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DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
PARKWOOD COMMONS

THIS INSTRUMENT ESTABLISHES A MANDATORY MEMBERSHIP HOMEOWNERS
ASSOCIATION PURSUANT TO THE PROVISIONS OF THE GEORGIA PROPERTY
OWNERS' ASSOCIATION ACT, O.C.G.A. 44-3-220, *ET SEQ.*

DECLARATION OF PROTECTIVE COVENANTS
 CONDITIONS, RESTRICTIONS AND EASEMENTS
 FOR
 PARKWOOD COMMONS
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CONSENT FORM A
CONSENT FORM B

EXHIBIT "A" - PROPERTY SUBMITTED TO THIS DECLARATION OF PROTECTIVE COVENANTS
UPON FILING IN THE PUBLIC RECORDS

EXHIBIT "B" - BYLAWS OF PARKWOOD COMMONS HOMEOWNERS' ASSOCIATION, INC.

DECLARATION OF PROTECTIVE COVENANTS
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
PARKWOOD COMMONS

THIS DECLARATION is made on the date hereinafter set forth by the undersigned owners of property in Parkwood Commons (hereinafter sometimes collectively called "Declarants");

W I T N E S S E T H

WHEREAS, Declarants are the Owners of the real property described in Section 2.1 of this Declaration; and

WHEREAS, Declarants desire to subject the real property described in Section 2.1 hereof to the provisions of this Declaration to create a property owners' development in accordance with the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220, *et seq.*, (the "Act") and to provide for the subjecting of other real property to the provisions of this Declaration;

NOW, THEREFORE, Declarants hereby declare that the real property described in Section 2.1 of this Declaration, including the improvements constructed thereon, is hereby subjected to the provisions of this Declaration and the Act and shall be held, sold, transferred, conveyed, used, occupied and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments and liens, hereinafter set forth, and the provisions of the Act, for the purpose of protecting the value and desirability of and which shall run with the title to, the real property hereby and hereafter made subject hereto and shall be binding on all persons having any right, title or interest in all or any portion of the real property now or hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title and assigns and shall inure to the benefit of each and every Owner of all or any portion thereof.

Article 1
Definitions

The following words, when used in this Declaration or in any Supplementary Declaration, shall have the following meanings:

1.1 "Act" means the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220, *et seq.* as amended from time to time.

1.2 "Association" means Parkwood Commons Homeowners' Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

1.3 "Board of Directors" or "Board" means the appointed or elected body of the Association, vested with the authority to manage the affairs of the Association under Georgia corporate law.

1.4 "Bylaws" means the Bylaws of Parkwood Commons Homeowners' Association, Inc., attached to this Declaration as Exhibit "B" and incorporated herein by this reference as may be amended from time to time.

1.5 "Common Property" means any and all real and personal property, including, without limitation, easements and other interests therein, and the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners.

1.6 "Community" refers to Parkwood Commons subdivision located in Cobb County, Georgia as shown on the subdivision plats for Parkwood Commons recorded with the Clerk of the Superior Court of Cobb County, Georgia; said plats are described on Exhibit "A" hereof and by this reference are incorporated herein and made a part hereof.

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

1.8 "Lot" means any plot of land within the Community which constitutes a single-family dwelling site as shown on the recorded subdivision plats and which has been subjected to this Declaration by the Owner thereof, which Owner is a Member or Non-member of the Association as more fully set forth herein.

1.9 "Mortgage" means any and all instruments used for the purpose of encumbering real property in the Community as security for the payment or satisfaction of an obligation, including, without limitation, any mortgage, deed to secure debt or deed of trust.

1.10 "Mortgagee" means the holder of a Mortgage.

1.11 "Occupant" means any Person occupying all or any portion of a Lot or other property located within the Community for any period of time, regardless of whether such Person is a tenant of the Owner of such property.

1.12 "Owner" means the record owner, whether one or more Persons, of the fee simple title to any Lot located within the Community, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation.

1.13 "Person" includes any individual, individual acting in a fiduciary capacity, corporation, limited partnership, limited liability company, general partnership, joint stock

company, joint venture, association, company, trust or other organization, whether or not recognized as separate legal entity.

1.14 "Supplementary Declaration" means an amendment or supplement to this Declaration which subjects one or more additional Lots to this Declaration.

1.15 "Total Association Vote" means the votes attributable to the entire membership of the Association entitled to vote, not merely a majority vote of the Members attending a meeting of Members.

Article 2

Property Subject To This Declaration

2.1 Property Hereby Subjected To This Declaration. The real property which is, by the recording of this Declaration, subject to the covenants, conditions, restrictions and easements herein set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied, and encumbered subject to this Declaration is so much of the real property described in Exhibit "A" attached hereto and by this reference incorporated herein as is held of record by the undersigned Lot Owners who execute this Declaration on Consent Form A on the date this Declaration is recorded in the Cobb County, Georgia land records. Lot numbers identifying the subjected property are shown under the signatures of the undersigned Owners on Consent Form A.

2.2 Other Property. Only the real property described in Section 2.1 is hereby made subject to this Declaration; provided, however, by one or more Supplementary Declarations, Owners and the Association have the right, but not the obligation, upon the payment of any initiation fee then in effect by the Owner(s) thereof, to subject other Lots in the Community to this Declaration. The Association and the Owner(s) of any Lot in the Community, without the consent of any other Owners, may annex any Lot in the Community to the provisions of this Declaration and the jurisdiction of the Association by filing a Supplementary Declaration describing the Lot for record with the Clerk of the Superior Court of Cobb County, Georgia. Any such Supplementary Declaration shall be signed by the Owner(s) of the Lot being annexed and the President of the Association and any such annexation shall be effective upon the filing for record, unless a later effective date is provided therein.

Article 3

Association Membership and Voting Rights

3.1 Membership. Every Person who is the record Owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate an Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot. Membership shall be appurtenant to and may not be separated from ownership of a Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a Member or the Member's spouse, but in no event shall more

than one (1) vote be cast nor office held for each Lot owned. There shall be one category of membership. Members may hold elective office, may vote on all matters coming before the Association, and shall have the full use and enjoyment of the Common Property and recreational facilities. Non-members shall not be entitled to vote or hold elective office, and shall have no rights to the use and enjoyment of the recreational facilities.

3.2 Execution and Effective Date.

(a) Lot Owners who execute this Declaration on Consent Form A or any Supplementary Consent Form A, agree on behalf of themselves and their heirs, successors and assigns, to immediately subject said Lot to the provisions of this Declaration, to pay the annual assessment, and be Members of the Association.

(b) Lot Owners who execute this Declaration on Consent Form B or any Supplementary Consent Form B, shall not be subject to the provisions of this Declaration or the Bylaws, except that they agree on behalf of themselves and their heirs, successors and assigns, that effective simultaneously with the closing of the sale of said Lot to a third party purchaser, such Lot shall be subject to the provisions of this Declaration and the successors-in-title shall pay the annual assessment and be Members of the Association. Lot Owners who execute this Declaration under this provision shall have the right at any time to execute a Supplementary Consent Form A, which will supersede any other Consent Form, as if they had executed this Declaration under the provisions of Subsection (a) above. Lot Owners who execute this Declaration on Consent Form B or any Supplementary Consent Form B, shall have the right, but not the obligation, to purchase any membership offered by the Association.

3.3 Voting. Members shall be entitled to one vote for each Lot owned on any matter coming before the Members for a vote. When more than one Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as provided in the Act or as those Owners themselves determine and advise the Secretary prior to or at any meeting. In the absence of such advice, the vote attributable to such Lot shall be suspended in the event more than one Person seeks to exercise it.

3.4 Rules and Regulations. The Board may from time to time, without a vote of the Members, promulgate, modify or terminate rules and regulations applicable to the Common Property and recreational facilities and rights of Members. Such rules and regulations shall be distributed to all Members prior to the effective date and shall thereafter be binding upon all Members and Occupants until and unless overruled, canceled or modified by a majority of the Total Association Vote.

3.5 Easements for Use and Enjoyment.

Every Member shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to each such Lot, subject to the following provisions:

(a) the right of the Association to restrict use of the recreational facilities located on the Common Property to Members as more fully set forth in rules and regulations adopted by the Board.

(b) the right of the Association, without a vote of the Owners, to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Lot Owners and Occupants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by any Person;

(c) the right of the Association to suspend the voting rights of a Lot Owner and the right of an Owner or Occupant to use the recreational facilities for any period during which any assessment against such Owner's Lot which is hereby provided for remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws or rules and regulations;

(d) the right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and upon the affirmative vote, of at least two-thirds (2/3) of the Members to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property;

(e) the right of the Board to dedicate or grant licenses, permits or easements over, under and through the Common Property to utility companies and public bodies for the benefit of the Community or neighboring properties; and

(f) the right of the Association to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the Members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the affirmative vote of at least two-thirds (2/3) of the Members.

3.7 Notice of Sale or Acquisition. Owners must keep the Association apprised of their name, address and telephone number. Accordingly, prior to the sale of a Lot, the Owner shall provide the Association with written notice of the name of the purchaser and the date, time and place of the closing. Upon acquisition of a Lot, each new Owner shall provide the Association with written notice of the name, mailing address and telephone number of the Owner and the names of the Occupants of the Lot. All Owners shall notify the Association of any change in name, address or telephone number.

Article 4 Assessments

4.1 Purpose of Assessments. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and Occupants of Lots, including, without limitation, the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

4.2 Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (a) general assessments; (b) special assessments; and (c) specific assessments. All such assessments, together with late charges (not in excess of the greater of \$10.00 or ten percent (10%) of the amount of each assessment or installment thereof not paid when due), interest (at a rate of ten percent (10%) per annum on the principal amount due) and costs of collection, including, without limitation, reasonable attorney's fees actually incurred, shall, from the time the sums become due and payable, be a charge on the land and shall be a continuing lien in favor of the Association on the Lot against which each assessment is made. The recording of this Declaration shall constitute record notice of the existence of the lien and no further recordation of any claim of lien shall be required. Each such assessment, together with such late charges, interest and costs, shall also be the personal obligation of the Person who was the Owner of the Lot at the time the assessment fell due. Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings or deed in lieu of foreclosure. No Owner may waive or otherwise exempt themselves from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. No diminution or abatement of any assessment shall be claimed or allowed by reason of any failure of the Association to take some action or perform some function required to be taken or performed by the Association, the obligation to pay assessments being a separate and independent covenant on the part of each Owner. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

4.3 General Assessments. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which may include a capital contribution or reserve in accordance with a capital budget. The Board shall cause the budgets and the assessments to be levied against each Lot for the following period to be delivered to each Member at least thirty (30) days prior to the due date of any general assessment. The budgets and the assessment shall become effective upon approval at a meeting by a two-thirds majority of the votes cast. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for any period, then and until such time as a budget shall have been determined, as provided herein, the budget in effect shall continue.

General assessments shall be levied equally on all similarly situated Lots and shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration, upon ten (10) days' written notice for delinquents. Unless otherwise provided by the Board, the assessment shall be paid in one annual installment.

General assessments include any sums the Board determines necessary for the continued ownership, operation and maintenance of the Common Property, operating expenses of the Association, payment for any items of betterment and the establishment of reserve funds as the

Board shall deem proper. General assessments may include, without limitation, sums for property taxes, insurance premiums, legal and accounting fees, management fees, charges for utilities, cleaning and janitorial services, landscape maintenance, expenses and liabilities incurred as provided herein and in the Articles of Incorporation and Bylaws for indemnification of officers and directors and in connection with the enforcement of rights and duties of the Association against Owners and others.

4.4 Special Assessments. The Association may levy a special assessment if approved by a two-thirds (2/3) majority of the Total Association Vote. Special assessments shall be paid as determined by the Board of Directors. The Board of Directors may permit a special assessment to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

4.5 Specific Assessments. The Board shall have the power to levy specific assessments as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. Fines levied pursuant to this Declaration and the costs of maintenance performed by the Association for which the Owner is responsible shall be specific assessments. The Board of Directors may also specifically assess Owners for Association expenses as follows: (a) expenses of the Association which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; and (b) expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

4.6 Subordination of Liens to Mortgages.

(a) The lien of all assessments authorized herein is hereby made subordinate to the lien of any first Mortgage placed on a Lot if, but only if, all assessments and charges with respect to such Lot authorized herein having a due date on or prior to the date of the Mortgage as filed of record have been paid. The lien hereby subordinated is only such lien as relates to assessments and charges authorized hereunder having a due date subsequent to the date such Mortgage is filed of record and prior the satisfaction, cancellation or foreclosure of such Mortgage or the sale or transfer of the Lot pursuant to any proceeding in lieu of foreclosure or the sale of transfer of the Lot pursuant to a sale under power contained in such Mortgage.

(b) Such subordination is merely a subordination and shall not relieve the Owner of the Lot of his or her personal obligation to pay all assessments coming due at any time when he or she is the Owner of such Lot; shall not relieve such Lot from the lien provided for herein (except to the extent a subordinated lien is extinguished as a result of such subordination as against a Mortgagee or such Mortgagee's assignee or transferee by foreclosure or by sale under power); and no sale or transfer of such Lot to the Mortgagee or to any other Person pursuant to a decree of foreclosure, or pursuant to any other proceeding in lieu of foreclosure or pursuant to a sale under power, shall relieve any existing or previous Owner of such Lot of any personal obligation

or relieve such Lot or the then Owner of such Lot from liability for any assessment authorized hereunder become due after such sale and transfer.

4.7 Remedies of the Association. Any assessments or installments thereof which are not paid when due shall be delinquent. In addition to the lien rights, the personal obligation of the then Owner to pay such assessments shall remain such Owner's personal obligation and shall also pass to such Owner's successors-in-title. Such Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which such Owner was obligated to pay immediately preceding the transfer; and such Owner and such successors-in-title shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such Owner and such successors-in-title creating any indemnification of the Owner or any relationship of principal and surety as between themselves.

Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge not in excess of the greater of \$10.00 or ten percent (10%) of the amount of each assessment or installment not paid when due. The Association may cause a notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date. In the event that the assessment remains unpaid after sixty (60) days, the Association may institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by execution of this Declaration or acceptance of a deed vests in the Association the right and power to bring all actions against such Owner personally, for the collection of such charges as a debt or to foreclose the lien. The lien provided for in this Declaration shall be in favor of the Association and shall be for the benefit of all Owners. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

The Association may also suspend the membership rights of the delinquent Owner, including the right to vote, the right of enjoyment in and to the Common Property and recreational facilities and the right to receive and enjoy such servicing and other benefits as may then be provided by the Association. Any such suspension shall not affect such Members obligation to pay assessments, due during the period of such suspension and shall not effect the permanent lien on such Lot in favor of the Association.

4.8 Initiation Fee. Upon the expiration of six (6) months from the date this Declaration is recorded in the Cobb County, Georgia land records, an initiation fee in the amount of Two Hundred Fifty and No/100 Dollars (\$250.00) shall be paid to the Association from Non-members who wish to become Members with all the rights and privileges that such membership provides, including, but not limited to, the use of the recreational facilities. The initiation fee shall be in addition to, not in lieu of, the annual general assessment and shall not be considered an advance payment of such assessment. The initiation fee may be used by the Association for any purpose, including, without limitation, for the payment of operating expenses of the Association and other expenses incurred by the Association pursuant to the provisions of this Declaration. Prior to the expiration of six months from the date this Declaration is recorded in the Cobb County, Georgia land records, Non-members shall become Members without payment of an initiation fee upon the execution and recording of a Supplementary Consent Form A in the aforesaid land records. The Board of Directors may choose to waive said initiation fee with respect to any Lot at their discretion.

Article 5
Maintenance; Common Property

5.1 Association's Responsibility. The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair and replacement of all landscaping and improvements, including, but not limited to, a swimming pool and tennis courts, situated on the Common Property and entry features and appurtenant landscaping, if any, which serve the Community. In the event that the Association determines that the need for maintenance, repair or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the family, guests, lessees or invitees of an Owner, and is not covered or paid for by insurance, then the Association may perform such maintenance, repair or replacement at such Owner's cost and expense, and all costs thereof, not paid for by insurance, may be assessed against the Owner and the Owner's Lot as a specific assessment.

5.2 Owner's Responsibility. Except for maintenance performed on a Lot by the Association pursuant to Section 5.1, if any, all maintenance of the Lot and all structures, landscaping, and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a manner consistent with the Community-Wide Standard and this Declaration. Such maintenance obligation shall include, without limitation, the following: prompt removal of all litter, trash, refuse, and waste; lawn mowing on a regular basis; tree and shrub pruning; watering landscaped areas; keeping improvements, and exterior lighting in good repair and working order; keeping lawn and garden areas alive, free of weeds, and attractive; keeping driveways in good repair; complying with all governmental health and police requirements; maintenance of grading and storm water drainage as originally established on the Lot; and repair of exterior damages to improvements. In the event that the Board of Directors determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement deemed necessary. The Owner shall have ten days after receipt of such notice within which to complete such maintenance, repair or replacement, or, in the event that such maintenance, repair or replacement is not capable of completion within a ten-day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair or replacement and all costs thereof shall be assessed against the Owner and the Lot as a specific assessment.

5.3 Liability. Owners, Occupants and their guests shall use the Common Property at their own risk and shall assume sole responsibility for their personal belongings used or stored on the Common Property. The Association and their respective officers, directors, employees, representatives and agents shall not be held liable for personal injury to any person, nor for loss or damage to personal belongings used or stored on the Common Property. The Association shall not be liable for injury or damage to any Person or property (a) caused by the elements or

by an Owner or any other Person, (b) resulting from any rain or other surface water which may leak or flow from any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, or (c) caused by any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner or Occupant for loss or damage, by theft or otherwise, of any property of such Owner or Occupant within the Community.

Article 6 Architectural Standards

6.1 General. No exterior construction, alteration or addition of any improvements of any nature whatsoever (including, without limitation, staking, clearing, excavation, grading, filling, construction of impervious surface, building, exterior alteration of existing improvements, change in the exterior color of any existing improvement and planting and removal of landscaping materials), shall be commenced or placed upon any part of the Community unless, approved in accordance with this Article, or otherwise expressly permitted under this Declaration. Any Owner may remodel, paint or redecorate the interior of structures on the Lot without approval hereunder. However, modifications to the interior of porches, patios and similar portions of a structure visible from outside the Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. This Article shall not apply to improvements to the Common Property by or on behalf of the Association.

6.1 Guidelines and Procedures. Except as provided above, no exterior construction, addition or alteration shall be made unless and until plans and specifications shall have been submitted in writing to and approved by the Board of Directors. Such plans and specifications shall be of sufficient detail to allow the Board to make its review and to the extent required by the Board shall show the nature, kind, shape, height, materials and location of the proposed improvement. The Board of Directors may adopt written architectural guidelines and application and review procedures, which may provide for a review fee. The Board of Directors shall have sole and full authority to prepare and to amend, from time to time at its sole discretion and without notice, the architectural guidelines. The Board of Directors shall make the architectural guidelines available to Owners who seek to engage in construction upon all or any portion of the Community and such Owners shall conduct their operations strictly in accordance therewith. If the Board of Directors fails to approve or to disapprove submitted plans and specifications within thirty (30) days after receipt of all required plans and specifications, such approval shall be deemed to have been given. As a condition of approval under this Article, each Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance to and on any improvement, change, modification, addition or alteration. In the discretion of the Board of Directors, an Owner may be required to verify such condition of approval by a recordable written instrument acknowledged by such Owner on behalf of such Owner and such Owner's successors-in-interest. The Board of Directors shall be the sole arbiter of such plans and may withhold approval for any

reason, including, without limitation, purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. The Board of Directors and its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property in the Community to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such Persons shall not be deemed guilty of trespass by reason of such entry. If construction does not commence on a project for which plans have been approved within 12 months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the plans to the Board of Directors for reconsideration.

6.2 Limitation of Liability. Plans and specifications are not approved for engineering or structural design or quality of materials and by approving such plans and specifications the Association and the Board assume no liability or responsibility therefor or for any defect in any structure constructed from such plans and specifications. Neither the Association, nor the officers, directors, members, employees and agents of the Association shall be liable in damages to anyone submitting plans and specifications to any of them for approval or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every Person who submits plans and specifications and every Owner agrees that such Person or Owner will not bring any action or suit against the Association or its officers, directors, members, employees and agents to recover any damages and hereby releases, remises, quitclaims and covenants not to sue for all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

6.3 No Waiver. The approval of the Board of Directors of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring approval or consent of the Board, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications or drawings or matters whatever subsequently or additionally submitted for approval or consent.

6.4 Variances. Notwithstanding anything to the contrary contained herein, the Board of Directors shall be authorized to grant individual variances from any of the provisions of this Declaration and the architectural guidelines if it determines that waiver of application or enforcement of the provision in a particular case is dictated by unique circumstances, such as, but not limited to, topography, natural obstructions, hardship, aesthetic considerations or environmental considerations and would not be inconsistent with the overall scheme of development for the Community. No variance shall (a) be effective unless in writing, (b) be inconsistent with the overall scheme of development for the Community, or (c) estop the Board of Directors from denying a variance in other similar circumstances. For purposes of this provision, the inability to obtain approval of any governmental agency or the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

6.5 Enforcement. Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board of Directors, Owners shall, at their own cost and expense, remove such nonconforming structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board and its agents shall have the right to enter the property, remove the nonconforming structure or improvement, and restore the property to substantially the same condition as previously existed. All costs, including, without limitation, attorney's fees, may be assessed against the Lot as a specific assessment. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the architectural guidelines may be excluded by the Board of Directors from the Community, subject to any applicable notice and hearing procedures contained in the Bylaws. In such event, neither the Association or its officers, directors, members, employees and agents shall be held liable to any Person for exercising the rights granted by this paragraph. In addition to any other remedies available to the Association and the Board, in the event of noncompliance with this Article, the Board may record in the appropriate land records a notice of violation hereunder naming the violating Owner. In addition to the foregoing, the Board of Directors shall have the authority and standing to pursue any and all remedies available at law and equity to enforce the provisions of this Article.

6.6 Architectural Review Committee. The Board of Directors shall have the sole right, power and authority under this Article. Notwithstanding the foregoing, the Board of Directors may establish an Architectural Review Committee, which shall then have all right, power and authority to review and approve building and construction activity within the Community hereunder and this Article shall then be read and interpreted as if any reference to the authority of or action by the Board of Directors in this Article 6 were a reference to the authority of or action by the Architectural Review Committee. The Board of Directors shall have the sole right and authority to appoint and remove members of the Architectural Review Committee.

Article 7 Use Restrictions and Rules

7.1 Rules and Regulations. The Board of Directors may, from time to time, and without a vote of the Members, promulgate, modify or delete rules and regulations applicable to the Community. Such rules and regulations shall be distributed to all Owners prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled or modified by a majority of the Total Association Vote.

7.2 Residential Use. Each Lot shall be used for residential purposes exclusively. Leasing of a Lot for residential occupancy shall not be considered a business or business activity. No trade or business of any kind may be conducted in or from a Lot, except that the Owner or Occupant in residence at the Lot may conduct business activities within the house so long as the business activity: (a) does not otherwise violate the provisions of the Declaration or Bylaws; (b) is not apparent or detectable by sight, sound or smell from the exterior of the Lot; (c) does not unduly increase traffic flow or parking congestion; (d) conforms to all zoning requirements for the Community; (e) does not increase the insurance premium paid by the Association or

otherwise negatively affect the ability of the Association to obtain insurance coverage; (f) is consistent with the residential character of the Community; (g) does not constitute a nuisance or a hazardous or offensive use; and (h) does not threaten the security or safety of other residents of the Community, all as may be determined in each case in the sole discretion of the Board of Directors. The Board may issue rules regarding permitted business activities. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) the activity is engaged in full or part-time; (y) the activity is intended to or does generate a profit; or (z) a license is required for the activity.

7.3 Signs. No sign of any kind shall be erected within the Community without the prior written consent of the Board of Directors. Notwithstanding the foregoing, the Association shall have the right to erect reasonable and appropriate signs. For-sale signs and security signs consistent with the Community-Wide Standard and any signs required by legal proceedings may be erected upon any Lot. The provisions of this Section shall not apply to any Mortgagee in possession due to foreclosure of a first Mortgage or as grantee pursuant to any deed in lieu of such foreclosure.

7.4 Vehicles; Parking. Vehicles shall be parked only in appropriate parking spaces serving the Lot or other designated areas, if any. All parking shall be subject to such rules and regulations as the Board may adopt. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, golf carts, trucks, campers, buses, vans and automobiles. The term "parking areas" shall refer to the number of garage parking spaces and the spaces located in the driveway of each Lot. All homes shall contain a garage; carports shall not be permitted. No vehicle may be left upon any portion of the Community, except in a garage, for a period longer than five days if it is not licensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five-day period, such vehicle may be removed from the Community by the Board of Directors. Any towed vehicle, boat, personal watercraft, recreational vehicle, motor home, trailer, motorcycle, minibike, scooter, go-cart, golf cart, commercial truck, camper, bus or mobile home regularly stored in the Community or temporarily kept in the Community, except if kept in a garage, for periods longer than 24 hours may be removed from the Community by the Board of Directors. Trucks with mounted campers which are used as a primary means of transportation shall not be considered recreational vehicles provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal.

7.5 Leasing. Lots may be leased for residential purposes. Unless otherwise provided by the Board of Directors, all leases shall have a minimum term of at least six months. All leases shall require, without limitation, that the Occupants acknowledge receipt of a copy of the Declaration, Bylaws, use restrictions and rules and regulations of the Association. The lease shall also obligate the Occupants to comply with the foregoing. Prior to the leasing of a Lot, the Owner shall provide the Association with written notice of the name of the tenant and with the address and telephone number of the Owner.

7.6 Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of dogs, cats or other usual and common household pets in reasonable number as determined by the Board. No pets shall be kept, bred or maintained for any commercial purpose.

7.7 Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on a Lot. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community. No plants, animals, device or thing of any sort shall be maintained in the Community whose activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Community by other Owners and Occupants. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot.

7.8 Drainage. Catch basins, retention ponds, detention ponds, drainage easement areas and related drainage facilities are for the purpose of controlling the natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner may obstruct or alter the drainage flows after location and installation of catch basins, retention ponds, detention ponds, drainage swales, storm sewers or storm drains.

7.9 Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, shrub or other planting or thing shall be placed or permitted to remain where, in the opinion of the Board of Directors, it would create an unsafe condition.

7.10 Garbage Cans, Woodpiles, Etc. All garbage cans, woodpiles, swimming pool pumps, filters and related equipment, and other similar items shall be located or screened so as to be concealed from view from neighboring streets and property. All rubbish, trash and garbage shall be regularly removed and shall not be allowed to accumulate. Trash, garbage, debris or other waste matter of any kind may not be burned within the Community.

7.11 Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed unless approved in writing by the Board of Directors.

7.12 Guns. The use of firearms in the Community is prohibited. The term "firearms" includes, without limitation, B-B guns, pellet guns and firearms of all types.

7.13 Air-Conditioning Units. No window air conditioning units may be installed in any front window of a dwelling located on a Lot.

7.14 Lighting. Exterior lighting on any Lot visible from the street shall not be permitted, except for: (a) approved lighting as originally installed on a Lot; (b) one decorative post light; (c) street lights in conformity with an established street lighting program for the Community; (d) seasonal decorative lights; (e) front house illumination of model homes; or (f) other lighting approved in writing by the Board of Directors.

7.15 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless as an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Board of Directors.

7.16 Swimming Pools. No swimming pool shall be constructed, erected or maintained upon any Lot without prior written approval by the Board of Directors and in no event shall any above-ground swimming pool be permitted. Swimming pools already in existence in the Community as of the date this document is recorded in the Office of the Clerk of the Superior Court of Cobb County, Georgia shall be considered exempt from this restriction.

7.17 Clotheslines. No exterior clotheslines of any type shall be permitted upon any Lot so as to be visible from any street in the Community.

7.18 Yard Maintenance. Each Owner shall maintain the Lot and all landscaping improvements thereon in a neat and orderly condition consistent with the Community-Wide Standard. Such maintenance shall include, without limitation, the following: prompt removal of all litter, trash, refuse, and waste; lawn mowing of the yard on a regular basis; pruning of trees and shrubs, if any; watering landscaped areas; and keeping the yard and garden areas alive, free of weeds, and attractive. The Board of Directors may promulgate rules and regulations setting forth the extent of landscaping maintenance to be performed on a Lot by an Owner as provided in Section 7.1 hereof.

Article 8 Insurance and Casualty Losses

8.1 Insurance on Common Property. The Board of Directors or the duly authorized agent of the Association shall obtain insurance for all insurable improvements located on the Common Property. This insurance shall provide at a minimum fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00). Policies may contain a reasonable deductible as determined by the Board.

In addition to the other insurance required by this Section, the Board shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable

laws, and a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the policy is in force, or any lesser amount of fidelity coverage allowable under the applicable Fannie Mae guidelines. Fidelity coverage shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation. All such insurance coverage shall be written in the name of the Association.

8.2 Damage and Destruction.

(a) In General. Immediately after damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Repair and Reconstruction. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, Members entitled to cast at least seventy-five percent (75%) of the Total Association Vote otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

In the event that it should be determined by the Association that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the property shall be restored to its natural state and maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

8.3 Insurance Deductible. The deductible for any casualty insurance policy carried by the Association shall, in the event of damage or destruction, be allocated among the Persons who are responsible hereunder, or under any declaration or contract requiring the Association to obtain such insurance, for maintenance of the damaged or destroyed property.

Article 9 Condemnation

In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after such taking, at least seventy-five percent (75%) of the Total Association Vote shall otherwise agree, the

Association shall restore or replace such improvements so taken on the remaining land included in the Common Property to the extent lands are available therefor.

Article 10
Use of Recreational Facilities by Non-members

The Board of Directors shall have the right to grant to Persons who are not Members of the Association and do not live in the Community the right to use the Community recreational facilities. The extent and duration of Non-member use and the fee to be charged therefor shall be determined solely by the Board. The Board may only grant Non-member use rights to Persons on a nonrenewable annual basis and such use rights shall not inure to the benefit of any successors-in-title. Unless otherwise established by the Board of Directors, all fees shall be paid to the Association in one annual installment. The amount of such annual payment may be increased each year by the Board. In the event that any Non-member user fees are not paid when due, the Association shall suspend the use rights of the Non-member who has not timely paid until all amounts owed are paid.

Article 11
General Provisions

11.1 Enforcement. Each Owner and Occupant shall comply strictly with the Bylaws and the rules and regulations, as they may be lawfully amended or modified from time to time, and with the covenants and easements set forth in this Declaration. The Board of Directors may impose fines or other sanctions, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Association, or, by an aggrieved Owner. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to record in the appropriate land records a notice of violation of the Declaration, Bylaws and rules and regulations and to assess the cost of recording and removing such notice against the Lot of the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

11.2 Duration. The covenants and easements of this Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association and any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by law; provided, however, if and to the extent that Georgia law hereafter limits the period during which covenants restricting land to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time, any such provision(s) shall be (a) automatically extended (to the extent allowed by applicable law) for successive periods of twenty (20) years; or (b) extended, renewed, modified or terminated as otherwise provided herein or by law.

11.3 Amendment. This Declaration may be amended upon the affirmative vote or written consent of at least two-thirds (2/3) of the Total Association Vote, except that no amendments shall be made which would affect the provisions and rights set forth in Section

3.2(b) hereof. Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein. The consent of the requisite number of Owners to any amendment shall be evidenced by the execution of the amendment by said Owners, or, in the alternative, the sworn statement of the President or any Vice President or the Secretary of the Association attached to or incorporated in the amendment, which sworn statement states unequivocally that the consent of the required number of Owners was obtained and that any notices required by this Declaration, the Bylaws, the articles of incorporation of the Association and Georgia law were given.

11.4 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine or feminine pronoun shall include the neuter, masculine and feminine.

11.5 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

11.6 Notices. Notices provided for in this Declaration or the Articles or Bylaws shall be in writing, and shall be addressed to any Owner at the address of the Lot and to the Association at the address of its registered agent in the State of Georgia. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association. Notices addressed as above shall be deemed delivered three business days after mailing by United States Mail, or when delivered in person.

11.7 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

11.8 Preparer. This Declaration was prepared by Lisa A. Crawford, Esq., Dorough & Dorough, LLC, Two Decatur TownCenter, 125 Clairemont Avenue, Suite 520, Decatur, Georgia 30030.

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

11.10 Indemnification. To the fullest extent allowed by the Georgia Nonprofit Corporation Code, and in accordance therewith, the Association shall indemnify every current and former officer, director, and committee member against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by such Person in connection with any action, suit, or other proceeding (including settlement of any suit or

proceeding, if approved by the then Board of Directors) to which such Person may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled.

11.11 Books and Records.

(a) Inspection by Members and Mortgagees. This Declaration, the Bylaws, copies of rules and use restrictions, membership register, books of account, and minutes of meetings of the Members of the Board and of committees shall be made available for inspection and copying by any Member of the Association or by the duly appointed representative of any Member and by holders, insurers, or guarantors of any first Mortgage at any reasonable time and for a purpose reasonably related to such Person's interest as a Member or holder, insurer, or guarantor of a first Mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing copies of documents.

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

11.12 Financial Review. A review of the books and records of the Association shall be made annually in the manner as the Board of Directors may decide; provided, however, after having received the Board's financial statements at the annual meeting, by a majority of the Total Association Vote, the Owners may require that the accounts of the Association be audited as a common expense by a certified public accountant. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements within ninety (90) days of the date of the request.

11.13 Notice of Sale, Lease or Acquisition. In the event an Owner sells or leases such Owner's Lot, the Owner shall give to the Association, in writing, prior to the effective date of such sale or lease, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require. Upon acquisition of a Lot each new Owner shall give the

Association, in writing, the name and mailing address of the Owner and such other information as the Board may reasonably require.

[Signatures on Next Page]

as of:
July 19, 2003