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DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS,
RESTRICTIONS AND COVENANTS FOR McCLAREN MILL CONDOMINIUM

(wait)

MOORE INGRAM JOHNSON AND STEELE, LLC
192 Anderson Street
Marietta, Georgia 30060

FILED SUPERIOR COURT OF FLA

Jay C. Stephenson

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FILED AND RECORDED

STATE OF GEORGIA
COUNTY OF COBB

DECLARATION OF CONDOMINIUM OWNERSHIP AND OF EASEMENTS,
RESTRICTIONS AND COVENANTS FOR McCLAREN MILL CONDOMINIUM

THIS DECLARATION is made this 1st day of October, 1997, by
McCLAREN MILL DEVELOPMENT, LLC, (hereinafter called the
"Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the fee simple owner of all that tract
or parcel of land lying and being in Land Lot 1086 of the 16th
District, Cobb County, Georgia, as more particularly described on
Exhibit "A" attached hereto and incorporated herein by reference
(hereinafter called the "Property"); and

WHEREAS, Declarant desires to submit the Property to the
condominium form of ownership pursuant to the provisions of the
Georgia Condominium Act, O.C.G.A. Sec. 44-3-70, et seq.,
hereinafter called the "Act"), and the terms and conditions
hereinafter set forth.

NOW, THEREFORE, the Declarant does hereby make, declare and
publish its intention and desire to submit, and does hereby submit,
the Property to the condominium form of ownership pursuant to,
subject to, and in accordance with the provisions of the Act and
the terms and conditions hereinafter set forth.

1. NAME.

The name of the condominium is McClaren Mill Condominium
(hereinafter sometimes called "Mill" or the "Condominium," as
further defined herein), which condominium is a condominium which
hereby submits to the Georgia Condominium Act, O.C.G.A. Section
44-3-70, et seq. (Michie 1982).

2. DEFINITIONS.

Generally, terms used in this Declaration, the Bylaws, and the
Articles of Incorporation shall have their normal, generally
accepted meanings or the meanings given in the Act or the Georgia
Nonprofit Corporation Code. Unless the context otherwise requires,
certain terms used in this Declaration, the Bylaws, and the
Articles of Incorporation shall be defined as follows:

(a) Act means the Georgia Condominium Act, O.C.G.A. Section
44-3-70, et seq. (Michie 1982), as may be amended.

(b) Architectural Standards Committee or ASC means the committee established to exercise the architectural review powers set forth in Paragraph 13 hereof.

(c) Area of Common Responsibility means the Common Elements, together with those areas, if any, which by the terms of this Declaration or by agreement with any other Person become the Association's responsibility. Any public rights-of-way within or adjacent to the Condominium, may be part of the Area of Common Responsibility.

(d) Articles or Articles of Incorporation mean the Articles of Incorporation of Mill Condominium Association, Inc., which have been filed with the Secretary of State of the State of Georgia.

(e) Association means Mill Condominium Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

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

(g) Bylaws mean the Bylaws of McClaren Mill Condominium Association, Inc., attached hereto as Exhibit "C" and incorporated herein by this reference.

(h) Common Elements mean those portions of the property subject to this Declaration which are not included within the boundaries of a Unit, as more particularly described herein.

(i) Common Expenses mean the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Condominium, including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements and Area of Common Responsibility.

(j) Community-Wide Standard means the standard of conduct, maintenance, or other activity generally prevailing within the Condominium. Such standard may be more specifically determined by the Board and the ASC.

(k) Condominium means all that property described in Exhibit "A", attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Declaration.

(l) Condominium Instruments mean this Declaration and all exhibits hereto, including the Bylaws and the plats and plans, all as may be supplemented or amended.

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

(n) Eligible Mortgage Holder means the holder of a first mortgage secured by a Unit who has requested notice of certain items as set forth herein.

(o) Limited Common Elements mean a portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as more particularly set forth herein.

(p) Majority means those eligible votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

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

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

(s) Occupant means any Person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

(t) Owner means the record title holder of a Unit, but shall not include a Mortgage Holder.

(u) Person means any individual, corporation, firm, association, partnership, trust, or other legal entity.

(v) Unit means that portion of the Condominium intended for individual ownership and use as more particularly described herein and shall include the undivided ownership in the Common Elements assigned to the Unit hereunder.

3. THE ASSOCIATION.

"McClaren Mill Condominium Association, Inc." has been incorporated as a non-profit membership corporation pursuant to and in accordance with the provisions of O.C.G.A. Sec. 44-3-100(a) and the Georgia Nonprofit Corporation Code, O.C.G.A. Sec. 14-3, et seq. The organization of the Association has been duly effectuated, including the appointment by the Declarant of the initial Board of Directors of the Association, and the election of the initial

officers of the Association by the Board of Directors. The Declarant shall have the right to appoint or remove any member or members of the Board of Directors of the Association (but not any officer or officers of the Association) for the maximum time permitted under the Act, and such right of the Declarant shall expire pursuant to, subject to, and in accordance with the provisions of O.C.G.A. Sec. 44-3-101(a). Except for the rights of the Declarant hereinabove set forth, there are no limitations or restrictions on the powers of the Association or its Board of Directors.

4. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS.

The Condominium subject to this Declaration and the Act is located in Land Lot 1086 of the 16th District of Cobb County, Georgia and is more particularly described in Exhibit "A" hereto. The plat of survey relating to the Condominium (hereinafter referred to as the "Plat") is being recorded simultaneously herewith, in Condominium Plat Book 5, Page 163, in the Office of the Clerk of Cobb Superior Court. Floor plans relating to the Condominium have been filed in Condominium Floor Plan Drawer No. , Cobb County, Georgia records, as amended or supplements. The plats of survey and floor plans are incorporated herein by reference as fully as if the same were set forth in their entirety herein.

5. UNITS AND BOUNDARIES.

The Condominium is divided into twelve ⁽¹²⁾ separate Units and the Common Elements. Each Unit consists of a dwelling and its appurtenant percentage of undivided interest in the Common Elements. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments. The Units are depicted on the plats of survey and the plans. Each Unit includes that part of the structure which lies within the following boundaries (said boundaries are subject to O.C.G.A. § 44-3-75):

(a) Vertical Boundaries. The perimetrical or vertical boundaries of each Unit shall be the outer unfinished surfaces of all exterior walls and fences, to include the patio appurtenant to a Unit, and the centerline of all party walls and fences; provided, however, that all attachments to the exterior walls of a residence which are a part thereof, which protrude beyond said boundaries and which were constructed in conformity with the plats and plans for Mill Condominium, shall be deemed to be included within said boundaries, including, but not limited to, the patio appurtenant to a Unit. Additionally, all conduits, ducts, plumbing, wiring, and

other facilities for the furnishing of utility services which are contained within a Unit shall constitute a part of the Unit.

(b) Horizontal Boundaries. There shall be no upper or lower horizontal boundaries.

Each Unit is depicted on the Plans as evidenced by the certification of E. C. Davis, thereon, as required by O.C.G.A. §44-3-83(b). In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling or lateral movement of the building in which the Unit was located, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

The ownership of each Unit shall include, and there shall pass with each Unit, whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association and an undivided interest in the funds and assets held by the Association.

6. RELOCATION OF UNIT BOUNDARIES. The boundaries between adjoining Units may be relocated pursuant to, subject to, and in accordance with the provisions of O.C.G.A. Sec. 44-3-91.

7. ADDITIONAL PROPERTY. The Declarant has reserved the right for as long as permitted under O.C.G.A. §44-3-101 to, in its sole discretion, expand the Condominium by the submission of Additional Property, and the units and other improvements which may be located thereon in phases to this Declaration pursuant to, subject to, in accordance with the provisions of O.C.G.A. §44-3-81(a) and §44-3-89, and Paragraph 24 of this Declaration. The time period Declarant has to expand the Condominium may be extended upon the consent of the unit owners of units to which two-thirds of the votes in the Association appertain, exclusive of any vote or votes appurtenant to any unit or units then owned by Declarant. This consent must be acquired within one year prior to the date upon which the option would otherwise have expired.

The Additional Property is the real property described on Exhibit "B" attached hereto and incorporated herein by reference. Said property is to be developed in phases as designated on Exhibit "B" with a maximum of four additional units per phase with said units being substantially similar to the units originally submitted to the Declaration. Upon the expansion of the condominium, the undivided interests in the common elements, votes in the association, and liabilities for future common elements shall be reallocated to accommodate the Additional Property.

8. COMMON ELEMENTS.

The Common Elements consist of all portions of the Condominium not located within the boundaries of a Unit.

Ownership of the Common Elements shall be by the Unit Owners as tenants-in-common. The percentage of undivided interest in and to the Common Elements attributable to each Unit is equal. Such percentages may be altered only by an amendment hereto with the consent of all Owners and Mortgagees (or such lesser number as may be prescribed by the Act).

The Common Elements shall remain undivided, and no Owner or any other Person shall bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as provided for Limited Common Elements or as otherwise provided herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners.

9. LIMITED COMMON ELEMENTS.

Supplementing the provisions of O.C.G.A. Sec. 44-3-75, and in addition to the features designated as Limited Common Elements below, the following shall constitute Limited Common Elements which are assigned to the Unit to which they appertain: (i) any heating and/or air-conditioning compressors, units, components or other apparatus serving such Unit which may be located outside the boundaries thereof; and (ii) any entrance ways, stairways and appurtenant fixtures and facilities providing direct access solely to a Unit.

The Association's Board, without need for a membership vote, is hereby authorized to assign and to reassign Limited Common Elements, provided that any such assignment or reassignment shall be made in accordance with the provisions of Section 44-3-82(b) and (c) of the Act.

10. ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES.

All Unit Owners, by virtue of their ownership of a fee or undivided fee interest in any Unit are members of Mill Condominium Association, Inc., and, except as otherwise provided herein or in the Bylaws, shall be entitled to vote on all matters upon which

Association members are entitled to vote pursuant to the Condominium Instruments. Subject to the provisions of the Condominium Instruments, each Owner shall be entitled to one (1) equally weighted vote for each Unit in which he or she holds the interest required for membership.

11. ALLOCATION OF LIABILITY FOR COMMON EXPENSES.

Except as otherwise provided herein, each Unit is hereby allocated equal liability for Common Expenses.

(a) Except as provided below or elsewhere in the Act or Condominium Instruments, the amount of all Common Expenses shall be assessed against all the Units in accordance with the above allocation of liability for Common Expenses.

(b) The Board shall have the power to assess specially pursuant to this Paragraph and to Section 44-3-80(b) of the Act as, in its discretion, it shall deem appropriate. Failure of the Board to do so shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to do so in the future.

(c) Except for expenses incurred for maintenance and repair of items which are the Association's maintenance responsibility under the Condominium Instruments (other than any Limited Common Elements, if maintained by the Association), any Common Expenses benefitting less than all of the Units or significantly disproportionately benefitting all Units may be specially assessed equitably among all of the Units which are benefitted according to the benefit received.

(d) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Occupant(s), licensees or invitees of any such Unit(s) may be specially assessed against such Unit(s).

For purposes of this subparagraph (b), nonuse shall constitute a benefit to less than all Units or a significant disproportionate benefit among all Units only when such nonuse results in an identifiable, calculable reduction in cost to the Association.

12. ASSOCIATION RIGHTS AND RESTRICTIONS.

In addition to and not in limitation of all other rights it may have, the Association, acting through the Board, shall have the

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(a) in accordance with Section 44-3-105 of the Act, and as otherwise provided herein, to enter any portion of the Condominium for maintenance, emergency or safety purposes, or otherwise to discharge its powers or responsibilities hereunder, which right may be exercised by the Association's Board, officers, agents, employees or managers. Except in an emergency situation, entry into Units shall be only during reasonable hours and after reasonable notice to the Unit Owner or Occupant;

(b) to make and to enforce reasonable rules and regulations governing the use of the Condominium, including the Units and Common Elements;

(c) to enforce use restrictions, other Declaration and Bylaws provisions, and rules and regulations by the imposition of reasonable monetary fines and suspension of use and voting privileges as provided in Section 44-3-76 of the Act, as amended (which shall not be construed as limiting any other legal means of enforcement);

(d) to grant permits, licenses, utility easements, and other easements;

(e) to control, manage, operate, maintain, improve and replace all portions of the Area of Common Responsibility;

(f) to deal with the Condominium in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of the Act and this Declaration;

(g) to represent the Owners in dealing with governmental entities with respect to the Area of Common Responsibility;

(h) to close permanently or temporarily any portion of the Common Elements (excluding any Limited Common Elements) with sixty (60) days prior notice to all Owners, except that, in emergency situations requiring a temporary closing, prior notice shall not be required so long as notice is given within three (3) days after the closing explaining the reason for the closing. Notwithstanding the above, the Owners may re-open closed Common Elements by a majority vote of the total Association vote, cast at a duly called special or annual meeting;

(i) to require each Owner to install separate utility meters for each Owner's Unit at the Owner's cost, or to install such meters and assess the costs thereof against each Unit as provided herein; and

(j) to acquire, hold, and dispose of tangible and intangible personal property and real property.

13. ASSESSMENTS.

(a) Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses 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 as may be more specifically authorized by the Board.

(b) Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments, as provided for herein; and (iii) specific assessments against any particular Unit, established pursuant to this Declaration, including but not limited to reasonable fines imposed hereunder.

All such assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred, and if the Board so elects, rents, in the maximum amount permitted by the Act, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each assessment is made. Such amounts shall also be the personal obligation of the person who was the Owner of such Unit at the time when the assessment fell due. Each Owner and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month. No Owner may exempt himself or herself from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Elements, the Association's failure to perform its obligations required hereunder, or inconvenience or discomfort arising from the Association's performance of its duties. The lien provided for herein shall have priority as provided in the Act.

(c) Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(i) If any monthly installment of annual assessments or any part thereof is not paid in full by the tenth (10th) day of the month or if any other charge is not paid within ten

(10) days of the due date, a late charge equal to the greater of ten (\$10.00) dollars or ten (10%) percent of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner, and interest at the rate of ten (10%) percent per annum or such higher rate as may be permitted by the Act shall accrue from the due date.

- (ii) If part payment of assessments and related charges is made, the amount received may be applied first to costs and attorney's fees, then, to: (1) in order, late charges, interest, delinquent assessments, and current assessments which are not the subject matter of a lawsuit, and then (2), in order, to late charges, interest, delinquent assessments, and current assessments which are the subject matter of a lawsuit.
- (iii) If assessments, fines or other charges or any part thereof due from an Owner remain delinquent and unpaid for more than fifteen (15) days from the date due, then the Board may accelerate and declare immediately due all of that Owner's or Unit's unpaid installments of the annual assessment and of any special assessment not less than ten (10) days after the date of written notice to the Owner. Upon acceleration, that Owner shall lose the privilege of paying the annual assessment in monthly installments for that fiscal year.
- (iv) If assessments and other charges or any part thereof remain unpaid more than thirty (30) days after they become delinquent, the Association, acting through the Board, may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the Bylaws, the Act and Georgia law and suspend the Owner's and/or Occupant's right to use the Common Elements, including the right to bring or park vehicles on the Common Elements or have guests bring or park vehicles on the Common Elements (provided, however, the Board may not limit pedestrian, medical, fire, police or other health, safety, service or emergency vehicle ingress or egress to or from the Unit). Prior to suspending parking privileges, the Association shall provide the

delinquent Owner or Occupant written notice of its intention to do so, sent by certified mail not less than ten (10) days prior to the date of such suspension.

- (v) If any assessment or other charge is delinquent for thirty (30) days or more, in addition to all other rights provided in the Act and herein, the Association shall have the right upon ten (10) days written notice, and in compliance with any requirements set forth in the Act, to suspend any utility services, the cost of which are an Association Common Expense, including, but not limited to, water service, to that Unit until such time as the delinquent assessments and all costs permitted under this Paragraph, including reasonable attorney's fees, are paid in full. Any costs incurred by the Association in discontinuing and/or reconnecting any utility service, including reasonable attorney's fees, shall be an assessment against the Unit.

Notwithstanding the above, the Board only may suspend water, electricity, heat or air conditioning service paid for as a Common Expense after a final judgment or judgments in excess of a total of \$750.00, or such other amount as required by the Act, are obtained in favor of the Association from a court of competent jurisdiction, the Association provides the notice required to be provided by the institutional provider of such service prior to suspension of such service, and the Association complies with any other requirements of O.C.G.A. § 44-3-76. The utility services shall not be required to be restored until the judgment or judgments are paid in full, at which time the Association shall direct the utility provider to restore the service.

(d) Computation of Operating Budget and Assessment. At least thirty (30) days prior to the beginning of the Association's fiscal year, the Board shall prepare a budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Unit for the following year to be delivered to each member at least twenty-one (21) days prior to the Association annual meeting.

The budget and the assessment shall become effective unless disapproved at a duly called and constituted annual Association meeting by a vote of a majority of the total Association membership. However, if a quorum is not obtained at the annual meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at this meeting. If the

membership disapprove the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then, until a budget is determined as provided herein, the budget in effect for the current year shall continue for the succeeding year.

The Board may propose a new budget at any time during the year at a special Association meeting. The proposed budget and assessment shall be delivered to the members at least thirty (30) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

(e) Special Assessments. In addition to the annual assessment provided for in subparagraph (b) above, the Board may at any time levy a special assessment against all Owners, notice of which shall be sent to all Owners. Any special assessment which would cause the average total of special assessments levied in one fiscal year to exceed two hundred (\$200.00) dollars per Unit shall be approved by a Majority of the Owners prior to becoming effective (except as provided in Paragraph 9(b) regarding the power to assess specially pursuant to Section 44-3-80(b) of the Act and Paragraph 12(b) herein, regarding repair or reconstruction of casualty damage to or destruction of all or part of the Condominium).

(f) Capital Budget and Contribution. The Board may prepare an annual capital budget or evaluation which takes into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the Association projected capital needs both as to amount and timing by equal annual assessments over the period of the budget. Any required capital contribution shall be included within the budget and assessment as provided in subparagraph (d) of this Paragraph.

(g) Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charge against a Unit. The Association shall respond in writing within five (5) days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, not exceeding ten (\$10.00) dollars or such higher amount authorized by the Act, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Unit as of the date specified therein.

(h) Surplus Funds and Common Profile. Pursuant to Section 44-3-108 of the Act, common profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining thereafter shall, at the Board's option, either be distributed to the Owners or credited to the Owners' next chargeable assessment in proportion to the liability for Common Expenses attributable to each Unit, or added to the Association reserve account.

(i) Initial Assessments for Reserves. In addition to the annual assessment provided for in subparagraph (b) above and simultaneously with the initial sale by the Declarant of each Unit, the Unit Owner acquiring such Unit shall pay to the Association, for the establishment and maintenance of a reserve fund by the Association, an initial assessment of an amount equal to two times the amount of the regular monthly assessment for Common Expenses then or theretofore established with respect to such Unit. Notwithstanding the foregoing, such initial assessment shall be paid by the Declarant with respect to all Units still owned by the Declarant at the time of the expiration of the right of the Declarant to appoint or remove members of the Board of Directors of the Association pursuant to, subject to, and in accordance with O.C.G.A. Sec. 44-3-101(a) and Paragraph 2 above.

14. INSURANCE.

The Association shall obtain and maintain at all times, as a Common Expenses, insurance as required by Section 44-3-107 of the Act, as amended, and as required herein. If such insurance is not reasonably available, the Association insurance policy may exclude improvements and betterments made by the Unit Owner and may exclude the finished surfaces of perimeter and partition walls, floors, and ceilings within the Units (i.e., paint, wallpaper, paneling, other wall covering, tile, carpet and any floor covering; provided, however, floor covering does not mean unfinished hardwood or unfinished parquet flooring).

All insurance purchased by the Association pursuant to this Paragraph shall run to the benefit of the Association, the Board, officers, all agents and employees of the Association, the Unit Owners, and their respective Mortgagees, and all other Persons entitled to occupy any Unit, as their interests may appear. The Association insurance policy may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property. The Association insurance shall not include the Unit Owners' personal property unless the Association advises the Unit Owners of such coverage in writing.

The Board shall make available for review by Owners a copy of the Association insurance policy to allow Owners to assess their personal insurance needs, and each Owner shall have the right to obtain additional coverage at his or her own expenses.

All Association insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners, and the Mortgagees, if any. At least every two (2) years the Board shall conduct an insurance review to determine if the policy in force is adequate to meet the Association's needs and to satisfy Section 44-3-107 of the Act. Such responsibility shall be deemed reasonably performed by the Board requesting the Association insurance agent to so verify.

(a) The Board shall utilize reasonable efforts to secure a blanket hazard insurance policy providing "all risk" coverage in an amount equal to full replacement cost, before application of deductibles, of all improvements located on the Condominium property. If "all risk" coverage is not reasonably available at reasonable cost, the Board shall obtain, at a minimum, fire and extended coverage, including coverage for vandalism and malicious mischief, in like amounts. The Board shall use reasonable efforts to obtain policies that will provide the following:

- (i) the insurer waives its rights of subrogation of any claims against directors, officers, the managing agent, the individual Owners, Occupants, and their respective household members;
- (ii) any "other insurance" clause contained in the master policy shall expressly exclude individual Owners' policies from its operation;
- (iii) until the expiration of thirty (30) days after the insurer gives notice in writing to the Mortgagee of any Unit, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Unit Owners, the Board, or any of their agents, employees, or household members, nor be canceled for nonpayment of premiums;
- (iv) the master policy may not be canceled, substantially modified, or subjected to nonrenewal without at least thirty (30) days prior notice in writing to the Board and all Mortgagees of Units;

(v) an agreed value endorsement and an inflation guard endorsement; and

(vi) the deductible amount per occurrence for coverage required by the Act shall not exceed one thousand (\$1,000.00) dollars.

(b) All policies of insurance shall be written with a company licensed to do business in the State of Georgia. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

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

(d) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees. Each Owner shall notify the Board of all structural improvements made by the Owner to his or her Unit. Any Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such Owner at his or her expense and personal property belonging to such Owner, shall file a copy of such individual policy or policies with the Board within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify the Board in writing in the event such policy is canceled.

(e) In addition to the insurance required above, the Board shall obtain as a Common Expense:

(i) worker's compensation insurance if and to the extent necessary to meet the requirements of law;

(ii) public liability insurance in amounts no less than required by Section 44-3-107 of the Act, as amended, and officers' and directors' liability insurance in such amounts as the Board may determine. The public liability insurance shall contain a cross liability endorsement;

(iii) fidelity bonds or dishonesty insurance, if reasonably available, covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds. Such bonds, if reasonably

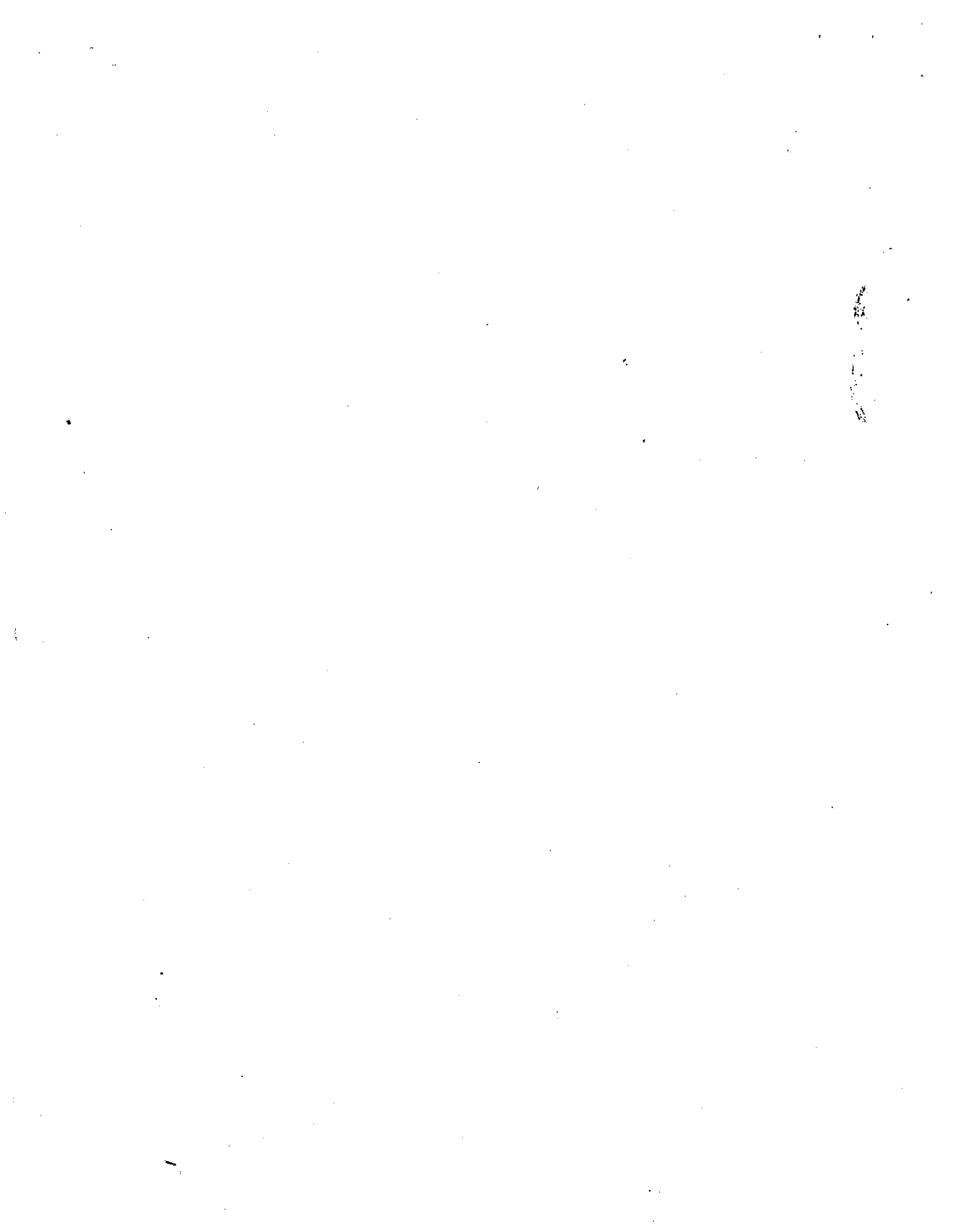
available, shall be in an amount consonant with the best business judgment of the Board, but in no event less than three (3) months' assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during the term of the bond; provided, however, fidelity coverage herein required may be reduced based on the implementation of financial controls which take one or more of the following forms: (a) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (c) two members of the Board must sign any checks written on the reserve account; and

(iv) such other insurance as determined necessary by the Board.

(f) Insurance carried by the Association as a Common Expense shall not be required to include any part of a Unit which is not depicted on the original plats and plans or included in the original mortgage, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit.

(g) Nothing contained herein gives any Owner or other party a priority over any rights of first Mortgagees as to distribution of insurance proceeds. Any insurance proceeds payable to the Owner of a Unit on which there is a Mortgagee endorsement shall be disbursed jointly to such Unit Owner and the Mortgagee. This is a covenant for the benefit of any such Mortgagee and may be enforced by any such Mortgagee.

(h) Every Owner shall be obligated to obtain and maintain at all times insurance covering those portions of his or her Unit to the extent not insured by policies maintained by the Association. Upon request by the Board, the Owner shall furnish a copy of such insurance policy or policies to the Association. In the event that any Owner fails to obtain insurance as required hereunder, the



Association may purchase such insurance on behalf of the Owner and assess the cost thereof to the Owner.

(i) Insurance Deductibles. In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person(s) who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair or otherwise as the Board determines equitable. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying any deductible pertaining to his or her Unit. If any Owner fails to pay the deductible when required hereunder, then the Association may pay the deductible and assess the cost to the Owner pursuant to Paragraph 8 hereof; however, where the deductible is for insurance required under the Act, no Owner shall be assigned more than one thousand (\$1,000.00) dollars, or such higher amount as authorized by the Act, as the cost of the deductible for any one occurrence.

15. REPAIR AND RECONSTRUCTION.

In the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, unless eighty (80%) percent of the Owners, including the Owner(s) of any damaged Unit(s), vote not to proceed with the reconstruction and repair of the structure, the Board or its agent shall arrange for and supervise the prompt repair and restoration of the structure. In the event of substantial damage or destruction, each institutional holder of a first Mortgage shall be entitled to written notice of the damage, and nothing in these documents shall be construed to afford a priority to any Owner with respect to the distribution of proceeds to any such Unit.

(a) Cost Estimates. Promptly after a fire or other casualty causing damage to the Condominium, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Unit) to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board determines to be necessary.

(b) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs

thereof are insufficient, the additional costs shall be assessed against the Owners of the Unit(s) damaged in proportion to the damage to the Units or against all Owners, in the case of insufficient funds to cover damage to the Common Elements. This assessment shall not be considered a special assessment as discussed in Paragraph 10(e). If there are surplus funds after repair and reconstruction is completed, such funds shall be common funds of the Association to be used as directed by the Board.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Board. To the extent insurance proceeds are available, the Association may reconstruct or repair Owner improvements damaged as a result of fire or other casualty.

(d) Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair as set forth in this Paragraph to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board.

16. ARCHITECTURAL CONTROLS.

(a) Architectural Standards. Except as provided herein, no Owner, Occupant or any other person may make any encroachment onto the Common Elements, or make any exterior change, alteration or construction (except for landscaping and planting within the individual Unit patio areas in accordance with Paragraph 14 (d) hereof), nor erect, place or post any object, sign, antenna, clothesline, playground equipment, light (except for reasonable seasonal decorative lights displayed between Thanksgiving and

January 15), storm door or window, exterior sculpture, fountains, flags or thing on the exterior of the buildings, in any windows or on any Common Elements, without first obtaining the written approval of the Architectural Standards Committee. The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings, Units and structures, and the location in relation to surrounding structures and topography.

Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ASC may reasonably require. The ASC, or its designee, shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board or the ASC may publish written architectural standards for exterior and Common Element alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Units and the location in relation to surrounding structures and topography of the vicinity. The ASC or the Board may allow such encroachments on the Common Elements as it deems acceptable.

If the ASC or its designee fails to approve or to disapprove such application within thirty (30) days after the application and all information as the ASC may reasonably require have been submitted, its approval will not be required and this subparagraph (a) will be deemed complied with; provided, however, even if the requirements of this subparagraph are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, the Bylaws, or the rules and regulations.

(b) Architectural Standards Committee. The ASC shall constitute a standing committee of the Association and shall consist of the Board unless the Board delegates to other Owners the authority to serve on the ASC. The chairperson of the ASC shall be a Board member.

(c) Condition of Approval. As a condition of approval for a requested architectural change, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors, -in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition, or alteration. In the Board's or ASC's discretion, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner. The Board or ASC also may establish such other conditions of approval as it

determines necessary or appropriate, including reasonable construction commencement and completion times.

(d) Limitation of Liability. Review and approval of any application hereunder may be made on any basis, including solely the basis of aesthetic considerations only, and neither the Board nor the ASC shall bear any responsibility for ensuring the design quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Association, the Board, the ASC, or member thereof shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

(e) No Waiver of Future Approvals. Each Owner acknowledges that the Board and ASC members will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. Board or ASC approval hereunder shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

(f) Enforcement. Each Unit Owner shall comply strictly with the Condominium Instruments and the By-Laws of the Association and the rules and regulations promulgated pursuant thereto. In the event of a violation or breach, or threatened violation or breach, of any of the same, the Declarant, the Association, or any aggrieved Unit Owner, jointly and severally, shall have the right to proceed at law or in equity to compel compliance therewith or to prevent the threatened violation or breach thereof.

In addition to all other remedies, the Declarant or the Association, or a duly authorized agent thereof, shall have the right to enter upon any portion of the Condominium where a violation or breach exists and summarily abate or remove such violation or breach, if after ten (10) days' written notice of such violation it shall not have been abated or removed by such Unit Owner. Neither the Declarant nor the Association, nor their agents, shall be deemed guilty or liable for any manner of trespass for such entry, abatement or removal. Should the Declarant or the Association employ legal counsel in the enforcement of the foregoing, all costs incurred in such enforcement, including reasonable attorneys' fees, shall be paid by the violating Unit Owner.

Inasmuch as the enforcement of the Condominium Instruments and the By-Laws and the rules and regulations promulgated pursuant thereto is essential for the protection of present and future Unit Owners, it is hereby declared that any violation or breach thereof cannot be adequately compensated by recovery of damages, and that

the Declarant, the Association, or any aggrieved Unit Owner, in addition to all other remedies, may request, and shall be entitled to, an injunction to restrain any such violation or breach or threatened violation or breach. Further, in any case of flagrant or repeated violation by a Unit Owner, then, in addition to the foregoing remedies, the Board of Directors of the Association may levy summary charges against the Unit Owner for such violation, in such amounts as shall be determined by the Association. Collection of summary charges may be enforced against a Unit Owner as if such charges were an additional assessment against the Unit Owner involved.

No delay, failure or omission on the part of the Declarant, the Association, or any aggrieved Unit Owner in exercising any right, power or remedy herein provided shall be construed as acquiescence therein or shall be deemed a waiver of the right to do so thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue, nor shall any action be brought or maintained, by anyone whatsoever against the Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation of breach, however long continued, or for the imposing of provisions which may be unenforceable.

17. USE RESTRICTIONS.

Each Owner shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of the Condominium Instruments and the Association's rules and regulations. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or Occupants, as a result of such person's violation of the Condominium Instruments, the Association may take action hereunder against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or Occupants.

In addition to the following use restrictions, the Board may adopt rules and regulations in accordance with the terms hereof and of the Bylaws.

(a) Subdivision of Units and Outbuildings. No Unit may be subdivided into a smaller Unit, and no structure of a temporary character, trailer, tent, carport, garage or other outbuilding shall be erected by any Owner or Occupant on any portion of the Condominium at any time, either temporarily or permanently.

(b) Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without prior written Board consent, except as specifically provided herein.

With prior written Board approval, and subject to any restrictions imposed by the Board, an Owner may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner who reserves a portion of the Common Elements as provided herein shall assume, on behalf of himself or herself and his or her guests, Occupants and family, all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

(c) Use of Individual Patio Areas. Individual patio areas adjacent to Units constitute a portion of the Unit hereunder. Owners may landscape and plant in such patio areas and otherwise use such patio areas for appropriate purposes. However, the Owner shall maintain such patio area, and all improvements therein, in neat, clean and proper condition. Appropriate outdoor furniture, plants and items may be kept and used on the patio area, but the patio area shall not be used for storage of indoor furniture, appliances or other similar items if visible from outside of the patio area.

(d) Prohibition of Damage, Nuisance and Noise. Without prior written Board consent, nothing shall be done or kept on the Condominium which would increase the rate of insurance on the Condominium or any Unit, which would be in violation of any statute, rule, ordinance, regulation, permit or other governmental requirements, or which would increase the Common Expenses.

Noxious, destructive or offensive activity shall not be carried on upon the Condominium. No Unit Owner or Occupant may use or allow the use of the Unit or any portion of the Condominium at any time, in any way or for any purpose which may endanger the health, unreasonably annoy or disturb or cause embarrassment, or discomfort to other Owners or Occupants, or in such a way as to constitute, in the Board's sole opinion, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights. No Unit Owner or Occupant may use or allow the use of the Unit or the Common Elements in any manner which creates noises between the hours of 10:00 p.m. and 7:30 a.m. which can be heard by persons in another Unit that will, in the Board's sole discretion,

unreasonably interfere with the rights, comfort or convenience of any other Owner or Occupant.

No Owner or Occupant shall do any work which, in the Board's reasonable opinion, would jeopardize the soundness or safety of the Condominium or any structure thereon, would reduce the value thereof, or would impair any easement or other interest in the Condominium, without the prior written consent of all Association members and their Mortgagees.

No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any Owner or family member or invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or Occupants of his or her Unit.

(e) Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted by law enforcement officers and also across the Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. Section 25-10-1, as amended.

(f) Pets. No Owner or Occupant may keep any pets other than a reasonable number of generally recognized household pets on any portion of the Condominium, as determined in the discretion of the Board. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors or kept unattended outdoors in fenced areas, including patio areas. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Elements without prior written ASC approval. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors, other than within patio areas. Feces left upon the Common Elements by dogs must be removed by the owner of the dog or the person responsible for the dog.

No potbellied pigs may be brought onto or kept at the Condominium at any time. No dogs determined in the Board's sole discretion to be dangerous dogs may be brought onto or kept on the Condominium at any time. Any pet which endangers the health of any Owner or Occupant or which creates a nuisance or unreasonable disturbance, as may be determined in the Board's sole discretion, must be permanently removed from the Condominium upon seven (7) days' written notice by the Board. If the Owner or Occupant fails to do so, the Board may remove the pet. Any pet which, in the

Board's sole discretion, presents an immediate danger to the health, safety or property of any community member may be removed by the Board without prior notice to the pet's owner.

Any Owner or Occupant who keeps or maintains any pet upon the Condominium shall be deemed to have indemnified and agreed to hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

(g) Parking. No Owner or Occupant may keep or bring onto the Condominium more than a reasonable number of vehicles per Unit at any time, as determined by the Board; provided, however, the Board may adopt reasonable rules limiting the number of vehicles which may be parked at the Condominium. Vehicles only may be parked in designated parking spaces or other areas authorized in writing by the Board.

Disabled and stored vehicles are prohibited from being parked on the Condominium. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium for fourteen (14) consecutive days or longer without prior written Board permission.

Boats, trailers, panel trucks, trucks with a load capacity of one (1) ton or more, vans (excluding mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Condominium, except with written Board approval and in areas designated by the Board as parking areas for such vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements, but shall not be authorized to remain on the Common Elements overnight or for any purpose except serving a Unit or the Common Elements, without written Board approval.

If any vehicle is parked on any portion of the Condominium in violation hereof or in violation of the Association's rules, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the Condominium stating the name and telephone number of the person or

entity which will do the towing. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane or anywhere other than within a designated parking space, is blocking another vehicle or access to another Owner's or Occupant's Unit, is obstructing the flow of traffic, is parked in a space which has been assigned exclusively serving another Unit, is improperly parked in a guest parking space, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing activity. The Association's right to tow is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. The Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

(h) Abandoned Personal Property. Personal property, other than an automobile as provided for in Paragraph 14(h), is prohibited from being stored, kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Unit, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, other than exercise its authority to remove property hereunder.

(i) Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting

entity which will do the towing. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane or anywhere other than within a designated parking space, is blocking another vehicle or access to another Owner's or Occupant's Unit, is obstructing the flow of traffic, is parked in a space which has been assigned exclusively serving another Unit, is improperly parked in a guest parking space, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing activity. The Association's right to tow is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. The Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

(h) Abandoned Personal Property. Personal property, other than an automobile as provided for in Paragraph 14(h), is prohibited from being stored, kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Unit, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, other than exercise its authority to remove property hereunder.

(i) Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting

in damage to the Condominium, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five (55°) degrees Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two (32°) degrees Fahrenheit or below. Owners and Occupants of Units shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. If during the months specified above the heating equipment is not working properly, the Owner or Occupant shall immediately inform the Board of this failure of the equipment and of the time needed to repair the equipment. The Board may fine any Owner or Occupant and/or cause the water service to the violator's Unit to be discontinued for violation hereof, in addition to any other remedies of the Association.

(j) Signs. Except as may be required by legal proceedings and as may be specifically provided for herein, no signs, advertising posters or billboards of any kind shall be erected, placed, or permitted to remain on the Condominium without the prior written consent of the Board, except for one (1) professional security sign not to exceed six (6) inches by six (6) inches in size which may be displayed from within or immediately adjacent to both the front and rear entries of a Unit; provided, however, that the foregoing restriction shall not apply to the Declarant, the builder (if other than Declarant) of the Units during the period of construction and prior to the initial sale thereof, or to anyone who becomes the Owner of a Unit as purchaser at a judicial or foreclosure sale conducted with respect to a first mortgage or as transferee pursuant to any proceedings in lieu thereof.

Upon the prior written approval of a brass plate plan by the Board, Owners shall be allowed to erect a brass plate on the Condominium indicating that the Condominium Unit is an office unit. Said plate shall not exceed eighteen (18) inches by eighteen (18) inches in size (unless otherwise approved by the Board) and may be displayed from within or immediately adjacent to both the front and rear entries of a Unit.

(k) Rubbish, Trash, and Garbage. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements outside the Unit, temporarily or otherwise, except as provided herein. Rubbish, trash, and garbage shall be disposed of in sealed plastic bags and either placed in proper receptacles designated by the Board for collection or removed from the Condominium by the Owner.

(l) Unsightly or Unkempt Conditions. Pursuit of hobbies or other activities, including, but not limited to, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit. Only appropriate outdoor items, such as patio furniture and plants, may be kept in the patio area serving the Unit.

(m) Garage Sales. Garage sales, yard sales, flea markets, or similar activities shall be permitted at the Condominium only with prior written Board consent or as provided in the Association's rules and regulations, and such sales shall be subject to all reasonable conditions that the Board may impose.

(n) Window Treatments. Unless otherwise approved in writing by the Board, all Unit windows shall have window treatments and any portion thereof visible from outside the Unit shall be white, off-white or other color approved by the Board.

(o) Transient Tenants. No transient tenants or Occupants shall be accommodated in a Unit.

18. LEASING.

The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and Bylaws, in order to enforce the provisions of this Paragraph.

(a) Definition. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person(s) other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. For purposes hereof, occupancy by a roommate of an Owner Occupant shall not constitute leasing.

(b) Leasing Provisions. Leasing of Units shall be governed by the following provisions:

(i) General. Units 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. The Board may maintain and, upon request, provide a form which is deemed acceptable. There shall be no

subleasing of Units or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than twelve (12) months, 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 a Unit, the Owner shall provide the Board with a copy of the lease, the name of all people occupying the Unit, and the Owner's address. 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.

(ii) Compliance With Declaration, Bylaws, and Rules and Regulations, Use of Common Elements, and Liability for Assessments. Each Owner and each lessee, by occupancy of a Unit, covenants and agrees that any lease for a Unit 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 covenant on the Unit:

(A) Compliance With Declaration, Bylaws, and Rules and Regulations. The lessee shall comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure such compliance. The Owner shall cause all Occupants of his or her Unit to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any such violation. If the lessee, or a person living with the lessee, commits a violation, a fine may be assessed against both lessee and the Owner, in accordance with Article V, Section 2 of the Bylaws. Unpaid fines shall constitute a lien against the Unit.

Any violation of the Declaration, Bylaws, or Association rules by the lessee, any Occupant, or any guest of lessee, is deemed to

be a default under 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 such violations, including the power and authority to evict the lessee as attorney-in-fact on behalf 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 Unit. Alternatively, the Association may require an Owner to terminate the lease and evict a violating lessee.

(B) Use of Common Elements. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Condominium Common Elements, including, but not limited to, the use of any and all recreational facilities.

(C) Liability for Assessments. When a Unit Owner who is leasing his or her Unit 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 payments 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. If lessee fails to comply herewith, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(c) Applicability of this Paragraph 15. Leases existing on the Effective Date of this Declaration shall not be subject to the

terms of subparagraph (b) above. Such leases may continue in accordance with the terms of the Original Declaration. However, any assignment, extension, renewal, or modification of any lease agreement, including, but not limited to, changes in the terms or duration of occupancy, shall be considered a termination of the old lease and commencement of a new lease which must comply with this Paragraph. Owners shall file with the Board a copy of any lease agreement in effect within ten (10) days of a written request therefor from the Board.

This Paragraph 15 shall not apply to any leasing transaction entered into by the holder of any first Mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage.

19. SALE OF UNITS.

A Unit Owner intending to make a transfer or sale of a Unit or any interest in a Unit shall give written notice to the Board of such intention within ten (10) days after execution of the transfer or sales documents. The Owner shall furnish to the Board as part of the notice (i) the name and address of the intended grantee; and (ii) such other information as the Board may reasonably require. This Paragraph shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven (7) days after receiving title to a Unit, the purchaser of the Unit shall give written notice to the Board of his or her ownership of the Unit. Upon failure of an Owner to give the required notice within the seven-day time period provided herein, the Board may levy fines against the Unit and the Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

20. MAINTENANCE RESPONSIBILITY.

(a) By the Owner. Except to the extent otherwise provided in subparagraph (b) below, each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit and any Limited Common Elements which may be assigned to his or her Unit. This maintenance responsibility shall include, but not be limited to the following:

- (i) all glass surfaces, windows, window frames, screens, shutters, mullions, casings and locks serving the Unit (including caulking of windows);

- (ii) all doors, doorways, door frames, thresholds and hardware that are part of any entry system of the Unit (including french doors or sliding glass doors);
- (iii) all portions of the patio and patio area serving the Unit, including landscaping or plantings therein, the patio gate and hinges and hardware therefor, the fence enclosing or surrounding the patio area, the patio surfaces or flooring and any railings and walkways within the patio area or serving only the Unit, but excluding painting or other required maintenance on the exterior surface of the patio fence other than the gate and hardware therefor;
- (iv) all portions of the heating and air conditioning system serving the Unit, including the compressor and any vents, electrical lines or other pipes or lines related thereto, whether or not located within the Unit boundaries;
- (v) all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, other than those under subparagraph (iv) above, from the point where such items intersect the boundaries of a Unit; and
- (vi) exterior lights serving the Unit.

In addition, each Unit Owner shall have the responsibility:

1. To keep in a neat, clean, sanitary and properly maintained condition the patio area serving his or her Unit and any Limited Common Elements serving his or her Unit.
2. To perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units.
3. To promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible.
4. To pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is

necessitated by reason of the willful or negligent act of the Unit Owner, his or her family, tenants or guests, with the cost thereof to be added to and become part of the Unit Owner's next chargeable assessment.

(b) By the Association. The Association shall maintain, repair, replace and, in the Board's discretion, improve as a Common Expense the "Area of Common Responsibility," which includes all Common Elements and the exterior surfaces of portions of the Unit identified below:

- (i) roof surfaces (limited to repair, replacement and maintenance of roof shingles or other covering and surface materials);
- (ii) archways;
- (iii) exterior brick on the buildings;
- (iv) painting or staining of patio fence surfaces (excluding gates and hardware therefor and excluding any other maintenance, repair or replacement of the fence);
- (v) painting or staining of wood or other painted or stained trim on exterior building surfaces (including doors, door frames and window frames, but excluding any other maintenance, repair or replacement of such doors, door frames or window frames); and
- (vi) gutters and downspouts.

Except to the extent that insurance required to be maintained or maintained by the Association covers any damage or loss and except as otherwise provided herein, the Association shall not be responsible for any maintenance or repair to any Unit or to any Limited Common Element.

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

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, rain,

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

The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association.

In performing its responsibilities hereunder, the Association shall have the authority to delegate to such persons, firms or corporations of its choice, such duties as are approved by the Board.

(c) Failure to Maintain. If the Board determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board.

Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs

shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

If the Board determines that the need for maintenance or repair is in the Area of Common Responsibility and is caused through the willful or negligent act of any Owner, or Occupant or their family, guests, lessees, or invitees, then the Association may assess the cost of any such maintenance, repair, or replacement against the Owner's or Occupant's Unit, shall become a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

(d) Measures Related to Insurance Coverage.

(i) The Board, upon resolution, shall have the authority to require all or any Unit Owner(s) to do any act or perform any work involving portions of the Condominium which are the Owner's maintenance responsibility, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the Association's insurance premium(s) or otherwise assist the Board in procuring or maintaining insurance coverage. This authority shall include, but shall not be limited to, requiring all Owners to turn off cut-off valves during winter months for outside water spigots; requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring Owners to install smoke detectors; requiring Owners to make improvements to the Units; and such other measures as the Board may reasonably require so long as the cost of such work does not exceed five hundred (\$500.00) dollars per Unit in any twelve (12) month period.

(ii) In addition to any other rights the Association may have, if any Unit Owner does not comply with any requirement made by the Board pursuant to subparagraph (d)(i) above, the Association, upon fifteen (15) days' written notice, may perform such required act or work at the Owner's sole cost. Such cost shall be an assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to

subparagraph (d) (i) above, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Unit Owner or Occupant, except that access may be had at any time without notice in an emergency situation.

(e) Measures Related to Provision of Common Water Service.

(i) The Association shall have an easement to enter a Unit to inspect for leaking toilets or faucets or other events which may be causing waste of water provided as a Common Expense, or to require an Owner to provide a report from a licensed plumber regarding the results of such an inspection by the plumber. If the inspection reveals that the Owner has failed to maintain the Unit so as to prevent waste of water provided for as a Common Expense, the Board may make necessary repairs in accordance with subparagraph (c) above.

(ii) The Board, upon resolution, shall have the authority to require all or any Owner to do any act or perform any work involving portions of the Condominium which are the Owner's maintenance responsibility, which will, in the Board's sole discretion, conserve water so long as the cost of such work does not exceed three hundred dollars (\$300.00) per Unit in any twelve (12) month period.

(f) Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to another. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Paragraph. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

21. PARTY WALLS.

(a) General Rules of Law to Apply. Each wall built as a part of the original construction of the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Paragraph, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions.

(c) Damage and Destruction. If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has benefitted by the wall may restore it, and the other Owner or Owners thereafter who are benefitted by the wall or fence shall contribute to the cost of restoration thereof in equal proportions, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Paragraph shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

(e) Arbitration. In the event of any dispute arising concerning a party wall under the provisions of this Paragraph, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor by the Board, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties. Compliance with this subparagraph shall be a condition precedent to any right of legal action that either party may have against the other in a dispute arising hereunder.

22. MORTGAGEE'S RIGHTS.

(a) Unless at least two-thirds (2/3) of the first Mortgagees or Unit Owners give their consent, the Association or the membership shall not:

- (i) by act or omission seek to abandon or terminate the Condominium;
- (ii) change the pro rata interest or obligations of any individual Unit for the purpose of (1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Unit in the Common Elements;

- (iii) partition or subdivide any Unit;
- (iv) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or
- (v) use hazard insurance proceeds for losses to any portion of the Condominium (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such portion of the Condominium.

The provisions of this subparagraph shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this Paragraph.

(b) Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the first Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquires, its successors and assigns. Additionally, such acquires shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

(c) Upon written request to the Association, identifying the name and address of the holder and the Unit number or address, any Eligible Mortgage Holder will be entitled to timely written notice of:

- (i) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first Mortgage held by such Eligible Mortgage Holder;
- (ii) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first Mortgage held by such Eligible Mortgage Holder which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Owner of

any other obligation under the Condominium Instruments which is not cured within sixty (60) days;

- (iii) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or
- (iv) any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders, as specified herein.

(d) Any holder of a first Mortgage shall be entitled, upon written request, to receive within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting.

(e) Notwithstanding anything to the contrary herein contained, the provisions of Paragraphs 15 and 16 governing sales and leases shall not apply to impair the right of any first Mortgagee to: (i) foreclose or take title to a Unit pursuant to remedies contained in its Mortgage; (ii) take a deed or assignment in lieu of foreclosure; or (iii) sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.

23. GENERAL PROVISIONS.

(a) Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, for himself or herself and his or her tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security on the Condominium. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide such security shall lie solely with each Unit Owner.

The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

(b) Dispute Resolution. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or property manager of the Association, a Unit Owner or Occupant must request and attend a hearing with the Board. Any such request shall be in writing and shall be personally delivered to any member of the Board or the property manager, if any, of the Association. The

Owner or Occupant shall, in such request and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the request.

(c) No Discrimination. No action shall be taken by the Association or the Board which would unlawfully discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or handicap.

(d) Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

24. EMINENT DOMAIN.

In the event of a taking by condemnation or by eminent domain, the provisions of the Act shall prevail and govern; provided, however, that any proceeds received for a taking of the Common Elements (other than for any Limited Common Elements) by condemnation or eminent domain shall, at the option of the Board, either be: (1) distributed to the Owners, (2) credited to future assessments due from the Owners, or (3) allocated to the Owners and deposited into the Association's operating account or reserve account to be applied to Common Expenses, pursuant to O.C.G.A. § 44-3-97(a), as amended. Each institutional holder of a first Mortgage shall be entitled to written notice of any such condemnation proceedings, and nothing in the Condominium Instruments shall be construed to give a priority to any Owner in the distribution of proceeds to such Unit.

25. EASEMENTS.

Each Unit Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from his or her Unit over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to the rights of the Unit Owners to the exclusive use of any Limited Common Elements which may be assigned to their respective Units and to the right of the

Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein. Every portion of a Unit and any Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit. All portions of the Condominium also shall be subject to easements of encroachment as provided in the Act.

26. AMENDMENTS.

Except where a higher vote is required for action under any other provisions of this Declaration or by the Act, this Declaration may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Association holding sixty-six and two-thirds (66-2/3%) percent of the total eligible vote thereof. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Cobb County, Georgia.

In addition to the above, material amendments to this Declaration must be approved by Eligible Mortgage Holders who represent at least fifty-one (51%) percent of the votes of Units that are subject to Mortgages held by Eligible Mortgage Holders. Notwithstanding the above, the approval of any proposed amendment by an Eligible Mortgage Holder shall be deemed implied and consented to if the Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within thirty (30) days after the Eligible Mortgage Holder receives notice of the proposed amendment sent by certified or registered mail, return receipt requested.

Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the owners, may amend this Declaration to comply with any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA").

Any action to challenge the validity of an amendment adopted under this Paragraph must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.

27. TERMINATION OF THE CONDOMINIUM.

The Condominium may be terminated pursuant to, subject to and in accordance with the provisions of, and the respective rights and interests of the Declarant and the Unit Owners with respect to, and in the event of termination of the Condominium shall be governed by O.C.G.A. Sec. 44-3-98. Without limiting the generality of the foregoing, it is expressly intended that, notwithstanding the fact that this Declaration may specify otherwise pursuant to the provisions of O.C.G.A. Sec. 44-3-98(a) and (b), the required majority vote with respect to termination of the Condominium, pursuant to O.C.G.A. Sec. 44-3-98(a), shall be four-fifths (4/5).

28. DURATION.

Unless the Condominium is terminated as herein otherwise provided, the provisions of this Declaration shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by Georgia law; provided, however, that, so long as Georgia law limits the period during which covenants restricting lands 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, and it shall be the duty of the Board of Directors of the Association to cause this Declaration to be amended of record when necessary by filing a document signed by or on behalf of the Owners of Units to which a majority of the votes in the Association appertain reaffirming and newly adopting such provisions in order that the same may continue to be covenants running with the land of the Condominium. Such adoption by a majority shall be binding on all. Every purchaser or grantee of any interest in any property made subject to this Declaration, by acceptance of a deed or other conveyance, agrees that the provisions of this Declaration shall run with and bind the land as provided hereby.

29. SEVERABILITY.

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

30. PREPARER.

This Declaration was prepared by Susan W. Smith, Moore, Ingram, Johnson & Steele, LLC, 192 Anderson Street, Marietta, Georgia 30060.

IN WITNESS WHEREOF, the Declarant has caused its duly authorized corporate officer to execute this Declaration, and to affix its corporate seal hereto, the day and year first written above.

This 1 day of October, 1997.

Signed, Sealed and Delivered

DECLARANT:

McClaren Mill Development
LLC

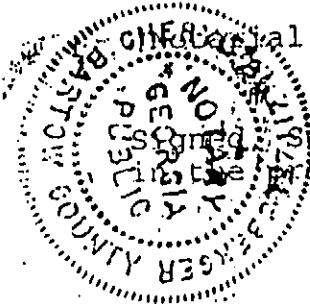
By: [Signature]

Title: President

[Signature]
Witness

[Signature]
Notary Public

Notary Public, Barlow County, Georgia
My Commission Expires January 20, 2001

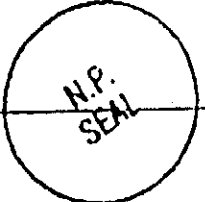


Signed, Sealed and Delivered
in the presence of:

By: _____

Title: Secretary

[Signature]
Witness



Notary Public
[Notarial Seal]
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