or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been a Director, officer, or committee member, whether or not such person is a Director, officer or committee member at the time such expenses are incurred subject to the limitations below.
- (a) The Directors, officers, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such Director, officer, or committee member in the performance of his or her duties, except for his or her own individual willful misfeasance or malfeasance.
 - (b) The Directors and officers 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 Directors or officers may also be members of the Association), and the Association shall indemnify and forever hold each such Director and officer free and clear and harmless against any and all liability to others on account of any such contract or commitment.
 - (c) Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Director, officer, or committee member, or former Director, officer, or committee member, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and, if obtainable, directors' and officers' liability insurance to fund this obligation, and the insurance shall be written as provided in the Declaration.



Article IV

Officers

Section 1. Designation and Qualification. The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer. The President must be a Director, while the Vice President, Secretary and Treasurer need not be Directors. Any two or more offices may be held by the same person; provided, however, the same person cannot serve as both the President and the Secretary.

Section 2. Election and Terms of Offices. The Board of Directors shall elect the Association officers annually at the first Board meeting following each annual membership meeting. The Association officers shall serve until a successor is elected, the Board removes the officer, or the officer resigns.

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

Section 4. Vacancies. The Board of Directors may fill any vacancy in any office arising because of death, resignation, removal, or otherwise. Unless earlier removed, the successor so selected shall hold office for the remainder of the term of the officer position being filled.

Section 5. President. The President shall be the chief executive officer of the Association and shall establish the agenda for and preside at all meetings of the membership and the Board of Directors. The President shall have all the general powers and duties that are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 6. Vice President. The Vice President shall act in the President's absence and shall have the same powers, duties, and responsibilities as the President when so acting.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the membership and the Board of Directors. The Secretary also shall keep all Association books and records and perform all duties incident to the office of the secretary of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 8. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities. The Treasurer shall keep full and accurate financial records and books of account showing all receipts and disbursements of the Association, prepare all required financial statements and tax returns, deposit all Association funds in such depositories as may be designated by the Board of Directors, and prepare the budget as provided in the Declaration. The Treasurer may delegate all or a part of the above responsibilities to a management agent.

Section 9. Other Officers. The Board of Directors may appoint one or more assistant treasurers, assistant secretaries, or other officers or subordinate officers with such titles and duties as defined by the Board. Any assistant, subordinate or other officers shall not be required to be Directors.

Section 10. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least 2 officers or by such other person or persons as may be designated by resolution of the Board of the Directors.

Section 11. Standard of Conduct. Officers shall discharge their duties and their conduct shall be evaluated in accordance with the business judgment rule described in O.C.G.A. Section 14-3-842.



Article V

Miscellaneous

Section 1. Method of Giving Notices. Unless otherwise prohibited by these Bylaws or the Declaration, all notices and other communications required by the Association Governing Documents shall be in writing and shall be given by: personal delivery; United States mail, first class, postage prepaid; statutory overnight delivery; electronic mail; facsimile; or a secure web site, provided that notice shall be deemed given via web site only upon proof that the addressee has retrieved the message.

Section 2. Address for Notices. Notices given by one of the methods described above shall be given:

- (i) If to a Lot Owner, to the address, electronic mail address or facsimile number that the Owner 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 Owner;
- (ii) If to an Occupant, to the address, electronic mail address or facsimile number that the Occupant has designated in writing with the Secretary or, if no such address has been designated, at the address of the Lot occupied; or
- (iii) If to the Association, the Board of Directors or the managing agent, to the postal address, facsimile or electronic mail address of the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary. The Secretary shall promptly provide notice to all Owners of any such change in address.

Section 3. 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 4. Amendment. The Board of Directors may amend these Bylaws without a vote of the Owners. Prior to recording said amendment in the land records and said amendment becoming effective, the Board of Directors shall issue a 90 days' notice of any amendment to all Owners. Within 90 days after such notice, Owners may request a special membership meeting by written petition in accordance with Article II, Section 2 of these Bylaws, to disapprove the proposed amendment. The voting threshold to disapprove the proposed amendment at this special membership meeting shall be Owners holding at least two-thirds (2/3) of the total Association vote. An amendment to the Bylaws shall be presumed valid one year after the recording thereof in the Pickens County, Georgia land records. No amendment that is in conflict with the Articles of Incorporation of the Association or the Declaration shall be adopted.

Section 5. Books and Records. To the extent provided in O.C.G.A. Section 14-3-1602, and upon written request received at least five business days before the date requested for an inspection, all Owners shall be entitled to inspect the Association's books and records at a reasonable time and location specified by the Association. The Association can limit the length of time of each inspection, but such time limit shall not be less than two hours per inspection. The Association may impose a reasonable charge, covering the cost of labor, materials and copies of any documents, including but not limited to the customary copy charge and hourly fee of the Association's agent supervising such inspection. To prevent abuse of an Owner's inspection rights, records previously inspected by an Owner are not subject to inspection again by the same Owner more than once per year.

Notwithstanding anything to the contrary, the Board may limit or preclude the inspection of confidential or privileged documents, including but not limited to, attorney/client privileged communication, executive session meeting minutes, and financial records or accounts of other Owners. Minutes of all meetings of the membership and the Board become official Association records when approved by the membership or the Board, as applicable.

Section 6. Conflicts. The duties and powers of the Association shall be those set forth in the Act, the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation, and these Bylaws, together with those reasonably implied to affect the purposes of the Association. If there is a conflict or

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inconsistency between the Act, the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation or these Bylaws, such laws and documents, in that order, shall prevail.

Section 7. Headings. The headings of Articles and Sections in these Bylaws are for convenience of reference only and shall not in any way limit or define the content or substance of such Articles and Sections.

Section 8. Gender and Grammar. The use of the masculine or feminine gender in these Bylaws shall be deemed to include the opposite gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 9. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws or the Declaration.