



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.

Cross Reference:
Deed Book _____, Page _____
Union County, Georgia Records

Return to:
Bodker, Ramsey, Andrews,
Winograd & Wildstein, P.C.
3490 Piedmont Road, Suite 1400
Atlanta, Georgia 30305
Att: Tinsley J. Ramsey, Esq.

DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
THE ARBOR

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS is made effective on this 19th day of November, 2007 by Arbor Land Group, LLC, a Georgia limited liability company (hereinafter sometimes called "Developer"), as owner of a unique community known as "The Arbor" and being more fully described in Exhibit "A".

Developer seeks to develop this property in a manner which insures the full enjoyment of the natural advantages of the area for all who acquire property therein. Firm, but necessary, constraints will be used to maintain the integrity of the project. Developer believes that this fundamental concept can serve the interests of those who become such owners by fostering a beneficial land use which retains the unique character of the land and creates an atmosphere enriching the spirit of its participants.

By virtue of the recording of this Declaration, all that portion of the real property described on Exhibit "A" attached hereto and by this reference made a part hereof (the "Property") is hereby submitted and shall be owned, held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to this Declaration and to the Georgia Property Owners Association Act, O.C.G.A. ' 44-3-220 *et. seq.*, as the same may be amended from time to time, and the following easements, restrictions, covenants and conditions, which are imposed for the purpose of protecting the value and desirability of, and which shall run with, said real property and be binding on all parties having any right, title or interest therein, or any part thereof, their heirs, successors, administrators and assigns, and shall inure to the benefit of each Owner thereof.

LINK 40: DEED BOOK 736, P. 232

NAME AND LOCATION OF DEVELOPMENT

The name of the development is "The Arbor" (hereinafter the "Development"). The property comprising the Development is located in Land Lots 228, 229, 240 and 241 of the 9th District, 1st Section of Union County, Georgia and is more particularly described in Exhibit "A".

**The Arbor
Declaration of Protective Covenants,
Conditions and Restrictions**

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ARTICLE I.

DEFINITION OF TERMS

Section 1.01 - Definitions.

(a) "Architectural Standards" shall mean those standards regarding type, style and specifications relating to the construction of any improvement within the Development as may be adopted or amended from time to time by the Design Committee. A copy of the current set of Architectural Standards is attached hereto as Exhibit "B", subject, however, to amendment by the Design Committee in its sole discretion.

(b) "Articles" shall mean the Articles of Incorporation of the Association as the same may be amended from time to time.

(c) "Association" shall mean and refer to The Arbor Community Association, Inc., a Georgia non-profit corporation, its successors and assigns.

(d) "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association, the members of which shall be elected from time to time as provided in this Declaration, the Articles of Incorporation, the Bylaws, and the Georgia Nonprofit Corporation Code. The Board of Directors shall be the governing body of the Association.

(e) "Bylaws" shall mean and refer to the Bylaws of the Association, as amended from time to time.

(f) "Class A Voting Membership" shall mean the membership in the Association reserved to Owners in accordance with the provisions of Section 4.02(a) hereof.

(g) "Class B Voting Membership" shall mean the membership in the Association reserved to Developer in accordance with the provisions of Section 4.02(b) hereof (along with the special voting rights set forth herein).

(h) "Colony" shall mean a group of Lots selected by the Developer as comprising a separate phase or community within the Development and as may be designated as such on the Plat of Subdivision.

(i) "Common Area" shall mean all real property (together with any and all improvements now or hereafter located thereon), including easements, which hereafter shall be deed to or acquired by the Association for the common use and enjoyment of Owners.

(j) "County" shall mean the county in the State of Georgia within which the Development is located.

(k) "Declaration" shall mean and refer to the contents of this entire document and any and all amendments hereto.

(l) "Design Committee" shall mean the committee provided for in Article III hereof.

(m) "Developer" shall mean and refer to Arbor Land Group, LLC, a Georgia limited liability company, its successors and assigns.

(n) "Development" shall mean the real estate development consisting of that certain real property more particularly described in Exhibit "A", attached hereto, being the same property as described in the Plat of Subdivision (defined below), together with any additional real property as may be annexed to the Development in accordance with the provisions hereof.

(o) "Dwelling" shall mean and refer to a detached single-family dwelling located on a Lot.

(p) "Easement Area" shall mean any area reserved to Developer or otherwise set aside for easement purposes as reflected on the Plat of Subdivision or otherwise provided for herein

(q) "Lot" shall mean and refer to any numbered parcel or building lot identified on the Plat of Subdivision.

(r) "Mortgage" shall mean and refer to a mortgage, deed to secure debt or deed of trust.

(s) "Owner" shall mean and refer to the record title owner as shown by the real estate records in the Office of the Clerk of the Superior Court of the county of the Development, whether one or more persons or entities, of a fee simple title to any Lot, including Developer, but excluding those having such interest merely as security for the performance of an obligation, unless and until such holder of a security interest has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure and has held such title for a period of one (1) year; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

(t) "Plat of Subdivision" shall collectively refer to plats of subdivision of the Development of public record in the county of the Development, as may be amended from time to time, and shall include (i) the Final Plat for The Arbor, Phase I, as recorded in Plat Book 60, Pages 153 through 154, Union County, Georgia records.

(u) "Private Area" shall mean that area within each Lot which is not Easement Area and which may be cleared, graded, and improved in accordance with the provisions and limitations hereof, otherwise known as the building or improvement envelope.

(v) "Property" shall mean that certain real property described in Exhibit "A," and any other real property hereinafter made subject to this Declaration in accordance with the terms hereof.

(w) "Roads" or "Streets" shall mean any and all interior roads used for ingress and egress located at the Development.

(x) "Rules" or "Development Rules" shall mean those rules and regulations applicable to the ownership, restriction, use and enjoyment of each Lot, the Common Areas and the entire Development as may be adopted, amended, supplemented or revised at any time and from time to time in accordance with Section 4.08 hereof.

(y) "State" shall mean the State of Georgia.

(z) "Structure" shall mean (i) any thing or object the placement of which upon any Lot may affect the appearance of such Lot, including, but not limited to, any building or part thereof, garage, porch, shed, guesthouse, bathhouse, coop or cage, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, tree, shrub, sign, signboard, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Lot; (ii) any excavation, grading, fill, ditch, diversion dam or other thing or device which affects or alters the flow of any water in any natural or artificial creek, stream, wash or drainage channel from, upon or across any Lot; and (iii) any change in the grade at any point on a Lot or more than six (6) inches, whether or not subsection (ii) above applies to such change.

(aa) "Turnover Date" shall mean the date upon which the earlier of the following events shall occur: (i) sixty (60) days after the date when Developer has sold all Lots in the Development to individual Owners other than developers or other commercial builders, for single family residential purposes or (ii) the date upon which Developer, in its sole discretion, relinquishes in writing its Class B Voting Membership by (A) written amendment to this Declaration recorded in the real estate records of the County; and (B) delivering written notice thereof to the Association.

(bb) "Tree" shall mean any living tree having a height of eight (8) feet or more and having a trunk measuring six (6) inches or more in diameter at ground level.

ARTICLE II.

LAND CLASSIFICATIONS/RESTRICTIONS

Section 2.01. Lot Uses and Property Rights.

(a) General. Each Lot shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration, may be conveyed, transferred and encumbered the same as any other real property. Each Owner shall be entitled to the exclusive ownership and possession of his Lot, subject to the provisions of this Declaration. The

ownership of each Lot shall include and there shall pass with the title to each such Lot as an appurtenance thereto, whether or not separately described, all rights and obligations of a member in the Association and all of the right and interest of use in and to the Common Areas set forth herein.

(b) Right of Access/ Mutual Use. The Private Area of each Lot shall be for the exclusive use and benefit of the Owner thereof; however, the Association, or its duly authorized agents shall have the right at any time, and from time to time, without any liability to the Owner for trespass or otherwise, to enter upon any Lot for the purpose of (1) maintaining such Lot, as provided for in this Declaration; (2) maintaining any and all Common Areas; (3) removing any structure, dwelling or other improvement constructed, reconstructed, refinished, altered or maintained upon such Lot in violation of any provisions of this Declaration or in violation of the Architectural Standards; (4) restoring or otherwise reinstating the Easement Area or Private Area of such Lot as authorized; and (5) otherwise enforcing, without any limitation, all of the restrictions set forth as a part of this Declaration, and as set forth in the Rules adopted or in effect in accordance with the provisions set forth in Section 4.05 hereof.

Section 2.02. General Covenants and Restrictions. Each Lot submitted to this Declaration, and any and all Structures erected or placed thereon, shall be subject to the covenants and restrictions as more particularly set forth in Exhibit "C" attached hereto and incorporated herein by reference.

Section 2.03. Common Area: Rights, Uses and Restrictions. Every Owner shall have a right and easement of enjoyment in and to the Common Areas, including but not limited to any recreational facilities and other amenities as may now or hereafter be located thereon, subject to any restrictions, limitations or provisions contained in this Declaration. Such right and easement may be exercised by each Owner and such Owner's family, tenants, licensees and invitees, subject to such reasonable regulations and procedures as may be adopted by the Board. The aforementioned right and easement of enjoyment shall be appurtenant to and shall pass with the title of every Lot, subject to the following easements, reservations, rights and provisions, which are expressly reserved hereby:

(a) The use of any Common Area shall be subject to the Development Rules, and all applicable state, county and local laws and regulations;

(b) The right of the Association to govern the operation, use, maintenance and enjoyment of the Common Area by promulgating rules and regulations with respect thereto as set forth herein, including, but not limited to the right to impose limitations on the number of guests of Owners;

(c) The right of the Association to suspend an Owner's voting rights, if any, and right to use the facilities as may be located on the Common Areas or to benefit from any services provided or paid for by the Association for any period during which (i) any assessments or other charges owed to the Association remain unpaid, or (ii) for any violation of any provision of the this Declaration, the Bylaws, the Architectural Standards or the Rules of the Association, for the duration of the infraction and for an additional period thereafter not to exceed thirty (30) days. No suspension,

however, shall prohibit the Owner of any Lot from using the Common Areas to the extent necessary for such Owner to have access to and from his Lot;

(d) The right of the Developer or the Association to dedicate, transfer or grant permits, leases, easements or licenses in and to the Common Area for utilities, roads and other purposes deemed by the Board to be reasonably necessary, useful, or otherwise beneficial to the Development or the Association. The use of any Common Area shall be subject to such easements and rights-of-way as may have previously been granted by Developer; to such easements and rights-of-way as may from time to time be taken under power of eminent domain; and to such easements and rights of way as may from time to time be granted or conveyed by the Developer or the Association;

(e) The right of the Association to limit the use of enjoyment of the Common Area to the Owners and their respective families, tenants and guests, as well as to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his family, tenants and guests;

(f) The right of the Developer or the Association to develop any portion of any Common Area into one or more recreational facilities. Upon the development of any recreational facility by Developer or Association pursuant to the provisions contained herein, such facility shall be used exclusively by Owners, Associate Members and guests who become permitted users, subject to the provisions of Section 6.17 and to the Development Rules with respect to such use.

(g) The right of the Association to charge admission and other fees for the use of any recreational facilities situated upon the Common Areas (which charges and fees, unless paid separately, shall be added to and become a part of the assessment or portion thereof next coming due to which the Owner is subject);

(h) The right of the Association to borrow money for the purpose of acquiring or improving any Common Area or any portion thereof, or constructing, repairing or improving any facilities located or to be located thereon and, to give as security therefor, a Mortgage encumbering such Common Area;

No improvement, excavation or other work which in any way alters any Common Area from its natural or existing state may be made or done except upon strict compliance with, and within the restrictions and limitations of, the provisions of this Declaration. Except to the extent otherwise permitted pursuant to the provisions of Section 2.03 (f), there shall be no use of Common Area, exclusive of Roads, except natural recreational uses which do not injure or scar the Common Area or the vegetation thereon, which will increase the cost of maintenance thereof, or which may be reasonably considered to cause disturbance, annoyance or unreasonable embarrassment to Owners in their enjoyment of Common Areas.

Section 2.04. Owner's Right to Ingress, Egress, Use and Support. Every Owner shall have the right of ingress and egress over, upon and across the Common Area as necessary for access to his or

her Lot and shall furthermore have the right to lateral support. Such rights shall be appurtenant to and pass with the title to each Lot and shall be subject to the terms of this Declaration. However, every Owner, by accepting title to a Lot, waives all rights of uncontrolled and unlimited access, ingress and egress to and from each such Lot, and acknowledges and agrees that such access, ingress and egress shall be limited to roads, streets, sidewalks, parkways, parking lots and trails located within the Development from time to time, provided that pedestrian and vehicular access to and from all Lots shall be provided at all times.

Section 2.05. Private Area: Construction and Alteration of Improvements, Excavations, etc.
The right of an Owner to construct, reconstruct, refinish, alter or maintain any Structure or improvement upon, under or above the Private Area of any Lot, to landscape or perform site work thereon, to make or create any excavation or fill thereon, to make any change in the natural or existing surface drainage thereof, to install any utility line (wire or conduit) thereon or thereover, or to destroy or remove any Tree therefrom, shall be subject to all of the limitations and conditions of this Declaration and to the Development Architectural Standards, attached hereto as Exhibit "B," and made a part hereof by this reference, as may be amended by the Design Committee from time to time in accordance with the provisions hereof.

(a) Except to the extent permitted by Section 2.05 (g) below, any construction or reconstruction of, or the refinishing or alteration of any part of the exterior of, any improvement upon any Lot is absolutely prohibited until and unless the Owner of such Lot first obtains the approval therefor from the Design Committee as herein provided and otherwise complies with all of the provisions of this Declaration. In the event any Owner violates the terms of this Section 2.05(a), the Association, or its duly appointed agent, shall, after thirty (30) days' written notice to Owner to cure such violation and failure of Owner to so cure, be entitled to enter upon the Owner's Lot and cure such defect including removing any improvement constructed, reconstructed, refinished, altered or maintained in violation of this paragraph and the Owner thereof shall be personally liable to the Association for all direct and indirect costs which the Association shall incur in the performance of such restoration work, including without limitation attorneys' fees, and the liability for such cost shall be secured by liens, and shall be subject to the same means of collection, as the assessments provided for in this Declaration.

(b) Except to the extent reasonably necessary for the construction, reconstruction, maintenance, or alteration of any improvement for which the Owner has obtained approved plans pursuant to this section:

(1) No excavation or fill which would be visible from neighboring property shall be created or installed upon any Lot;

(2) No change shall be made in the natural or existing drainage for surface waters of any Lot; and

(3) No Tree shall be destroyed or removed from any Lot, until and unless the Owner of such Lot first obtains the approval therefor from the Design Committee as

herein provided and such Owner otherwise complies with all of the provisions of this section.

(4) No structure may be constructed within twenty (20) feet of any side or rear property line of any Lot.

(5) No structure may be constructed within thirty (30) feet of the right of way of any Road or any easement for Road or driveway.

(6) No structure may be constructed within fifty (50) feet of any stream, creek or other body of water.

(7) The Developer may establish such additional set backs or restrictions as may be shown on the Final Plat.

In the event any Owner violates the terms of this Section 2.05, the Association, or its duly appointed agent, shall, after thirty (30) days' written notice to Owner to cure such violation and failure of Owner to so cure, be entitled to enter upon the Owner's Lot and cure such defect, including, in the event of any violation of Section 2.05(b)(1), Section 2.05(b)(2), Section 2.05(b)(4), Section 2.05(b)(5) or Section 2.05(b)(6) above, restore such Lot to its state existing immediately prior to such violations, and in the event of any violation of Section 2.05(b)(3) above, replace any Tree which has been improperly removed or destroyed with either a similar Tree in type and size or with such other Tree as the Association may deem appropriate. The Owner of such Lot shall be personally liable to the Association for all direct and indirect costs which the Association shall incur, including without limitation attorneys' fees, expenses incurred in reviewing Owner's proposal and in supervising or performing the work, and the liability for such cost shall be secured by liens, and shall be subject to the same means of collection, as the assessments provided for in this Declaration; provided, however, that with respect to the replacement of any Tree, the Owner shall not be obligated to pay an amount in excess of the expenses which would have been incurred by the Association had it elected to replace the destroyed or removed Tree with a Tree similar in type and size.

(c) Any Owner proposing to construct or reconstruct, or to refinish or alter any part of the exterior of, any improvement on or within his Lot or to perform any work which under the provisions of this Declaration requires the prior approval of the Design Committee, shall apply to the Design Committee for approval as follows:

(1) The Owner shall notify the Design Committee in writing of the nature of the proposed work, and Owner shall submit to the Design Committee for approval such plans and specifications for the proposed work as the Design Committee may from time to time request, including, without limitation, the following:

(aa) A plot plan of the Lot showing (i) contour lines, (ii) the location of all existing and/or proposed improvements, (iii) the proposed drainage plan, (iv) the proposed sanitary disposal facilities, (v) the location of existing Trees, (vi) such Trees which the Owner proposes to remove, (vii) the location of all proposed utility installations; (viii) the portion of the Lot which is available to be or has previously been cleared, graded, constructed upon, or otherwise improved, appropriately designated as "Private Area," including the total square footage thereof; and (ix) the remaining balance of the Lot which is to remain undisturbed, appropriately designated as "Easement Area", including the total square footage thereof.

(bb) floor plans;

(cc) drawings showing all elevations;

(dd) description of exterior materials with color samples;

(ee) working drawings and construction specifications;

(ff) the Owner's proposed construction schedule; and

(gg) such application, inspection or other fee as the Design Committee shall deem appropriate.

(2) If the Design Committee should determine that it would be in the best interest of the Development for such Owner to employ an architect to design any improvement involved in the proposed work, the Design Committee shall inform such Owner in writing of its determination, whereupon all plans and specifications submitted pursuant to Section 2.05(c)(1) above must be prepared by an architect.

(3) The Design Committee may by rule establish or adopt such other guidelines or regulations as it may deem appropriate.

(4) The Design Committee may waive review of any or all of the plans and specifications set forth in Section 2.05(c)(1).

(d) Subject to the provisions of Section 2.05(e) below, the Design Committee will approve the plans, drawings and specifications submitted to it if the following conditions have been satisfied:

(1) The Owner and the Owner's architect, if any, shall have strictly complied with the provisions of Section 2.05(c) above; and

(2) The Design Committee finds that the plans and specifications conform to the Development restrictions, particularly to the requirements and restrictions of this section and to the Architectural Standards in effect at the time such plans were submitted to the Design Committee.

Such approval will be in writing and may be conditioned upon the submission by the Owner or the Owner's architect, if any, of such additional plans and specifications as the Design Committee shall deem appropriate for the purpose of insuring that the construction of the proposed improvement shall be in accordance with the approved plans. One set of plans as finally approved shall be retained and maintained by the Design Committee as a permanent record.

(e) Notwithstanding the provisions of Section 2.05(d) above, the members of the Design Committee shall have the right to approve or disapprove any plans, drawings and specifications which are submitted to it in its sole discretion, which approval or disapproval may be based upon any grounds, including purely aesthetic considerations, or if the Design Committee finds that the proposed work, for any reason whatsoever (including the design, height or location of any proposed improvement and the probable effect thereof on other Owners in the use and enjoyment of their Lots or the Common Area), would be incompatible with the intended and planned type of development within the Development. In the event the Design Committee does not approve any plans, drawings, and specifications submitted to it pursuant to Section 2.05(c) above, the Design Committee shall so notify the Owner concerned in writing setting forth the reasons for such disapproval.

(f) The Design Committee shall take action on any plans and specifications submitted as herein provided within forty-five (45) days after receipt thereof. Approval by the Design Committee, if granted, together with any conditions placed on such approval, shall be noted in writing on the plans and specifications and returned to the applicant. In the event the Design Committee fails to take action within forty-five (45) days of its receipt of plans and specifications submitted for approval, such plans and specifications will be deemed approved; provided, however, that any such construction, modification or improvement shall be in compliance with the terms of this Declaration and the Development Architectural Standards, shall conform to the standards of quality existing within the Development and shall be compatible in terms of size, color, materials and general appearance with surrounding Dwellings and improvements.

(g) Developer shall, to the extent reasonably available, upon the timely request of the Design Committee, file with the Design Committee copies of such of the plans and specifications described in Section 2.05(c)(1) above, which have been prepared by Developer and which are deemed by the Design Committee to be necessary for the purpose of maintaining a permanent record of all improvements constructed or being constructed by Developer upon any Lot.

(h) Any provision herein to the contrary notwithstanding, any Owner may at any time, and from time to time, without first obtaining the approval of the Design Committee and without otherwise complying with Section 2.05(c) above, reconstruct or refinish any improvement or any portion thereof, excavate or make any other installation, in such manner as may be set forth in

the last plans thereof approved by the Design Committee and not revoked pursuant to Section 2.05(j) below, or in the plans and specifications filed pursuant to Section 2.05(g) above.

(i) Upon receipt of the approval from the Design Committee pursuant to Section 2.05(d) above, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations, and excavations pursuant to the approved plans.

(j) With reference to Section 2.05(i) above, Owner shall satisfy all conditions and commence the construction, reconstruction, refinishing, alterations or other work pursuant to the approved plans within sixty (60) days from the date of such approval. If the Owner shall fail to comply with this Section 2.05(j), any approval given pursuant to Section 2.05(d) above shall be deemed revoked unless, upon the written request of the Owner made to the Design Committee prior to the expiration of said sixty (60) day period and upon a finding by the Design Committee that there has been no change in circumstances, the time for such commencement is extended in writing by the Design Committee.

(k) The Owner shall in any event complete the construction, reconstruction, refinishing, or alteration of the foundation and all exterior surfaces (including the roof, exterior walls, windows and doors) of any improvement on his Lot within one (1) year after commencing construction thereof. If Owner fails to comply with this Section 2.05(k), the Design Committee shall notify the Association of such failure and the Association, or its duly appointed agent, shall, after thirty (30) days' written notice to Owner to cure such violation of this Section 2.05(k) and failure of Owner to so cure, may, at its option, either complete the exterior in accordance with the approved plans or remove the improvement, and the Owner shall be personally liable to the Association for all direct and indirect costs which the Association shall incur in the performance of such work, including without limitation attorneys' fees, and the liability for such cost shall be secured by liens, and shall be subject to the same means of collection, as the assessments provided for in this Declaration.

(l) Upon the completion of any construction or reconstruction of, or the alteration or refinishing of the exterior of any improvement, or upon the completion of any other work for which approved plans are required under this section, the Owner shall give written notice thereof to the Design Committee and within sixty (60) days thereafter the Design Committee, or its duly authorized representative, may inspect such improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with approved plans. If the Design Committee finds that such construction, reconstruction, alteration or refinishing was not done in substantial compliance with approved plans, it shall notify the Owner of such non-compliance and shall require the Owner to remedy such non-compliance. If, upon the expiration of sixty (60) days from the date of such notification of non-compliance given by the Design Committee to the Owner, the Owner shall have failed to remedy such non-compliance, the Design Committee shall notify the Association of such failure, and the Association, or its duly appointed agent, at its option, may either remove the improvement or remedy the non-compliance, and the Owner shall be personally liable to the Association for all direct and indirect costs which the Association shall incur in the performance

thereof, including without limitation attorneys' fees, and the liability for such cost shall be secured by liens, and shall be subject to the same means of collection, as the assessments provided for in this Declaration. If for any reason the Design Committee fails to notify the Owner of any such non-compliance within sixty (60) days after receipt of said notice of completion thereof from the Owner, the improvement shall be deemed to be in accordance with said approved plans.

Section 2.06. Easements for Utilities. There is hereby reserved to the Developer and the Association blanket easements upon, across, above and under all property within the Development for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the Development or any portion thereof, including, but not limited to gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which the Developer or the Association might decide to have installed to serve the Development. It shall be expressly permissible for the Developer, the Association, or the designee of either, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement. In the event that additional property is annexed to the Development as provided in Section 6.02, the easements created hereby shall exist on all of the resulting Lot(s) of the property that is annexed. These easements and rights expressly include the right to cut any Trees, bushes, or shrubbery, take any grains of the soil or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance.

Section 2.07. Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant, or the Association.

Section 2.08. Easement for Entry. In addition to any right of the Association to exercise self-help as provided in this Declaration, the Association shall have the right, but shall not be obligated, to enter upon any property within the Development for emergency, security, and safety, which right may be exercised by the manager, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. It is intended that this right of entry shall include (and this right of entry shall include) the right of the Association to enter to cure any condition which

may increase the possibility of a fire, slope erosion, or other hazard in the event an Owner or occupant fails or refuses to cure the condition upon request of the Association.

Section 2.09. Easement for Entry Features. There is hereby reserved to the Developer and the Association an easement for ingress, egress, installation, construction landscaping and maintenance of entry features and street signage for the Development, over and upon each Lot which is located at the corner of a street intersection within the Development. The easement and right herein reserved shall include the right to cut, remove and plant Trees, shrubbery, flowers and other vegetation around such entry features and signage and the right to grade the land under and around the entry features and signage.

Section 2.10. Disclosure of Private Roads. The streets lying within the Development are private in ownership and do not currently and may not ever meet the requirements applicable to converting the roads from private ownership and maintenance to public ownership and maintenance. Accordingly, until such time as the streets are dedicated to the applicable governing authority, if ever, the responsibility for the upkeep and maintenance of the streets shown on the recorded plat are the responsibility of the Association and not any state, county, or other local governing body. All Lots shall be subject to a perpetual easement in favor of the Association and all other Lot Owners for maintenance, management, repair, landscaping and non-exclusive ingress, egress, use and enjoyment, of the private street which are located on the Property, as shown on the Plat of Subdivision, whether said streets are located on the Common Areas or are located on Lots. This easement right includes the right of contractors engaged by the Association to enter upon any and all Lots from time to time as necessary in order to perform any of the above repair or maintenance work. The Owners of the Lots shall not impair access to, or otherwise alter in any way, said streets or landscaping.

Section 2.11. Easement for Ponds, Creeks, Streams, and Other Waters. There is hereby reserved to the Association and to all Owners, their families and guests, a perpetual easement to use the ponds, creeks, streams, and other waters located within the Development for such purposes as are permitted herein. Fishing is permitted with such licenses as may be required by any governmental entity. No docks or piers shall be permitted on any creek, stream or pond in the Development without the prior written consent of the Design Committee. Notwithstanding anything to the contrary contained herein, **THE ASSOCIATION SHALL NOT BE RESPONSIBLE FOR ANY LOSS, DAMAGE OR INJURY OCCURRING ON OR ARISING OUT OF THE AUTHORIZED OR UNAUTHORIZED USE OF CREEKS, STREAMS, PONDS OR OTHER BODIES OF WATER WITHIN THE DEVELOPMENT BY ANY PERSON.** There is also reserved to the Association the perpetual easement and right, subject to regulation by this Declaration, for the benefit of the Association, the Owners and the Common Areas, the right to remove and use water from any pond, creek, stream or other waters (including wells installed for such purposes) for the purposes of irrigation of the Common Areas, and to construct, repair and maintain in the Development and the Common Areas any improvements or facilities necessary to assist with such irrigation use and to maintain any such pond, creek, stream, well, or other water as may, in the discretion of the Developer, be necessary in connection with such use.

Section 2.12. Easements Shown on Plats. Each Lot shall be subject to all easements, borders, buffers, restrictions and the like which are shown and depicted on the Plat of Subdivision as affecting and burdening such Lot.

ARTICLE III.

DESIGN COMMITTEE

Section 3.01. Organization, Power of Appointment and Removal of Members. There shall be a Design Committee, organized as follows:

(a) Prior to the Turnover Date, the Design Committee shall consist solely of the Developer or the designated representative(s) (one or more) appointed by the Developer from time to time.

(b) After the Turnover Date, the Design Committee shall then consist of three (3) members appointed by the Board. No member shall be required to meet any qualifications for membership on the Design Committee.

(c) The initial three (3) members of the Design Committee shall be appointed to terms of one, two, and three years, respectively. Thereafter, each member of the Design Committee shall hold his office for a three-year term or until such time as he has resigned or he has been removed, as set forth herein.

(d) After the Turnover Date, the right to, from time to time, appoint and remove all members of the Design Committee shall be, and is hereby, reserved to and vested solely in the Board.

Section 3.02. Duties. It shall be the duty of the Design Committee to consider and act upon such proposals or plans from time to time submitted to it pursuant to Section 2.05 herein, and to perform such other duties set forth in this Declaration and from time to time delegated to it by the Association.

Section 3.03. Meetings, Action, Compensation, Expenses. The Design Committee shall meet from time to time as necessary to properly perform its duties hereunder. Prior to the Turnover Date, the vote or written consent of Developer shall constitute an act by the Design Committee. After the Turnover Date, the vote or written consent of any two (2) members shall constitute an act by the Design Committee unless the unanimous decision of its members is otherwise required by this Declaration. Unless authorized by the Board, the members of the Design Committee shall not receive any compensation for services rendered. All members of the Design Committee shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Design Committee function.

Section 3.04. Design Standards. The Design Committee, subject to the approval of the Board, is hereby authorized to promulgate, amend and repeal, by unanimous vote of all members of the Design Committee, written architectural standards, rules, regulations, policies, procedures and guidelines ("Architectural Standards,"), which govern the construction, location, height, size, dimensions, materials, and design of improvements located or to be located on any Lot, the time within which such improvements must be completed, the contents of submitted plans and specifications, and such other information as may be required in order to evidence compliance with and obtain approval pursuant to this Section. By way of example and not limitation, the Design Committee shall have the right to establish a maximum percentage of a Lot which may be covered by Dwellings, buildings, Structures, or other improvements, which percentage shall be promulgated on the basis of topography, percolation rate of the soil, soil types and conditions, vegetation cover, and other environmental factors. The Architectural Standards shall be binding upon and enforceable against all Owners as if fully set forth herein. Those Architectural Standards attached hereto as Exhibit "B" and by reference incorporated herein are hereby adopted and approved, subject to future revision in accordance with the terms hereof.

Section 3.05. Right of Inspection. The Design Committee, and its agents and representatives, shall have the right to enter upon and inspect any Lot at any time before, during or after completion of any work for which approval is required hereunder for the purpose of ascertaining whether the installation, construction, alteration or maintenance or the use of the Lot is in compliance with the provisions of this Declaration; and no such person or entity shall be deemed to have committed a trespass or wrongful act by reason of such entry or inspection.

Section 3.06. Fees. The Design Committee, subject to Board approval, may impose and collect a reasonable and appropriate fee to cover the costs of its review and inspection pursuant to this Declaration, which costs shall include but not be limited to the compensation of any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. The amount of such fee shall be established from time to time by the Board of Directors or the Design Committee. Additionally, the Design Committee, subject to Board approval, may require placement of a deposit or bond by an applicant to insure compliance with this Declaration and the Architectural Standards and to cover any expenses or damages caused by construction or improvement activities required to be approved by it.

Section 3.07. Non-Waiver. The approval by the Design Committee of any plans, drawings or specifications for any work done or proposed, or in connection with any other matter requiring the approval of the Design Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification or matter whenever subsequently submitted for approval.

Section 3.08. Liability. Neither the Design Committee nor any member thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings and specifications, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, or (c) the development, or manner of development, of any property within the

Development; provided, however, that any such member has, with the actual knowledge possessed by him, acted in good faith and within the scope of his appointment to the Design Committee. Without in any way limiting the generality of the foregoing, the Design Committee or any member thereof, may, but is not required to, consult with or hear the Association or any Owner with respect to any plans, drawings or specifications, or any other proposal submitted to the Design Committee.

ARTICLE IV.

THE ASSOCIATION

Section 4.01. Membership in the Association. The Association shall have two (2) types of membership: (i) Voting Membership and (ii) Associate Membership:

(a) Voting Membership. All Owners, by virtue of their ownership of a Lot in the Development, are for so long as they are an Owner, are automatically mandatory members of the Association and shall be entitled to vote on all matters upon which members of the Association are entitled to vote, pursuant to this Declaration and in accordance with the Bylaws (the "Voting Members"). The foregoing is not intended to include Persons who hold an interest in a Lot merely as security for performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership in the Association. Membership shall be appurtenant to and may not be separated from the Lot to which it appertains and shall be transferred automatically by conveyance of the Lot. The Developer shall be a Voting Member of the Association.

(b) Associate Membership. The Association may also offer non-Voting Membership to individuals who are not Owners, as "Associate Members," subject to the following terms and conditions:

(i) An individual who is not an Owner may make written application to the Association to become an associate member thereof.

(ii) If such written application is approved by the Board, such individual shall be granted a non-Voting Membership in the Association as an associate member.

(iii) An associate member shall not be required to pay any assessments made upon the Members except as determined by the Board. The Board may establish an annual maintenance assessment or user fees to be paid by Associate Members, or may levy capital improvement or special assessments on Associate Members as the Board deems necessary to defray the additional cost of expenditures which benefit the Associate Members as well as Members.

(iv) An associate member shall not have any voting rights and shall be deemed a non-Voting Member of the Association.

(v) An associate member may not serve on the Board, the Design Committee, or be an officer of the Association.

Section 4.02. The Bylaws of the Association. The rights, duties, privileges and obligations of an Owner as a Voting Member of the Association and of an Associate Member shall be those set forth in, and shall be exercised and imposed in accordance with the provisions of, this Declaration, the Rules, the Articles and the Bylaws of The Association, Inc. a copy of which is attached hereto as Exhibit "D," and incorporated herein by this reference (hereinafter "Bylaws"). In the event of any conflict between the provisions of this Declaration, and the Rules, Articles, or Bylaws of the Association, the provisions of this Declaration shall control.

Section 4.03. Voting Rights. The Association shall have two classes of Voting Membership: Class A Voting Members and Class B Voting Members.

(a) Class A Voting Membership. Class A Voting Members shall be all of the Owners (with the exception of the Developer who shall become a Class A Voting Member only when and after Developer's Class B Voting Membership ceases as provided hereafter), and each Owner shall be entitled to one (1) vote for each Lot owned, whether or not such Lot is improved. When more than one person holds an undivided interest in any Lot or portion thereof, all such persons shall be members even though there is only one Owner and one (1) vote with respect to such Lot or portion thereof, and the vote for such Lot or portion thereof shall be cast by the person designated by them; the multiple members owning one (1) Lot shall designate in a written statement the single Person entitled to cast the vote for said Lot, such statement to be signed by all multiple members and addressed to and received by the secretary of the Association prior to any meeting. In the absence of such written designation, the Lot's one (1) vote shall, in the discretion of the Association's Board of Directors, be suspended. In no event shall more than one (1) vote be cast with respect to any one (1) Lot. Notwithstanding anything herein to the contrary, any Owner or Class A Voting Member who is in default in payment of any assessment, shall not be entitled to cast a vote with respect to each such Lot for which an assessment is not being paid.

(b) Class B Voting Membership. In order to retain control of the environment during the development period, the Developer shall be the sole Class B Voting Member, who shall be entitled to absolute voting control of all matters to be voted upon by the Association. The Class B Voting Membership shall be a full Voting Membership and, during its existence, the Class B Voting Member shall be entitled to cast ten (10) votes for each Lot in the Development on all matters and in all events. So long as Class B Voting Membership exists, the Class B Voting Member shall constitute a quorum at any member's meeting and may hold such meetings and vote without the necessity of furnishing any notice of meeting or any agenda to Class A Voting Members. Upon the Turnover Date, the Class B Voting Membership shall terminate and cease to exist, and the Class B Voting Member shall be and become a Class A Voting Member insofar as it may then hold any interest required for membership under these Declarations. From and after the date at which the Class B Voting Membership automatically terminates and ceases to exist, the Class B Voting Membership shall not be renewed or reinstated.

Section 4.04. Transfer or Assignment of Developer's Membership. The Class B Voting Membership of Developer may be transferred or assigned by Developer only in its entirety to a successor developer. Nothing herein and no partial conveyance of real property by Developer, shall be deemed to convey the Class B Voting Membership of Developer to any person or persons. The conveyance or assignment of Class B Voting Membership of Developer shall be made only by instrument in writing signed by Developer specifically providing that Developer is transferring its Class B Voting Membership.

Section 4.05. Duties and Obligations of the Association. The Association shall have the obligations and duties, subject to this Declaration, to do and perform each and every of the following for the benefit of the Owners and Associate Members and for the maintenance and improvement of the Development:

(a) The Association shall accept title to easements to or interest in any real property from time to time conveyed to it, if ever, by Developer, pursuant to the provisions, and subject to the restrictions imposed by the terms and provisions of this Declaration.

(b) The Association shall maintain, or provide for the maintenance of, any Roads and Common Areas (including recreational facilities and all improvements of whatever kind and for whatever purpose from time to time located on such Common Areas) in good order and repair; provided, however, that notwithstanding the foregoing, the Association shall have no obligation to maintain in good order and repair any improvement constructed upon any Private Area by the Owner.

(c) To the extent not assessed to or paid by the Owners, the Association shall pay all real property taxes and assessments levied upon any portion of any Common Area or upon any recreational facility or other property owned by the Association. In addition, should the taxes and assessments applicable to any Common Area not be separately assessed, the Association shall pay to the person against whom the same is assessed such amount of such taxes and assessments as shall be properly allocable to the Association's interest or ownership therein.

(d) The Association shall obtain and maintain in force the following policies of insurance:

(1) Fire and extended coverage insurance on all improvements owned by the Association and from time to time located upon or within any Common Area, or recreational facility, the amount of such insurance to be not less than ninety percent of the aggregate full insurable value, meaning actual replacement value (exclusive of the cost of excavations, foundations and footings), of such improvements as from time to time determined by the Association;

(2) Bodily injury liability insurance with limits per person and per occurrence, in amounts which the Board may from time to time deem appropriate, against

any and all liability with respect to the Development or any portion thereof, or arising out of the maintenance of use thereof; and

(3) Property damage liability insurance with a deductible and a limit per incident in amounts which the Board may from time to time deem appropriate.

(4) Officers and Directors Liability Insurance.

The policy or policies of insurance referred to above shall name as insureds, (i) the Developer, the Association, the Board, the Design Committee, and their representatives, members and employees; and, with respect to any liability arising out of the maintenance and use of Common Area or any recreational facility (ii) the Owners. Such policy or policies shall protect each of the insureds as if each were separately insured under separate policies; provided, however, that such policy or policies shall not require the insured or insureds to pay any amount in excess of the maximum limits stated therein. Each and every policy of insurance obtained by the Association, whether or not required to be obtained pursuant to the provisions of this Declaration, shall expressly waive any and all rights of subrogation against Developer, its representatives and employees, and any Owner.

(e) The Association shall accept and act upon applications submitted to it for the development of Common Area recreational facilities.

(f) In accordance with the provisions of Section 4.08, the Association acting through its Board of Directors shall from time to time make, establish, promulgate, amend and repeal the Rules as provided herein.

(g) To the extent provided for herein, the Association through its Board of Directors shall exercise its rights to appoint and remove members of the Design Committee to insure that at all reasonable times there is available a duly constituted and appointed Design Committee.

(h) The Association shall take such action, whether or not expressly authorized by this Declaration, as may reasonably be necessary to enforce the restrictions, limitations, covenants, and conditions of this Declaration, the Rules and the Architectural Standards.

Section 4.06. Purposes, Powers and Authority of the Association. The Association shall be formed as a non-profit organization under the Georgia Nonprofit Corporation Code, O.C.G.A. § 14-3-101, *et. seq.* for the sole purpose of performing certain functions for the common good and general welfare of the people of the Development. The Association shall have all of the powers set forth in the Articles, Bylaws, this Declaration and the Development Rules, together with its general powers as a non-profit corporation, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, this Declaration, and the Rules, to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the

peace, health, comfort, safety and/or general welfare of the Owners, Associate Members and guests of the Development.

Section 4.07. Specific Powers of the Association. Without in any way limiting the generality of Section 4.06:

(a) The Association, or its duly appointed agent, shall have the power and authority at any time, and from time to time, and without liability to any Owner, to enter upon any Lot for the purpose of enforcing any and all of the provisions called for herein, or for the purpose of maintaining and repairing any such area if for any reason whatsoever the Owner thereof fails to maintain and repair such area as required; provided, however, that the Association, or its duly appointed agent, has provided thirty (30) days' written notice to Owner to cure any violation of the provisions called for herein prior to entering upon Owner's Lot. The Association shall also have the power and authority from time to time, in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration.

(b) In fulfilling any of its obligations or duties under this Declaration, including, without limitation, fulfilling its obligations or duties, or in exercising any of its rights to contract improvements or other work for the maintenance, repair, operation or administration of any Common Area, any Easement Area, any Road, or any recreational facility, and, to the extent necessitated by the failure of the Owner thereof, any Lot, the Association shall have the power and authority:

(1) To contract, and pay for, or otherwise provide for, the construction, maintenance, restoration and repair of all improvements of whatever kind from time to time located upon any Road, Easement Area, Common Area or within any recreational facility;

(2) To obtain, maintain and pay for such insurance policies or bonds as the Association shall deem to be appropriate for the protection or benefit of the Development, the Association, the members of the Board, the members of the Design Committee, Owners, Associate Members, or guests;

(3) To contract and pay for, or otherwise provide for, such utility services, including, without limitation, water, electrical, telephone and gas services, as may from time to time be required in the Development, other than for any Private Area.

(4) To contract and pay for, or otherwise provide for, the services of architects, engineers, accountants, attorneys and certified public accountants and such other professional and non-professional services as the Association deems necessary;

(5) To contract and pay for, or otherwise provide for, fire, general security of the Development and such other protection services as the Association shall from time to time deem necessary, for the benefit of the Development;

(6) To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary; and

(7) To pay and to discharge any and all liens arising out of the construction of any improvements, and from time to time placed or imposed upon any Common Area or recreational facility on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(c) The Association shall have the power and authority from time to time to grant and convey to any third party such easements, rights-of-way, lots or strips of land, in, on, over or under any Road, Easement Area, or Common Area, for the purpose of constructing, erecting, operating and maintaining thereon, therein or thereunder, (1) roads, walks, driveways, and park areas; (2) poles, wires and conduit for the transmission of electricity for lighting, heating, power, telephone, television and other purposes and for the necessary attachments in connection therewith; and (3) private sewers, storm water drains, land drains and pipe, water systems, sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection with the foregoing.

(d) The Association may employ the management services of one or more companies or businesses to manage the affairs of the Association which companies or businesses may be affiliated with Developer.

(e) The Association shall have the right from time to time to pay, compromise or contest any and all taxes and assessments levied against all or any part of any Common Area, or recreational facilities or upon any real or personal property belonging to the Association; provided, however, that the Association shall pay and discharge the lien imposed by such tax or assessment prior to the time it would otherwise become delinquent.

(f) Subject to the public governmental restriction, regulation, and/or authority, upon request of any Lot Owner, the Association (acting through the Design Committee) shall have the power and authority from time to time to reclassify any portion of any 'Easement Area' to 'Private Area' for the benefit of the Owner of the Lot in which it is located; subject, however, to the retention of such easements and rights and the imposition of such conditions as the Association may deem appropriate for the benefit of the Association or any of the Owners. If reasonably required, such reclassification shall be effected by the execution and recording in the Public Records of the County (the "Public Records"), of an appropriate document describing the Lot, or portion thereof, affected.

Section 4.08. The Rules of the Association.

(a) Prior to the Turnover Date, the Developer alone may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations, to be known as the "Development Rules" or the "Rules," governing the use and restrictions of the Development. Thereafter, the Rules may be amended, changed, augmented, repealed or otherwise altered by the Board, from time to time and subject to the provisions of this Declaration. The initial Rules are set forth on Exhibit "C," attached hereto and made a part hereof by this reference.

(b) With respect to Section 4.08(a) above, in order to preserve the benefits of the Development for all Owners, Associate Members, their families, invitees, licensees and lessees, and for guests, the Association may amend or supplement the Rules as may be deemed reasonable or necessary at any time and from time to time, without any prior notice or consent, so as to restrict and/or govern the use of Common Area and recreational facilities by any guest, by Owner or Associate Member, by the family of such Owner or Associate Member, or by any invitee, licensee or lessee of such Owner or Associate Member; provided, however, that with respect to use of Common Area and recreational facilities, the Rules may not discriminate among Owners or Associate Members.

(c) A copy of the Rules, as they may from time to time be adopted, amended or repealed, certified by the Secretary or any Assistant Secretary of the Association or any officer authorized to certify documents for the Association, shall be recorded in the public records of the County, and duplicate copies thereof shall be delivered to each Owner. Upon any such recordation and delivery, the Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration.

Section 4.09. Board of Directors. The affairs of the Association shall be managed by a Board of Directors. The number of directors and the method of election thereof shall be as set forth in the Association's Bylaws. Except to the extent otherwise required or authorized by the Georgia Nonprofit Corporate Code or this Declaration, the Association's Bylaws or the Articles, the powers inherent in or expressly granted to the Association pursuant to this Declaration may be exercised by the Board, acting through the officers of the Association, without any further consent on the part of the Members.

Section 4.10. Liability of the Board. No member of the Board shall be personally liable to any Owner, Associate Member, guest, participating facility, or to any other person, including Developer, for any error or omission of the Association, its representatives and employees or the Design Committee so long as such member of the Board has, with the actual knowledge possessed by him, acted in good faith and has acted in his capacity as a member of the Board of Directors.

ARTICLE V.

FUNDS AND ASSESSMENTS

Section 5.01. Operating Fund. There shall be an operating fund, into which the Association shall deposit all monies paid to it as:

- (a) Maintenance assessments,
- (b) Capital Improvement assessments,
- (c) Special assessments,
- (d) Specific assessments
- (e) Use fees paid by users of recreational facilities,
- (f) Use fees paid by participating facilities,
- (g) Miscellaneous fees, and
- (h) Income and profits attributable to the operating fund;

from which funds the Association shall make disbursements in performing the functions for which the foregoing assessments are levied.

Section 5.02. Maintenance Assessments.

(a) The initial maintenance assessment shall be Five Hundred Fifty Dollars (\$550.00) per year for each Lot or such other amount as determined by the Board of Directors in its reasonable discretion.

(b) The maintenance assessments shall be fixed on a calendar year basis with assessments for the initial year commencing on the later of January 1 or the date of this Declaration. Assessments shall be due and payable yearly in advance not later than the first day of each year thereafter.

(c) For each year following the Turnover Date, not less than sixty (60) days prior to the commencement of such year, the Board shall estimate the costs and expenses to be incurred by the Association during such fiscal year in performing its functions (including a reasonable provision for contingencies and replacements), and such estimate shall include, but not be limited to, the following:

- (1) The estimate of operating costs and expenses for the Development, all Common Areas and facilities,

(2) An amount equal to the anticipated balance (exclusive of any reserves for contingencies and replacements) in the operating fund at the start of such fiscal year which is attributable to maintenance assessments,

(3) An amount equal to the total of the uncollected assessments levied in the current fiscal year which will be collected after the start of the next fiscal year, and

(4) The estimated receipts for all use fees, if any, to be collected from users of recreational facilities and from participating facilities during the next fiscal year.

(d) The net estimate determined pursuant to Section 5.02(c) above shall be assessed to the Owners as a maintenance assessment in the following manner: a set amount for each unimproved Lot and a set amount for each improved Lot, to be fixed by the Association, shall be assessed to the Owner of each Lot subject to this Declaration.

(e) If at any time and from time to time during any fiscal year the maintenance assessment proves inadequate for any reason, including non-payment of any Owner's share thereof, the Board may levy a further assessment in the amount of such actual or estimated inadequacy, which shall be assessed to the Owners as a special assessment in the manner set forth in paragraph (b) above.

(f) Maintenance assessments shall be due and payable by the Owners to the Association in yearly installments, on or before the first day of the first month of the calendar year, or at such time and in such manner as the Association shall designate.

(g) The Board shall have the authority to establish maintenance assessments for each year, which do not exceed the prior year's maintenance assessment by more than thirty percent (30%). From and after the Turnover Date and in the event a maintenance assessment exceeds the prior year's maintenance assessment by more than thirty percent (30%), no maintenance assessment shall be levied unless (i) the Board has approved such assessment by a majority vote, (ii) such proposed assessment and the budget prepared pursuant to Section 5.02(c) have been submitted to the Association, and (iii) the Association at its next annual or special meeting, properly called and held in accordance with the Bylaws, has approved such proposed assessment and budget by a vote of the Class B Voting Member, or, if the Class B Voting Membership has already been terminated at such time, by a vote of the majority of the Class A Voting Member votes entitled to vote then present and voting at such meeting. If the Association does not approve such proposed assessment, Owners shall continue to pay the monthly maintenance assessment, which was approved at the previous Association meeting until such time as the Association approves a new proposed assessment. Notwithstanding any other provision herein to the contrary, prior to the Turnover Date, the maintenance assessments may be changed from time to time as deemed necessary by the Developer in its sole discretion.

(h) The costs and expenses for which any maintenance assessment may be assessed are those relating to (i) the maintenance, repair or replacement of Roads, Common Areas,

facilities and equipment; (ii) to current services and operations; and (iii) periodic improvements or additions which might be considered capital improvements at a cost not to exceed One Hundred Thousand Dollars (\$100,000). It is intended that major capital improvements will be undertaken and major items of capital equipment will be purchased through funds derived from separate capital improvement assessments under Section 5.03. To this end, no expenditure in excess of One Hundred Thousand Dollars (\$100,000) for capital improvements or capital equipment shall be funded through maintenance assessments during any fiscal year; provided, however, that nothing herein shall prevent the reconstruction or replacement of facilities and equipment, now existing or hereafter acquired, through such maintenance assessments, whether directly or through creation of appropriate reserves.

Section 5.03. Capital Improvement Assessments. In addition to the annual maintenance assessments authorized above, the Association may levy a capital improvement assessment for the purpose of defraying the cost of constructing any capital improvements, including any recreation or farm facility, or of acquiring any fixtures, equipment or personal property of a capital nature, not otherwise to be funded through maintenance assessments. Prior to the Turnover Date, Developer alone shall have the authority to assess a capital improvement assessment as Developer deems necessary in its sole discretion. After the Turnover Date, such assessment must have the consent of a majority of Class A Voting Members entitled to vote.

Section 5.04 - Special Assessments. If for any reason, including non-payment of any assessments to the Association by the persons liable therefore, the budget adopted by the Board of Directors for any fiscal year shall prove to be inadequate to defray the expenses for such fiscal year, or if the Board of Directors shall determine that it is in the best interests of the Association to levy a special assessment to pay the costs of any capital improvements or capital repairs, the Board of Directors shall have the authority to levy a special assessment against the Lots and the Owners thereof to raise such needed funds. Such assessment shall be in the amount so expended, and shall be due and payable to the Association when levied.

Section 5.05. Specific Assessments. The Board shall have the authority to levy specific assessments against specific Lots for the following Association expenses:

- (a) Any expenses benefitting less than all of the Lots shall be specifically assessed equitably among all of the Lots so benefited, as determined by the Board of Directors;
- (b) Any expenses occasioned by the conduct of Owners of less than all of the Lots or by the licensees or invitees thereof shall be specifically assessed against those particular Lot(s) for the conduct of its Owner(s) or any occupant, licensee or invitee thereof which occasioned any such expenses;
- (c) Any expenses significantly and disproportionately benefiting one or more particular Lots shall be assessed equitably among such Lots as determined by the Board of Directors; and
- (d) Any expenses incurred as a direct result of an Owner's acts or failure or refusal to act or otherwise to comply with this Declaration, the Rules or the Architectural Standards,

and monies were expended from the funds of the Association in performing its functions under this Declaration.

A specific assessment assessed hereunder shall be and become a lien against such Lot(s) and the personal obligation of the Owner(s) thereof. A specific assessment may be collected in the same manner as the annual assessment assessed hereunder. Failure of the Board to exercise its authority under this Section 5.05 shall not be grounds for any action against the Association or the Board of Directors, and shall not constitute a waiver of the Board's right to exercise its authority under this Section 5.05 in the future with respect to any expenses.

Section 5.06. Creation of Lien and Personal Obligation. All assessments, fines and other charges lawfully assessed by the Association against any Lot Owner or Lot as provided for in this Declaration and the Act shall, from the time such sums become due and payable, be the personal obligation of the Lot Owner and constitute a lien in favor of the Association on the Lot prior and superior to all other liens whatsoever except: (i) liens for ad valorem taxes on the Lot; (ii) the lien of any first Mortgage covering the Lot and the lien of any Mortgage recorded prior to the recording of the Original Declaration; or (iii) the lien of any secondary purchase money Mortgage covering the Lot, provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Lot. The recording of this Declaration shall constitute record notice of the existence of the lien, and no further recordation of any claim of lien for assessments, fines or other charges shall be required. No Lot Owner shall be exempted from any liability for any assessment for any reason whatsoever, including, without limitation, abandonment, non-use or waiver of the use and enjoyment of his or her Lot or any part of the Common Area. The grantee in a conveyance of a Lot shall be jointly and severally liable with the grantor thereof for all unpaid assessments, fines and other charges against the latter up to the time of the conveyance without prejudice to the grantee's right to recover from the grantor the amount paid by the grantee. Notwithstanding the foregoing, in the event that the holder of a First Mortgage or secondary purchase money Mortgage of record (provided that neither the grantee nor any successor grantee on the secondary purchase money Mortgage is the seller of the Lot), or in the event that any other Person acquires title to any Lot as a result of foreclosure of any such Mortgage, such holder or other Person and his or her successors, successors in title and assigns shall not be liable for, nor shall the Lot be subject to any lien for, any assessments or charges hereunder chargeable to the Lot on account of any period prior to such acquisition of title; provided, however, that such share of an assessment or assessments shall be deemed to be a common expense collectible from all of the Lot Owners, including such holder or other Person and his or its successors, successors in title and assigns.

Section 5.07. Default in Payments of Assessments.

(a) If any assessment, or portion thereof, is not paid within ten (10) days after the due date, the Owner shall be deemed to be in default and the amount of the assessment not paid, together with the amount of any subsequent default, plus obligation of the Lot Owner and the lien shall also include (i) a late charge, equal to the greater of Ten and No/100 Dollars (\$10.00) or fourteen percent (14%) of the amount of such delinquent assessment or installment; (ii) interest at the rate of fourteen percent (14%) per annum (or such higher rate as may be permitted by the Act) on any assessment, installment, delinquency or late charge from the date such sum was first due; (iii) costs of

collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the Lot, and reasonable attorney's fees actually incurred; and (iv) the fair rental value of the Lot from the time of the institution of suit until the sale of the Lot at foreclosure or until the judgment rendered in such suit is otherwise satisfied shall become a lien upon the Lot or Lots of such Owner at the time such amounts become due and payable, as provided under O.C.G.A. ' 44-3-232(a) or any successor statute. The Association may record such lien in the public records of the County, with all costs of recordation thereof included in such lien amount. If any delinquent assessment or portion thereof is not paid within thirty (30) days after written notice is given to the Lot Owner to make such payment, the entire unpaid balance of the assessment may be accelerated at the option of the Board and declared due and payable in full, and proceedings may be instituted to enforce such lien and personal obligation. Such notice shall be sent by certified mail, return receipt requested, to the Lot Owner both at the address of the Lot and at any other address or addresses the Lot Owner may have designated to the Association in writing, specifying the amount of the assessments then due and payable, together with authorized late charges and the rate of interest accruing thereon. The lien for such assessments may be foreclosed by the Association by an action, judgment and court order for foreclosure in the same manner as other liens for the improvement of real property, subject to superior lines or encumbrances. The Board of Directors, acting on behalf of the Association, shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, encumber and convey the same. The Association shall, in addition to and not in lieu of the foregoing remedy, have the right to bring an action against the Lot Owner to recover all assessments, interest, late fees, costs of collection (including court costs and reasonable attorney's fees actually incurred), fines and other charges for which such Lot Owner is personally obligated pursuant to the terms hereof.

(b) The Association shall execute and acknowledge a certificate stating the indebtedness secured by the Association's lien upon any Lot(s) and such certificate shall be conclusive upon the Association and the Owners, in favor of all persons who rely thereon in good faith, as to the amount of such indebtedness owed to the Association on the date of the certificate. The Association shall furnish a copy of such certificate to any Owner upon request at a reasonable fee.

Section 5.08. Assessment Obligation of Developer. Notwithstanding anything to the contrary herein, Developer, its affiliates and/or any builder who purchases a Lot from Developer may contribute assessments due hereunder in the form of services or materials or a combination of services and materials, rather than in money (herein collectively called "In Kind Contribution"). The amount by which monetary assessments shall be paid and/or decreased as a result of any In Kind Contribution shall be the fair market value of the contribution. If Developer and the Association agree as to the value of any such In Kind Contribution, the value shall be as agreed. If the Association and Developer cannot agree as to the value of any such In Kind Contribution, Developer shall supply the Association with detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by Developer who are in the business of providing such services and materials. If the Association and Developer are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the value stated by Developer and the bids received from the independent contractors.

ARTICLE VI.

MISCELLANEOUS PROVISIONS

Section 6.01. Use of Lots by Owners and Guests.

(a) Except for the transitory and restricted use by guests of Owners, as limited below or by the Association through the Rules, the use of each Lot, whether or not improved by a residence or other structure, and the use of any Easement Area or Common Area by the Owner or Owners of any Lot, shall be limited to twelve (12) persons at a time regardless of the number of owners of record of the Lot. Such twelve persons shall include married or unmarried adults and all minor children of such family or families. Should fee title ownership be taken by legal entity or more than twelve (12) persons, at the time of the original sale or any transfer thereof, the fee title owners shall designate in writing the persons, not to exceed twelve, who shall have the right to use the owned Lot or any Common Area and who shall have any right to use any portion of the property as Owners. The holder or holders of legal title shall designate in writing the names of persons entitled to use, whether by lease, agreement, or otherwise, the Lot and the Common Areas under this provision; and such designation shall not be changed more than three (3) times in any one calendar year without the express consent of the Association.

(b) Subject to any Rules respecting the number of guests permitted for special occasions or by special permit of the Association and subject to limitations on the use of Private Areas or Common Areas or recreational facilities by guests, including denial of entrance or other privileges of guests who have abused or violated said Rules, the maximum number of guests present at or on the Development at any one time by virtue of permission of the Owner of any one Lot shall not exceed twenty (20) persons; (i.e., the total number of guests allowed on the Development at any one time or day shall not exceed twenty (20) persons for any one Lot). The acts or omissions of any guests shall be deemed the acts or omissions of the Owner or Owners at whose invitation said guests are present to the end that such Owner shall be fully responsible for any violation of the Rules or of this Declaration or of law committed by such guest.

Section 6.02. Annexation.

(a) Until the Turnover Date, additional property may from time to time be annexed to the real property then subject to this Declaration with the written consent of the Class B Voting Member. From and after the Turnover Date, additional property may be annexed with the approval of the Board of the Association and a majority of Class A Voting Members entitled to vote.

(b) Such annexation shall be effective upon the recording in the public records of the County of a notice of annexation containing the provisions set forth in Section 6.02(c) and Section 6.02(d) (hereinafter, "Notice of Annexation"). Thereupon, the covenants, conditions, restrictions and reservations contained in this Declaration shall apply to the annexed land in the same

manner as if it were originally covered by this Declaration; and thereafter, the rights, powers and responsibilities of the parties subject to this Declaration with respect to the annexed land shall be the same as with respect to the original land, and the rights, privileges, duties and liabilities of the Owners of all Lots within the annexed land shall be the same as in the case of the original land.

(c) Such additional property may be used for residential development, recreational use, or any other use which the Developer or Association may deem to be proper for such property and the Development.

(d) The Notice of Annexation referred to in Section 6.02(b) shall contain the following provisions:

(1) A reference to this Declaration, which reference shall state the date of recording thereof and the instrument number of this Declaration as recorded;

(2) A statement that the provisions of this Declaration shall apply to the annexed territory in the manner set forth in Section 6.02(b).

(e) The Notice of Annexation referred to in Section 6.02(b) with respect to all or any portion of the property described in such Notice of Annexation may provide for all or any of the following:

(1) New land uses not provided for in this Declaration and such additional covenants, conditions, restrictions and reservations with respect to the use thereof as the Developer or Association may deem to be proper for the development of such annexed property;

(2) With respect to land uses provided for in this Declaration, such additional or different covenants, conditions, restrictions and reservations with respect to the use thereof as the Developer or Association may deem to be appropriate for the development of such annexed property.

Section 6.03. Conveyance of Common Areas, Reservations of Easements and Rights-of-Way, Reclassification of Land Uses, Assignment of Powers.

(a) Developer may transfer or convey to the Association and the Association shall accept:

(1) Any interest or easement in any Common Area designated as such upon any recorded survey, plot plan or graphic description of the Development; and

(2) Any other easements reserved to Developer under this Declaration.

(3) In addition, the Developer may transfer any other real property or interest in real property to the Association. Such property may be subject to any or all of the following exceptions, liens and encumbrances:

(aa) The lien of real property taxes and assessments not delinquent;

(bb) Such easements and rights-of-way on, over or under all or any part of the Subject Property as may be reserved to Developer or granted to any Owner;

(cc) Such easements and rights-of-way on, over or under all or any part of the Subject Property as may be reserved to Developer or granted to or for the benefit of the United States of America, the State of Georgia, or the County, any other political subdivision or public organization, any public utility corporation, any participating facility, or any area, for the purpose of constructing, erecting, operating and maintaining thereon, therein and thereunder, at that time or at any time in the future (1) roads, streets, walks, driveways, parkways and park areas; (2) poles, wires and conduit for the transmission of electricity for lighting, heating, power, telephone, television and other purposes, and for the necessary attachments in connection therewith; and (3) private sewers, sewage disposal systems, storm water drains, land drains and heating and gas lines or pipes and any and all equipment in connection therewith.

(3) The obligations imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution or regulation of the United States of America, the State of Georgia, the County or any other political subdivision or public organization having jurisdiction over such property or by virtue of any organization or body politic created pursuant to any such statute, law, ordinance or regulation;

(4) Any other lien, encumbrance or defect of title of any kind whatsoever (other than of the type which would at any time or from time to time create a lien upon such property to secure an obligation to pay money).

(b) Prior to the Turnover Date, the Association shall, with respect to any property or interest in property owned or acquired by it and which is not a Common Area, change the classification thereof to "Common Area" upon the affirmative vote of the Class B Voting Member. After the Turnover Date, the Association may, with respect to any property or interest in property owned or acquired by it and which is not Common Area, change the classification thereof to "Common Area" by (i) the unanimous vote of the Board or (ii) the vote and consent of a majority of the Class A Voting Members entitled to vote.

(c) Any and all of the rights and powers vested in Developer pursuant to this Declaration may be delegated, transferred, assigned, conveyed or released by Developer to the

Association, and the Association shall accept the same, effective upon the recording in the public records of the County by the Developer of a notice of such delegation, transfer, assignment, conveyance or release.

Section 6.04. Obligations of Owners. Avoidance. Termination.

(a) No Owner, through his non-use of any Common Area, Private Area or recreational facility, or by abandonment of his Lot or by consolidation of two or more Lots, may avoid or diminish the burdens or obligations imposed on him by this Declaration by virtue of his being an Owner.

(b) Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any assessments levied with respect to such Lot after the date of such transfer and no person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under this Declaration following the date of such termination.

Section 6.05. Maintenance Responsibilities of Owners. Each Owner shall maintain and keep in good repair all structures and improvements on his Lot in a manner consistent with the community-wide standards, this Declaration and all other governing documents. Such maintenance obligation shall include, without limitation, the following: prompt removal of litter and waste; keeping improvements, septic system, roofs and exterior structures and lighting in good working order and repair and neat and clean condition; complying with all governmental health and police requirements; and repair of exterior damage to improvements (except to the extent that responsibility is assumed by the Association herein).

In the event any Owner fails to reasonably maintain his Lot such that the buildings or grounds are in an unclean, unsightly, or unkept condition which shall tend to decrease the beauty of the area in which such Lot is located and the Development as a whole, the Association, or its duly appointed agent, shall, after thirty (30) days' written notice to Owner to clean up and maintain his Lot and failure of Owner to so clean up, be entitled to enter upon and maintain, or provide for the maintenance of, any Lot which is not maintained by the Owner thereof, and assess against such Lot any and all costs for such maintenance and any expense in connection with such maintenance as provided herein.

Section 6.06. Division or Consolidation of Lots. Prior to the Turnover Date, any division of any Lot, modification of Lot boundaries or consolidation of two or more Lots may be effected only with the prior written consent of the Class B Voting Member. After the Turnover Date, any division of any Lot, modification of Lot boundaries or consolidation of two or more Lots may be effected upon the affirmative vote of a majority of the Class A Voting Members entitled to vote thereon at a meeting of the Association.

Section 6.07. Term of Declaration. The covenants, conditions, restrictions and reservations of this Declaration, exclusive of all easements reserved by or on behalf of the Developer or the Association, shall run with and bind the land subject to this Declaration, including any land annexed hereto pursuant to the terms hereof, for a period of twenty (20) years from the date this Declaration is first recorded in the Public Records, after which time the term hereof shall be automatically extended for successive additional terms of twenty (20) years each unless terminated in accordance with the provisions of O.C.G.A. § 44-5-60 or any successor statute.

Section 6.08. Amendments. Until the Turnover Date, this Declaration may be amended at any time and from time to time by a document executed solely by Developer. Thereafter, this Declaration may be amended at any time and from time to time upon the affirmative vote or written consent, or any combination thereof, of 2/3 of the Lot Owners.

Any amendment shall become effective upon the recording with the County Clerk of the instrument evidencing such change unless a later effective date is specified therein. If an Owner consents to an amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any procedural challenge to an amendment must be made within six months of the recording of the amendment or such amendment shall be presumed to have been validly adopted.

Every Owner, by taking record title to a Lot, and each holder of a Mortgage upon any portion of any Lot, by acceptance of such Mortgage, hereby agrees that the terms, provisions, covenants and restrictions of this Declaration may be amended as provided herein.

Section 6.09. Discipline, Suspension of Rights. In addition to all other means of enforcement, the Association may, pursuant hereto, suspend the voting rights and the right of any Owner to use any Common Area or any recreational facilities for any period during which any assessment against his Lot remains unpaid and, for a period exceeding thirty (30) days, for any infraction of this Declaration or of the Rules, after hearing by the Board. In addition, the Association shall have the right to assess a fine for any violation of any of the provisions contained herein, which shall become a lien upon the Lot or Lots of such Owner upon recordation in the public records of the County by the Association of a notice of failure to pay such fine within thirty (30) days of assessment of such fine.

Section 6.10. Enforcement.

(a) Each Owner and Occupant of a Lot shall comply strictly with this Declaration, the Bylaws, the Architectural Standards and the Rules of the Association, as any of the same may be amended from time to time. Any lack of such compliance shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in any proper case, by one or more aggrieved Owners, on their own behalf or as a class action. Inasmuch as the enforcement of the provisions of this Declaration, the Bylaws, the Architectural Standards and the Rules of the Association is essential for the

effectuation of the general plan of the Development and for the protection of present and future Owners, it is hereby declared that any breach thereof cannot be adequately compensated by recovery of damages, and that the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or threatened violation or breach.

(b) Consistent with Section 6.09 hereof, the Association shall have the right to suspend an Owner's voting rights and to suspend an Owner's right to use the Common Area and to terminate any services provided or paid for by the Association for any period during which any assessments or other charges owed to the Association remain unpaid, and, for any violation of any provision of this Declaration, the Bylaws, the Architectural Standards or the Rules of the Association, for the duration of the infraction and for an additional period not to exceed thirty (30) days; provided, however, that no such suspension of use or termination of service shall deny any Lot Owner or occupant access to the Lot owned or occupied, or cause any hazardous or unsanitary condition to exist. All expenses incurred by the Association as a result of or in connection with the termination or reinstatement of any services pursuant to this provision shall be an assessment and a lien against the Lot collectible as provided in Section 5.06 hereof.

(c) In the event of any failure to comply strictly with this Declaration, the Bylaws, the Architectural Standards or the Rules of the Association, the Board of Directors may, in addition to exercising the other remedies provided for herein, levy fines against the Owner or Occupant for such failure in an amount which the Board, in its sole discretion, determines to be reasonable under the circumstances. Each day or time a violation is continued or repeated after written notice is given to the Owner or Occupant to cease and desist shall be considered a separate violation. All fines shall be an assessment and a lien against the Lot collectible as provided in Section 5.06 hereof.

(d) In addition to all other remedies set forth herein, the Association, or any duly authorized agent thereof, shall, after seven (7) days written notice, have the right to enter upon any portion of the Lot where a violation exists and summarily abate or remove, at the expense of the violating Owner, using such force as may be reasonably necessary, any erection, thing or condition that may be or exist contrary to the intent and meaning of the provisions of this Declaration, the Bylaws, the Architectural Standards or the Rules of the Association; provided, however, that no notice shall be required in cases of emergency. If a violation continues or is repeated after written notice is given, no additional notice shall be required prior to exercising the right of abatement provided for herein. Notwithstanding the foregoing, the Association shall have the right to immediately tow or boot, at the Owner's expense, without any additional notice or period in which to correct such violation, any improperly parked or prohibited vehicle as identified herein or within the Bylaws, Design Standards or Rules and Regulations of the Association. Neither the Association, nor its agents, shall be deemed guilty or liable for any manner of trespass for such entry, abatement or removal. All costs and expenses incurred pursuant to this paragraph shall be an assessment and a lien against the Lot collectible as provided in Section 5.06 hereof.

(e) Should the Association employ legal counsel to enforce this Declaration, the Bylaws, the Design Standards or the Rules and Regulations of the Association, all costs incurred in

such enforcement, including reasonable attorney's fees actually incurred, shall be paid by the violating Owner and shall be an assessment and a lien against the Lot collectible as provided in Section 5.06 hereof.

(f) No delay, failure or omission on the part of the Association or any aggrieved Owner in exercising any right, power or remedy shall operate as a waiver or bar or otherwise affect its right to exercise or enforce any right, power or remedy provided for herein. No right of action shall accrue nor shall any action be brought or maintained by anyone whomsoever against the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach of the provisions of this Declaration, the Bylaws, the Design Standards or the Rules and Regulations, however long continued, or for adopting provisions which may be deemed unenforceable.

(g) The Board shall have the right to record in the appropriate land records a written notice of any violation of the Declaration, the Bylaws, the Design Standards or the Rules and Regulations of the Association and to assess the cost of recording and removing such notices against the Owner who is responsible or whose Occupants are responsible for violating the foregoing.

Section 6.11. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall, in no way, affect any other provisions which shall remain in full force and effect.

Section 6.12 Notices, Documents, Delivery. Any notice or other document permitted or required by this Declaration to be delivered may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows:

TO: The Developer, Association or the Design Committee	1150 Arbor Acres Farm Road Blairsville, Georgia 30512
TO: Owner	At the address of Purchaser shown in the Contract for Sale and Purchase

provided, however, that any such address may be changed from time to time by an Owner, by the Design Committee, or by Developer by notice in writing, delivered to the Association; or by the Association, by notice in writing delivered to all Owners.

Section 6.13. Construction and Sale Period. Notwithstanding any provisions contained in this Declaration, the By-Laws, Articles, Development Rules, and any Design Committee guidelines, as well as any amendments thereto, prior to the Turnover Date, it shall be expressly permissible for Developer and any builder approved by Developer to maintain and carry on, upon such portion of the Development as Developer may deem necessary, such facilities and activities as in the sole opinion of Developer may be required, convenient, or incidental to Developer's and such builder's

development, construction, and sales activities related to the Subject Property, including, without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Subject Property; the right to tie into any portion of the Subject Property with driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Subject Property; the right to carry on sales and promotional activities in the Subject Property, including the right to keep gates open during sales office hours; and the right to construct and operate business offices, signs, construction trailers, model residences, and sales offices on the Subject Property. Developer and any such builder may use residences or offices owned or leased by Developer or such builder as model residences and sales offices.

Section 6.14. Agreements. Subject to the prior written approval of the Class B Voting Member, or, if the Class B Voting Membership has already been terminated at such time, subject to the affirmative vote of a majority of the Class A Voting Members, all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development.

Section 6.15. Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the By-Laws, Articles, any Development Rule, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association therein or reasonably necessary to effectuate any such right or privilege.

Section 6.16. Variances. Notwithstanding any other provision herein to the contrary, the Board or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the By-Laws, Articles and any Development Rule, if the Board determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Development.

Section 6.17. Use of Recreational Facilities By Nonmembers.

(a) Prior to the Turnover Date, Developer shall have the right to grant to persons who are not members of the Association the right to use the Development recreational facilities constructed by Developer. The extent and duration of any such nonmember use of the Development recreational facilities and the fee to be charged therefore shall be determined solely by Developer. For so long as Developer owns such recreations facilities, nonmember user fees shall be paid to Developer. If such recreational facilities are conveyed to the Association, nonmember user fees due and payable after the date of such conveyance shall be paid to the Association. The Board shall determine the amount of nonmember user fees which are due and payable after such conveyance. Such fees shall be paid annually to the Association. Any use right granted to nonmembers which extends beyond the Turnover Date shall be valid and may not be terminated by the Association so

long as the reasonable terms and conditions imposed upon nonmember use by the Board are complied with by the nonmember user.

(b) Developer hereby expressly reserves unto itself, its successors and assigns, a non-exclusive, perpetual right, privilege and easement with respect to the Development for the benefit of Developer, its successors, assigns and the above referenced nonmember users, over, under, in and/or on the Subject Property (including, without limitation, the above described recreational facilities), for the purposes of taking all actions related to or connected with the granting of such nonmember use. Such right, privilege and easement shall include, without limitation, the right of access, ingress, use and egress of and to the Subject Property and the Development recreational facilities and the right of access, ingress, use and egress for vehicular and pedestrian traffic over, under, on or in the Development roads, parking areas and walkways.

(c) Developer shall not be liable for and is hereby held harmless from any failure of any nonmember to pay a nonmember user fee to the Association where required to do so by this Section 6.17. In such case, the Association's sole remedy shall be to suspend the use right of the nonmember who has not timely paid until all amounts owed are paid. Developer and the Association shall not be liable for and is hereby held harmless from any personal injury or property damage caused by a nonmember entitled to use the Development recreational facilities constructed by Developer.

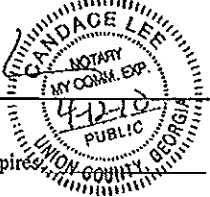
[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, Developer and Association have caused this Declaration to be executed by their duly authorized officers on the day and year first above written.

Signed, sealed and delivered in the presence of:

Beth Cline
Unofficial Witness

[Signature]
Notary Public
My Commission Expires: 4-12-10



DEVELOPER:

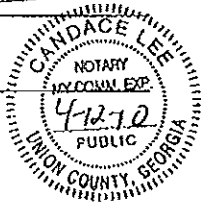
ARBOR LAND GROUP, LLC, a Georgia limited liability company,

By: Joseph Earl Sullivan
Joseph Earl Sullivan, Manager

Signed, sealed and delivered in the presence of:

Beth Cline
Unofficial Witness

[Signature]
Notary Public
My Commission Expires: 4-12-10



ASSOCIATION:

THE ARBOR COMMUNITY ASSOCIATION, INC.

By: Joseph Earl Sullivan
Joseph Earl Sullivan, President

EXHIBIT "A"

LEGAL DESCRIPTION

All that tract or parcel of land lying and being in Land Lots 228, 229, 240 and 241 of the 9th District, 1st Section of Union County, Georgia and being all of the property shown on that certain Final Plat for The Arbor, Phase I, as recorded in Plat Book 60, Pages 153-154, Union County, Georgia Records.

EXHIBIT "B"

ARCHITECTURAL STANDARDS

The following standards and restrictions are applicable to the construction, reconstruction, alteration and refinishing of any and all improvements from time to time existing upon Private Areas:

1. Each Lot may contain only one (1) single family residence.
2. All improvements shall be constructed in accordance with applicable building line, setback, and height provisions set forth by the Design Committee.
3. All improvements shall be constructed in such a fashion as to comply, at a minimum, with all applicable building and fire codes of the State, the County, and any applicable local jurisdiction.
4. All builders must be approved by the Design Committee prior to obtaining a building permit. Issues for consideration will include construction experience, financial strength, quality of construction and general reputation in the community. Each builder will be required to execute an agreement to be bound by and honor the rules and regulations of the Development and any specific construction rules or regulations required by the Design Committee.
5. Each single family residence must contain a minimum of 2,200 square feet of heated floor space and for Dwellings containing more than one (1) level, a minimum of 1,800 square feet of heated floor space on the main level. Each single-family residence may contain a maximum of 4,500 square feet of heated floor space.
6. The design of each residence shall be approved by the Design Committee, with exterior surfaces consisting of primarily stone, brick, stucco or hardiboard. Vinyl siding is prohibited, unless it is used for vinyl exterior accenting, soffits, or gable ends.
7. The roof pitch on all Dwellings shall meet or exceed a slope of 8:12.
8. All Dwellings shall have an attached and enclosed two (2) car garage with a like or similar exterior finish as the Dwelling. Should the topography on any Lot be restrictive in a manner as to not allow feasible construction of a two (2) car garage, the Developer reserves the right to amend this item. Any or all amendments shall be supported by the submission of a site plan for the Dwelling. No conversion of garage space to living space shall be permitted.
9. Octagonal, round and A-frame structures shall not be permitted.
10. Any fireplace chimney must be of stone or brick in appearance.

11. No fences may be installed but with prior approval of the Design Committee. All fences, screens and similar exterior structures shall be constructed solely of wood, or a suitable wood substitute approved by the Design Committee.

12. Utilities must be run underground. No gas lines are permitted above ground. Propane tanks must be underground.

13. Each residence shall contain its own septic tank or a sewage disposal system approved by the Design Committee and the public authority, if any, having jurisdiction. In no event shall sewage be discharged directly or indirectly into any creek or marsh.

14. Owner may not construct any fences, pens, runs or other means for containing an animal while on the Owner's Lot; provided, however, that Owner may use an invisible fence system with a shock collar on the animal to keep such animal on the Owner's Lot.

15. If water tap-on fee and/or meter fee has been paid or advanced by Developer, Owner must reimburse the same at Closing.

16. No television antenna, radio receiver or sender, or other similar device shall be attached to or installed on the exterior portion of any structure on any Common Area. An Owner may, however, install a satellite dish antenna no larger than eighteen (18) inches in diameter to the exterior of his house in order to receive cable T.V., provided that the placement of the antenna shall be such that it is not visible from the street, and so long as Owner receives the prior written approval of the Design Committee.

17. No recreational and playground equipment shall be placed or installed on any Lot which is visible from the street abutting such Lot. The Design Committee must approve all basketball poles. Above-ground swimming pools are strictly prohibited. Subject to the foregoing, recreational and playground equipment, and in-ground swimming pools as may be approved by the Design Committee may be constructed on a Lot; provided, however, that the Design Committee shall have the right to approve or disapprove the plans and specifications for any such structure or pool to be erected on any Lot, and construction of such structure or pool may not be commenced until complete and final plans and specifications shall have been submitted to and approved by the Design Committee.

18. No house trailer, motor home, travel trailer, camper, truck-camper, recreational vehicle of any type, permanent tent, boat, boat trailer or like equipment shall be placed on or be permitted on any Lot on a permanent basis, but shall be allowed on a temporary basis not to exceed seven (7) consecutive days unless otherwise extended by the express written approval of the Design Committee.

19. No mobile home, modular home, metal buildings, factory manufactured homes, accessory structure or building, or similar facility or Structure shall be constructed, kept, placed or

maintained, temporarily or permanently, upon any Lot or Common Area at any time for working, living or camping, unless approved by the Design Committee; provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during, and used exclusively by Developer or contractors in connection with the approved construction of the residence or any work or improvement permitted thereon. No temporary shelters, tents, recreational vehicles, etc., may, at any time, be used as temporary or permanent residences or commercial facilities or be permitted to remain on any portion of the Lot after completion of construction thereon. Nothing contained herein shall preclude the use of pre-manufactured structural systems, such as roof trusses, joint systems, etc., which are specifically designed as separate parts and components to be shipped to the construction site for use or erection as an integral part of on-site construction.

20. No signs whatsoever shall be installed, erected, altered or maintained on any portion of the Property except (i) such signs as may be required by legal proceedings; (ii) such signs as are erected and/or maintained by the Association; (iii) directional signs for vehicular or pedestrian safety as are approved by the Design Committee; (iv) not more than one (1) "For Sale" or "For Rent" sign, provided no such sign be larger than four (4) square feet in area; and (v) such other signs, including but not limited to name and address signs and security company signs, as may be expressly approved in writing, from time to time by the Design Committee. All signs as are permitted by this subsection shall be subject to such guidelines and any Rules of the Association as may be adopted from time to time by the Design Committee, governing the size, location, materials and appearance of such signs.

21. No Lot shall be further subdivided, except to add a portion or portions thereof to an adjoining Lot and without creating a new Lot for residential building purposes. Any such recombined Lot shall be considered as one Lot subject to the terms and conditions of this Declaration. In addition, no Lot shall be used as roadway access or utility access to any other development, and or property, however the Developer shall retain exclusive rights to grant access to adjoining property.

22. All finished driveways shall be surfaced with asphalt or concrete. During the construction period of Dwellings all driveways, temporary or permanent, shall be graded or graveled so as to prevent sediment from being washed or transported onto the Roads. No parking will be allowed on the Roads except during the construction period of Dwellings, etc., on a temporary basis as long as traffic can flow unimpeded. Any damage to the Road surface or shoulders shall be the responsibility of the Lot Owner to repair to the satisfaction of the Developer.

23. When the construction of any Dwelling begins, work thereon must proceed diligently and the execution thereof shall be completed within one (1) year after the construction commences, except where fire or other natural casualty makes completion impossible within the one (1) year period. In the event of fire or other casualty causing damage to a structure, such damage shall be repaired, or such structure shall be removed (including debris) within six (6) months from the date thereof. No outbuilding, garage, shed tent, travel trailer, or temporary building of any kind shall be

erected prior to commencement of the erection of a Dwelling, as is permitted hereby, and no outbuilding, garage, shed, tent, travel trailer, basement, or temporary building shall be used for permanent residence purposes; provided that this paragraph shall not be deemed or construed to prevent the use of a temporary construction shed, or travel trailer during the period of actual construction of any residential structure on such property, nor the use of adequate sanitary toilet facilities for workmen which may be provided during such construction. All building debris shall be cleaned up and removed from the Lot and all removal of excess dirt, leveling and terracing and other finish grading work must be completed within thirty (30) days from completion of the Dwelling. All driveways shall be paved within sixty (60) days from the completion of the exterior of the residential Dwelling. In the event weather conditions do not reasonably permit paving within said period of time, such paving shall be completed as soon as reasonably practical, but at least within six (6) months of completion of the exterior. At all times relevant to the construction of any Dwelling or other structure, Developer is expressly held harmless of any acts or omissions which cause damage or injury to anyone or anything within the Development or any act or omission which begins an event which does damage or cause injury to anyone or anything off the Development.

24. Any portion of a Lot, which, by land disturbing activity, has been altered from its natural state, shall be landscaped. Landscaping shall include shrubs, trees, grass, and other like vegetative plantings and shall be kept maintained, properly cultivated and free of trash debris and other unsightly material. Landscaping shall be installed no later than thirty (30) days following the completion of any residential structure or other land disturbing activity.

25. No business or commercial activity which solicits the presence of the general public for the purpose of purchasing goods or services shall be conducted on or from any Lot. Provided, however, that nothing contained herein shall prohibit the Developer, its agents, successors, or assigns, or any Lot Owner, from constructing one or more single family residences (in accordance with these covenants and restrictions) for the purpose of sale thereof, or as a model, and exhibiting the same, or inviting prospective purchasers to the same for the purpose of making such sale; nor shall the Developer or any Lot Owner be prohibited from exhibiting any unimproved Lot, or inviting prospective purchasers thereto, for the purpose of selling such Lot(s).

26. It shall be the responsibility of each Lot Owner to prevent the development of a noxious, unclean, unsightly, or unkept condition of any Dwelling or grounds on said Owner's Lot which substantially decreases the beauty of the Development as a whole or of a specific area; provided, however, that conditions which are normal, usual or customary to similar construction shall be permitted during the actual period of construction or improvements on any Lot. Unimproved Lots shall be kept in a reasonably neat fashion and bushhogged or mowed at least bi-annually. The Developer reserves the right to perform said mowing or bushhogging if the Owner does not and the Lot Owner shall pay a normal and reasonable fee for this mowing.

EXHIBIT "C"

DEVELOPMENT RULES

1. No improvement, excavation, or other work which in any way alters any Lot from its natural or improved state existing on the date such Lot was first conveyed in fee by Developer to an Owner, including, without limitation, the placement of any Structure, shall be made or done except upon strict compliance with the restrictions set forth herein.

2. Each Lot shall be used exclusively for single-family residential purposes only and no other purpose. No Lot shall at any time be used for any commercial, business or professional purpose. Notwithstanding the foregoing, however, nothing set forth in this section shall prohibit: (i) Developer or a builder from conducting such sales, leasing or promotional activities on any Lot as Developer shall determine; or (ii) the Owner of any Lot from using a portion of a building located on such Lot as an office, provided that such use does not create regular customer, client or employee traffic to and from such Lot and no sign, logo, symbol or nameplate identifying such business is displayed anywhere on such Lot.

3. No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, without the prior written approval of the Design Committee of plans and specifications for such split, division or subdivision.

4. Each Lot, and any and all improvements from time to time, as well as any landscaping located thereon, shall be maintained by the Owner thereof in good condition and repair, at such Owner's sole cost and expense.

5. No noxious, offensive or illegal activity shall be carried on upon any Lot, nor shall anything be done or placed thereon which may be reasonably considered to be or become a nuisance, disturbance, or annoyance, or cause unreasonable embarrassment to other Owners in the enjoyment of their Lots, or in their enjoyment of any Common Area. In determining whether there has been a violation of this paragraph, recognition must be given to the premise that Owners, by virtue of their interest and participation in the Development, are entitled to the reasonable enjoyment of the natural benefits and surroundings of the Development.

6. No signs whatsoever, including without limitation, commercial, political, "for-sale" and similar signs, visible from any street or neighboring property, shall be erected or maintained upon any Lot or Common Area, except:

(a) Residential identification signs of a combined total face area of three square feet or less for each residence approved by the Design Committee.

(b) During the time of construction of any residence or other improvement, job identification signs having a maximum face area of six square feet per sign and of the type usually employed by contractors, subcontractors and tradesmen.

7. No trailer, vehicle, or boat shall be constructed, reconstructed or repaired upon any Lot in such manner that such construction, reconstruction or repair is visible from any street or any neighboring property; provided, however, that the provisions of this paragraph shall not apply to routine repairs and maintenance of such vehicles that shall take no more than forty-eight hours to complete.

8. All garbage, trash and rubbish shall be placed and kept in covered containers. In no event shall such containers be maintained so as to be visible from any street or any neighboring property; provided, however, that such containers may be placed at the curb on the morning of the day of collection, if required.

9. Outside clothesline or other outside clothes drying or airing facilities shall not be visible from any street or any neighboring property.

10. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot or within any Dwelling, provided, however, up to four (4) domesticated, household pets, may be maintained in or upon any Lot, provided they are not kept, bred or maintained for any commercial purpose and do not endanger the health, safety or welfare, or unreasonably disturb the Owner or occupant of any Lot within the Development. Any such pets must be regularly sheltered and kept inside a personal residence. No outside animal runs, pens, kennels or other such shelters or enclosures shall be allowed. All household pets of any type, including cats, must be maintained on a leash at all times when outside, unless contained with a fenced area. All Owners must clean up any animal feces deposited by Owner's pet or Owner's guest's pet. All pets of any type, including cats, must be kept inside the Owner's residence at night. No animal determined to be dangerous, in the Board of Director's sole and absolute discretion, may be brought onto or kept on the Property at any time. The Board of Director may have removed by the local authorities, without notice to the animal's owner, any animal that presents an immediate danger to the health, safety or property of any person. Each Owner who keeps an animal on the Property agrees to indemnify and hold the Association and its directors, officers and agents harmless from any loss, claim or liability of any kind whatsoever arising by reason of such animal.

11. No outdoor fire shall be built within the Common Area except in areas designated by the Association or Developer.

12. No leaves, trash, garbage or other similar debris shall be burned except as permitted by the Association or Developer.

13. The speed limit on all Roads in the development shall be twenty-five (25) miles per hour.

14. No dirt bikes, go-carts, four-wheel all-terrain-vehicles or motorcycles less than 1000cc shall be permitted to be operated in the Development unless authorized by Developer or Association.

15. No discharge of firearms or any other weapons shall be permitted in the Development except in areas specifically designated for such purposes.

16. No Trees, shrubs, evergreens, flowering trees, or natural ground cover shall be removed without the express consent of the Board or its designee, except for (a) diseased or dead Trees, shrubs, evergreens, flowering trees, or natural ground cover; (b) Trees needing to be removed to promote growth of other Trees or for safety reasons; and (c) Trees, evergreens or flower trees within ten (10) feet of the residence, driveway, walkways and septic field constructed or to be constructed on the Lot.

17. No fence or fencing-type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Development, including any Lot, without the prior written consent of the Design Committee. The Design Committee may issue guidelines detailing acceptable fence styles or specifications, but in no event shall a chain link fence be permitted. The foregoing prohibition shall not, however, apply to chain link fences installed by or on behalf of Developer in connection with Development recreational facilities, if any, constructed by or on behalf of Developer.

18. No window air conditioning units may be installed in any structure.

19. Except for seasonal Christmas decorative lights, all exterior lights must be approved by the Design Committee.

20. No artificial vegetation shall be permitted on the exterior of any property. Exterior sculpture, fountains, flags, and similar items must be approved by the Design Committee.

21. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Design Committee.

22. No above ground swimming pools shall be erected on any Lot, except for temporary, children play pools of less than one hundred gallons for a time period of not more than ten (10) days.

23. No vehicle may be parked on any area other than paved driveway, garage or parking pad. No more than four vehicles may be parked or maintained on any Lot, of which no more than

two (2) may be regularly parked outside of a garage. No vehicles or automobiles may be regularly parked overnight on any Road, except for vehicles operated by intermittent or periodic visitors, but in no event longer than two (2) weeks in any given calendar year. No wrecked or unlicensed vehicle, utility trailer, camper trailer, boat or personal watercraft, recreation vehicle, junk or household appliances shall be kept or stored on a Lot, unless enclosed within the garage so as to not be subject to view by Lot Owners or from the Roads.

24. No conversion of garage space to living space shall be permitted.

25. No Lot shall be further subdivided, except to add a portion or portions thereof to an adjoining Lot and without creating a new Lot for residential building purposes. Any such recombined Lot shall be considered as one Lot subject to the terms and conditions of this Declaration. In addition, no Lot shall be used as roadway access or utility access to any other development, and or property, however the Developer shall retain exclusive rights to grant access to adjoining property.

26. No transmission antenna of any kind may be erected anywhere on a Lot without the prior written consent of the Design Committee. No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one (1) meter in diameter may be placed, allowed or maintained upon any Lot. A DBS or MMDS antenna one (1) meter or less in diameter or television broadcast service antenna may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association as authorized by the FCC, as both may be amended from time to time.

27. The leasing of Lots shall be governed by the restrictions imposed herein. Any Owner of a Lot may apply in writing to the Board to be a "Leasable Lot" (which shall mean a Lot authorized to be leased). Upon approval of such written application, the Lot shall become a Leasable Lot. Leasing which is authorized hereunder shall be governed by the following provisions:

(i) Notice. At least seven (7) days prior to entering into the lease of a Lot, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease. In the event a lease is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with the Declaration and any rules and regulations adopted pursuant thereto.

(ii) General. Leasable Lots may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. There shall be no subleasing of Leasable Lots or assignment of leases without prior written approval of the Board. All leases must be for an initial term of not less than one (1) year, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship. Within ten (10) days after executing a lease agreement for the lease of an Improved Lot, the Owner shall provide the Board with a copy of

the lease and the name of the lessee and all other people occupying the Lot. The Owner must provide the lessee copies of the Declaration, Bylaws and the rules and regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

(iii) Liability for Assessments and Compliance with Declaration, Bylaws and Rules and Regulations. Each Owner covenants and agrees that any lease of an Improved Lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenants and incorporation of the following language into the lease:

(aa) Compliance with Declaration, Bylaws and Rules and Regulations. Any violation of the Declaration, Bylaws or rules and regulations adopted thereto by the lessee, and Occupant, or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf of and for the benefit of the Owner, in accordance with the terms hereof. If the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs associated with the eviction shall be an assessment and lien against the Leasable Lot.

(bb) Liability for Assessment. When a Lot Owner who is leasing his or her Lot fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payment to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor.

28. The Board may modify, amend or grant variances to these Rules or any situations such as during construction period as the Board may determine it its sole discretion.

EXHIBIT "D"

BYLAWS OF THE ARBOR COMMUNITY
ASSOCIATION, INC.

ARTICLE I

NAME, MEMBERSHIP, APPLICABILITY, AND DEFINITIONS

Section 1.01 Name. The name of the Association shall be The Arbor Community Association, Inc., (hereinafter sometimes referred to as the "Association").

Section 1.02 Membership. The Association shall have two classes of membership, as is more fully set forth in that Declaration of Protective Covenants for the Development, (such Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

Section 1.03 Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

ARTICLE II

ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

Section 2.01 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the board of directors of the Association (hereinafter, the "Board" or "Board of Directors"), either in the Development or as convenient thereto as possible and practical.

Section 2.02 First Meeting and Annual Meetings. An annual or special meeting shall be held within one (1) year from the date the Declaration is recorded. Annual meetings shall be set by the Board so as to occur not less than sixty (60) days nor more than one hundred and twenty (120) days before the close of the Association's fiscal year. If the day for the annual meeting of the

members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday (excluding Saturday and Sunday).

Section 2.03 Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by the Class B Voting Member, or, if the Class B Voting Membership is then terminated, by a resolution of a majority of the Board of Directors or upon a petition signed by at least twenty-five (25%) percent of the Class A Voting Members entitled to vote. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at the special meeting, except as stated in that notice.

Section 2.04 Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of record of each Lot a notice of each annual or special meeting of the Association stating the purpose of the special meeting, as well as the time and place where it is to be held. If an Owner wishes notice to be given at an address other than his or her Lot, he or she shall have designated by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten (10) or more than thirty (30) days before a meeting.

Section 2.05 Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 2.06 Adjournment of Meetings. If any meetings 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 (five) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.07 Voting. The voting rights of the members shall be as set forth in the Declaration, and such voting rights are specifically incorporated herein.

Section 2.08 Proxies. At all meetings of members, each Voting Member may vote in person or by proxy. All proxies shall be in writing, dated and filed with the secretary of the Association (hereinafter, the "Secretary") before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 2.09 Quorum. The presence, in person or by proxy, of the Class B Voting Member, or, if the Class B Voting Membership has then terminated, by twenty-five (25%) percent of the Class A Voting Members entitled to vote, shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

ARTICLE III

BOARD OF DIRECTORS: COMPOSITION AND SELECTION

Section 3.01 Governing Body: Composition. The affairs of the Association shall be governed by a Board of the Directors. Except as provided in Section 3.02, the directors must reside in the Development and shall be members or spouses of such member; provide, however, no Person and his or her spouse may serve on the Board at the same time.

Section 3.02 Directors Appointed by Developer. Subject to Section 3.05, Developer shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Developer such authority to appoint and remove directors and officers of the Association. The directors and officers selected by the Developer need not be Owners or residents in the Development. The names of the initial directors selected by the Developer are set forth in the Articles of Incorporation of the Association.

Section 3.03 Number of Directors. The Board shall consist of not less than three (3) nor more than five (5) members, as provided in Section 3.05. The initial Board of Directors shall consist of three (3) members and such initial members of the Board shall be Earl Sullivan, Bill Holt and Gina Sullivan.

Section 3.04 Nomination of Directors. Elected directors shall be nominated from the floor and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Members and to solicit votes.

Section 3.05 Election and Term of Office. Notwithstanding any other provision contained herein:

(a) At the next annual meeting after the date on which persons other than Developer or a developer or builder holding title solely for purposes of development and resale own one hundred (100) Lots, or at a special meeting called by the Developer for such purpose, the Board of Directors shall be increased to four (4) members and the Class A Members shall elect one (1) of the four (4) Directors. The existing Board of Directors may nominate candidates to serve in such capacity. The

remaining three (3) directors shall be appointed by Developer. The director elected by the Class A Voting Members shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If the term of such director elected by the Class A Voting Members expires prior to the happening of the event described in subsection (b), a successor shall be elected by the Class A Voting Members for a like term.

(b) At the next annual meeting after the date on which Persons other than Developer or a developer or builder holding title solely for purposes of development and resale own one hundred twenty five (125) Lots, or at a special meeting called by the Developer for such purpose, the Board of Directors shall be increased to five (5) members and the Class A Voting Members shall elect two (2) of the five (5) directors. The existing Board of Directors may nominate candidates to serve in such capacity. The remaining three (3) directors shall be appointed by Developer. The two (2) directors elected by the Class A Voting Members shall be elected for a term of two (2) years or until the happening of the event described in subsection (c) below, whichever is shorter. If the term of such two (2) directors elected by the Class A Voting Members expires prior to the happening of the event described in subsection (c), successors shall be elected for like terms.

(c) Within thirty (30) days after the Turnover Date, the Board of Directors shall call a special meeting at which the Class A Voting Members shall elect all five (5) directors. The existing Board of Directors may nominate candidates to serve in such capacity. The term of directors shall expire at the next annual meeting. At the expiration of the term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of one (1) year. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

(d) At each annual meeting of the membership thereafter, directors shall be elected to succeed those directors whose terms are expiring. The existing Board of Directors may nominate candidates to serve in such capacity. All eligible Voting Members of the Association shall vote on all directors to be elected, and the candidate(s) receiving the most votes shall be elected. Directors may be elected to serve any number of consecutive terms. Cumulative voting shall not be allowed.

Section 3.06 Removal of Directors. At any regular or special meeting of the Voting Members of the Association, any one or more of the members of the Board of Directors may be removed, with or without cause, by the Class B Voting Member, or, if the Class B Voting Membership has already been terminated at such time, by a two thirds (2/3) majority of the Class A Voting Members, and a successor may then and there be elected to fill the vacancy thus created.

Section 3.07 Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Class A Voting Members, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each director so selected shall serve the unexpired portion of the term of his predecessor.

ARTICLE IV

BOARD OF DIRECTORS; MEETINGS

Section 4.01 Organization Meetings. The first meeting of the members of the Board of Directors following each annual meeting of the membership shall be held within then (10) days thereafter at such time and place as shall be fixed by the Board.

Section 4.02 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

Section 4.03 Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a Person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph company shall be given at least forty-eight (48) hours before the time set for the meeting.

Section 4.04 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 4.05 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time that the original

meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 4.06 Compensation. No director shall receive any compensation from the Association for acting as such unless approved by the Class B Voting Member, or, if the Class B Voting Membership has then terminated, by the majority of Class A Voting Members entitled to vote; provided, directors shall be entitled to reimbursement for expenses incurred on behalf of the Association if approved by a majority of the Board of Directors.

Section 4.07 Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

Section 4.08 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, 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.

Section 4.09 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors.

ARTICLE V

BOARD OF DIRECTORS; POWERS AND DUTIES

Section 5.01 Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

(c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association, including but not limited to: (a) all entry features to the Property, including any electrical and irrigation systems; (b) all streets, parking areas (other than driveways) and sidewalks within the Property; (c) all landscaping, irrigation systems or other improvements installed by Developer or the Association in the Common Areas; (d) all storm water detention or drainage facilities, open spaces and the PVC yard drains and pipes serving the Property; and (e) all recreational facilities located on the Common Areas.

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association.

(f) making and amending use restrictions and rules and regulations;

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

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

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

(j) paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;

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

(l) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominiums, or other association. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

Section 5.02 Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors shall authorize. The Developer or an affiliate of the Developer may be employed as managing agent or manager. The term of any management agreement shall not exceed one (1) year and shall be

subject to termination by either party, without cause and without penalty, upon ninety-(90) days; written notice.

Section 5.03 Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Property and facilities without the approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed Ten Thousand (\$10,000.00) Dollars outstanding debt at any time.

Section 5.04 Fining Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and
- (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a fine, if the violation is not continuing. The Board or its designee may demand immediate abatement in such circumstances which, in the Board's determination, pose a danger to safety or property.

(b) Notice. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board may, upon notice, impose a fine. The notice shall state:

- (i) the nature of the alleged violation;
- (ii) that the alleged violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine;
- (iii) that any statements, evidence, and witnesses may be produced by the alleged violator at the hearing; and
- (iv) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

(c) Hearing. If a hearing is requested, it shall be held before the Board in executive session, and alleged violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

ARTICLE VI
OFFICERS

Section 6.01 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two (2) or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

Section 6.02 Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 6.03 Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

Section 6.04 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 6.05 Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 6.06 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Georgia law.

Section 6.07 Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors.

Section 6.08 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

UNION COUNTY, GEORGIA
FILED & RECORDED November 20
20 07 AT 4:00 P. M.
RECORDED IN BOOK 736 PAGE 232-292
Allen Conley S.C.C.

ARTICLE VII
COMMITTEES

Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Fiscal Year. The fiscal year of the Association shall commence on July 1 and end on June 30 of each calendar year or as otherwise determined by resolution of the Board.

Section 8.02 Parliamentary Rules: Roberts Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the Person presiding over the proceeding.

Section 8.03 Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Georgia law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 8.04 Amendment. The provisions of the Declaration applicable to amendment of that instrument shall apply to any amendment of that instrument shall apply to any amendment to these By-Laws.

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