

## EXHIBIT "C"

### Initial Restrictions and Rules

The following restrictions applicable to property within the Community shall remain in effect until such time as they are amended, modified, repealed, or limited by rules of the Association adopted pursuant to Article V of the Declaration.

1. General. The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, a sales office of Declarant) consistent with this Declaration.

2. Restricted Activities. The following activities are prohibited within the Community unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Undertaking any action, work, construction, or improvement that will likely impair the structural soundness or integrity of another Unit or impair any easement;

(b) Installing or maintaining any blinds, shades, decorative panels, window or door treatments or coverings for any doors or windows which are part of a Unit and visible from outside the Unit in a color other than white, off-white, or light beige;

(c) Installing any window air conditioning units in any Unit;

(d) Parking or storage of commercial vehicles or equipment, mobile homes, recreational vehicles, boats and other watercraft, trailers, or inoperable vehicles within the Community, except on a temporary basis for such period of time as is reasonably necessary to load, unload, or prepare such vehicles for immediate use or parking of any vehicle which does not have a valid license plate or which has been abandoned, wrecked, or dismantled within the Community for any period of time;

(e) Parking of any vehicle in areas of the Community other than the driveway or garage, if any, serving the Unit or those parking spaces assigned to the Unit that is owned, occupied, or being visited by the vehicle operator, except that persons other than Owners and residents of Units may park in designated visitor parking spaces, if any, subject to such rules as the Board may adopt;

(f) Raising, breeding, or keeping of animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted on a Unit; however, those pets which are permitted to roam freely outside the boundaries of the owner's Unit, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet, in addition to imposing such other sanctions as are

authorized by the Declaration and By-Laws. Dog owners shall keep their dogs on a leash at all times when outside the boundaries of the Unit. Pets shall be registered, licensed, and inoculated as required by law;

(g) Any activity that emits foul or obnoxious odors outside the Unit or creates noise or other conditions that tend to disturb the peace or threaten the safety of the occupants of other Units;

(h) Any activity which violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(i) Pursuit of hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit;

(j) <sup>Note</sup> Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Units;

(k) Outside burning of trash, leaves, debris, or other materials;

(l) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except alarm devices used exclusively for security purposes;

(m) Use and discharge of firecrackers and other fireworks;

(n) Dumping of garbage, petroleum products, or potentially hazardous or toxic substances in any street, storm sewer, or on Common Areas or other Units;

(o) Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved sanitary containers;

(p) Obstruction or rechanneling of drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent;

(q) Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and filed in the Public Records, except that Declarant shall be permitted to subdivide, combine, or replat Units that it owns;

(r) Use of any Unit for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years;

(s) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(t) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment;

(u) Any business, trade, yard sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Community; (iii) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Community; and (iv) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or a builder approved by Declarant with respect to its development and sale of the Community or its use of any Units which it owns within the Community; and

(v) Conversion of any garage to finished space for use as an integral part of the living area on any Unit or use of any garage for storage or other purposes which preclude its use for parking of that number of vehicles for which it was originally designed; and

(w) Any construction, erection, or placement of any thing, permanently or temporarily, on the exterior portions of the Unit or on Common Area, except in strict compliance with the provisions of Article IV of the Declaration. If not addressed in the Architectural Guidelines, the Board or the ARC, in its discretion, may prohibit or permit such things as it deems appropriate, subject to applicable law and regulations.

3. Prohibited Activities and Conditions. The following shall be prohibited within the Community:

(a) Satellite dishes, antennas and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that (i) Declarant and the Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Community, and (ii) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (b) antennas or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (c) antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices") shall be permitted, *provided that* any such Permitted Device is placed in the least conspicuous location on the Unit in which an acceptable quality signal can be received and in a manner consistent with the Community-Wide Standard and the Architectural Guidelines. It shall not be necessary to obtain prior approval under Article IV of the Declaration to install a Permitted Device in a manner consistent with this paragraph (a);

(b) Laundry drying facilities including, but not limited to, clotheslines, outside of a Unit. In addition, the use of porch railings or any other part of the exterior of the Unit or Limited Common Areas for drying or storing of clothes or other articles is prohibited; and

(c) Any thing or condition which will result in the cancellation, or increase in premium, or reduction in coverage of insurance maintained by the Association or which would be in violation of any law or other applicable requirement of governmental authorities.

#### 4. Leasing of Units.

(a) General. In order to establish and preserve the character of the Community as predominantly owner-occupied and in order to comply with eligibility requirements for financing in the secondary mortgage market, all leasing of Units shall be subject to the restrictions imposed by this Section. "Leasing," for purposes of this Paragraph 4, is defined as regular occupancy of a Unit by any person other than the Owner unless the Owner or a parent, child, or spouse of the Owner also occupies the Unit as his or her primary residence. Except as provided in this Paragraph 4, all leasing of Units shall be prohibited.

(b) Permit Required. An Owner may lease his or her Unit only pursuant to a valid leasing permit. The Board shall have the exclusive authority to issue leasing permits. A leasing permit shall identify the specific Unit and Owner for which it is valid and shall not be assignable, transferable to, or usable by any other Owner or Unit. A leasing permit shall automatically be revoked upon (i) the transfer of title to the Unit to a person other than the Owner's spouse or a person residing with the Owner for at least 90 days prior to the transfer; or (ii) the passing of 180 consecutive days without a valid lease of the Unit during any 180-day period after issuance of the leasing permit.

(c) Application and Issuance of Permits. Any Owner desiring to lease his or her Unit shall apply to the Board for a leasing permit. The Board shall grant such application and issue a leasing permit unless, at the time of such application, valid leasing permits are already

outstanding for 25% or more of the Units in the Community. If the Board denies an application for a leasing permit, the Unit and Owner shall be placed on a waiting list for a leasing permit. At such time as the number of Units with valid leasing permits falls below 25% of the total number of Units in the Community, the Board shall issue a leasing permit to the Unit and Owner having the highest priority on such waiting list. An Owner may withdraw his or her application for a leasing permit at any time and, in such case, the Owner's name and Unit shall be removed from the waiting list. The issuance of a hardship permit pursuant to subparagraph (d) below shall not cause the Owner to be removed from the waiting list for a leasing permit.

(d) Hardship Exceptions. If the Board determines that an Owner's inability to lease his or her Unit will result in financial hardship due to circumstances requiring the Owner to temporarily or permanently relocate his or her residence from the Unit in which he or she has been residing or otherwise preventing the Owner from occupying the Unit, the Board may, but shall not be obligated to, issue a hardship permit allowing the Owner to lease the Unit for such duration, not to exceed one year, and subject to such conditions as the Board may determine appropriate to reduce such hardship. A "hardship," for purposes of this subparagraph (d), may include, but shall not be limited to, a situation in which (i) the Owner must relocate his or her residence and has been unable to sell his or her Unit for the current appraised value within 90 days after listing it for sale with a licensed real estate broker, after having made reasonable efforts to do so; (ii) the Owner dies and the Unit is being administered by his or her estate; (iii) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit; or (iv) the Owner must temporarily relocate his or her residence from the Unit but intends to return to reside in the Unit. A hardship permit shall be revoked if the Owner and Unit are approved for issuance of a leasing permit while such hardship permit is in effect. In exercising its discretion with respect to issuance of a hardship permit, the Board shall consider (i) the nature, degree and likely duration of the hardship; (ii) the number of leasing permits and hardship permits outstanding; (iii) the Owner's ability to avoid or minimize the hardship; and (iv) whether the Owner has been issued hardship permits in the past.

(e) Applicability. Subparagraphs (a) through (d) of this Paragraph 4 shall not apply to any lease entered into by any first Mortgagee who becomes the Owner of a Unit upon foreclosure or exercise of other remedies under its Mortgage, and any such Mortgagee shall be entitled to lease the Unit so long as the Mortgagee owns the Unit without first obtaining a leasing permit or hardship permit.

(f) Leasing Conditions. All leases permitted under this Paragraph 4 shall be subject to the following conditions:

(i) Leases shall be in writing and shall have an initial term of not less than six months, unless otherwise approved by the Board in its discretion to avoid undue hardship to the Owner.

(ii) Any lease shall cover the entire Unit; no Owner may lease individual rooms or portions of a Unit. The Owner shall be deemed to have transferred and assigned to the

lessee, for the term of the lease, any and all rights and privileges that the Owner has to use any recreational facilities within the Common Area.

(iii) The Owner of a leased Unit shall notify the Board in writing within 5 days after execution of the lease and shall provide a copy of the fully executed lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the Restrictions and Rules.

(iv) There shall be no subleasing of Units or assignment of leases without prior written approval of the Board.

(v) Any lease of a Unit shall be deemed to contain the following provisions, whether or not expressly stated therein. Each Owner covenants and agrees that any lease of a Unit shall contain the following provisions and agrees that if such provisions are not expressly contained therein, then such provisions shall be deemed incorporated into the lease by existence of this covenant on the Unit. Each lessee, by occupancy of a Unit, agrees to the applicability of these provisions and to their incorporation into the lease:

(A) Compliance With Declaration, By-Laws, and Rules and Regulations. The lessee shall comply with all provisions of the Declaration, By-Laws, 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 their compliance. In the event that the lessee, or a person living with the lessee, violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine may be assessed against the lessee in accordance with Declaration and the By-Laws. Any violation of the Declaration, By-Laws, or rules and regulations by the lessee or any occupant of the leased Unit 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 the violation of the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, 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. In the event 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.

(B) Liability for Assessments. When an Owner who is leasing his or her Unit fails to pay any assessment or other charge for a period of more than 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 of Directors, the lessee shall pay to the Association all unpaid assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by the lessee. However, the 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 the lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to the lessor. If the lessee fails to comply with the Board's request to

pay assessments or other charges, 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.

(vi) The Owner of a leased Unit shall cause all occupants of the Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such occupants, notwithstanding the fact that such occupants are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto. In the event that the lessee, or a person living with the lessee, violates the Declaration, By-Laws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine shall be assessed against the lessee in accordance with the Declaration and the By-Laws. If the lessee does not pay the fine within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.