

EXHIBIT D  
BY-LAWS  
OF  
SHILOH RIDGE CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Members  
(UNIT OWNERS)

SECTION 1. Eligibility. There shall be one class of Members of Shiloh Ridge Condominium Association. The Members shall consist of the respective Unit Owners of the Condominium known as Shiloh Ridge Condominium located within the County of Cobb, Georgia (called "Condominium"), in accordance with the respective percentages of ownership interest in the Common Elements of the Condominium owned by the respective Unit Owners (these and other terms are used in these bylaws as they are defined in the Declaration of Condominium Ownership for Shiloh Ridge Condominium Association, which Declaration is recorded in the office of the Clerk of the Superior Court of Cobb County, Georgia. The words "member" or "members" as used in these Bylaws means and shall refer to "Unit Owner" or "Unit Owners", as the case may be, as defined in the Declaration).

SECTION 2. Succession. The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer or other disposition of his or her ownership interest in the Condominium, his or her membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interests. Notwithstanding the preceding sentence, in the event of a resale of a Unit, the purchaser of a Unit from a seller other than the Developer pursuant to an installment contract for a purchase, shall during such times as he or she resides in the Unit be counted toward a quorum for purposes of election of members of the Board at any meeting of the Unit Owners called for the purposes of electing members of the Board, shall have the right to vote for the election of members of the Board and shall have the right to be elected to and serve on the Board unless the seller expressly retains in writing any or all such rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office or be elected and serve on the Board. Satisfactory evidence of the installment contract shall be made available to the Association or its agents.

SECTION 3. Regular Meetings. The first regular annual meeting of Unit Owners (the "First Meeting") may be held within the limits of the County of Cobb, subject to the terms hereof, on any date, at the option of the Board, provided, however, that said First Meeting shall be held either (a) sixty (60) days after Declarant has sold and delivered a deed for at least 75% of the Units, or (b) seven (7) years from the recording date of the Declaration, whichever is earlier, provided,

however, that (a) in computing the aforementioned "75%" figure, the numerator shall be the number of Units which have been sold and for which a deed has been delivered, and the denominator shall be the maximum number of Units which may be created on the Parcel together with the Additional Property, as said maximum number is set forth in Paragraph 19(b)(7) on the Declaration. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year within limits of the County of Cobb, within fifteen (15) days of the anniversary of the First Meeting, one of the purposes of which shall be to elect members of the Board. All such meetings of Unit Owners shall be held at such place in Cobb County, Georgia, and at such time, and for purposes as specified in the written notice of such meeting, which shall be mailed to all Unit Owners at least twenty-one (21) days and not more than thirty (30) days prior to the date of such meeting. Regarding the First Meeting, the Developer shall provide to any Unit Owner the names, addresses, telephone numbers (if available), and weighted vote of each Unit Owner entitled to vote at the Meeting within three (3) working days of the request. Unit Owners shall receive this same information with three (3) working days of request for each subsequent meeting to elect members of the Board. The method of calling meetings shall be by the aforesaid written notice sent by the Board, copies of which notice may also be either delivered personally to the Unit Owners or to the entry door of their Unit or posted conspicuously in the hallways, lobbies, or on bulletin boards or other parts of the Common Elements, at the discretion of the Board.

**SECTION 4. Special Meetings.** Special meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board, or by fifteen percent (15%) of the Unit Owners. Said special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days nor more than thirty (30) days prior to the date of said meeting, stating the date, time and place of said special meeting within the County limits of Cobb and the matters to be considered. Matters to be submitted by Unit Owners shall first be submitted to the Board, at least five (5) days prior to the special meeting, who shall then submit such matters to the special meeting.

**SECTION 5. Voting Member.** There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such Voting Members shall be the Unit Owner or one of the group composed of all the Unit Owners of a Unit Ownership or may be some person designated by such Unit Owners to act as proxy of his or their behalf and who need not be a Unit Owner. The proxies shall give the Unit Owner the right to express a preference from among the known candidates or to write in a name. Such designations shall be dated, shall be made in writing to the Board, shall be executed by the Unit Owner or his or her duly authorized attorney in fact or by any of multiple owners of a Unit as set forth below, and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Unit Owner or Unit Owners, and such designations shall be invalid after 11 months from their date unless provided otherwise therein. Any or all Unit Owners of a Unit Ownership, and their designee, if any, may be present at any meeting of the Voting Members, but only the Voting member of the Unit Ownership may vote or take any other action as a Voting Member either in person or by proxy. The Declarant shall designate the Voting Member with respect to any Unit Ownership owned by the Declarant. In the absence of any written designation with respect to a particular Unit, the Board shall be entitled to conclusively rely on a vote cast by anyone of the group composed of all Unit Owners of that particular Unit.

SECTION 6. Voting. The aggregate number of votes for all Unit Owners shall be one hundred (100), and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements. If any Unit Owner consists of more than one person, and if only one of the multiple owners of a Unit is present at a meeting of the Association, he is entitled to cast all the votes allocated to that Unit, if more than one of the multiple owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners; there is majority agreement if any one of the multiple owners cast the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit. The Declarant may exercise the voting rights with respect to Units owned by it.

SECTION 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding an aggregate of at least twenty- percent (20%) of the total ownership interest in the Common Elements.

SECTION 8. Miscellaneous.

- (a) No merger or consolidation of the Association; sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all of the Condominium and assets of the Association; and the purchase or sale of land or of Units on behalf of all Unit Owners shall be effectuated unless there is an affirmative vote of two-thirds (2/3) of the votes of Unit Owners, or such greater percentage as may be provided for in the Declaration and an affirmative vote of three-fourths (3/4) of the first mortgagees.
- (b) When thirty percent (30%) or fewer of the Unit Owners, by number, possess over fifty percent (50%) in the aggregate of the votes in the Association, any percentage vote of members specified in the Condominium Instruments, or the Act, shall require instead the specified percentage of number of Units, rather than by percentage of interest in the Common Elements allocated to Units that would otherwise be applicable.
- (c) In the event of a resale of a Unit from other than the Developer under an installment contract, while the purchaser resides in the Unit he shall be counted toward a quorum for the election of Board members at any meeting of the Unit Owners called for the purposes of such election, shall have the right to vote for election of Board members and shall have the right to be elected and serve on the Board unless the Seller expressly retains in writing all or any of such rights. In no event may both the Purchaser and Seller be counted toward a quorum, permitted to vote, elected or permitted to serve on the Board. Satisfactory evidence of the installment contract shall be given to the Board or its agents.

**ARTICLE II**

Board of Directors

SECTION 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to in the Condominium Declaration as Directors of the Association shall consist of seven (7) members (hereinafter referred to as "directors"). Directors shall be elected at large at the regular annual meeting of Association members by the vote of Unit Owners, except that, until the election of directors at the First Meeting of Members (hereinafter called "members of the First Board"), the directors shall be appointed by the Developer. The Developer shall have the right to appoint and remove any member or members of the Board of Directors, until election of the First Board. The Declarant's authority to so appoint and remove members of the Board of Directors shall expire on the first to occur of the following: (a) the expiration of seven (7) years after the date upon which this Declaration is recorded in the Office of the Clerk of the Superior Court of Cobb County, Georgia; (b) the date on which three-fourths (3/4ths) of the Units planned by the Declarant to be constructed and annexed to the Condominium shall have been conveyed by the Declarant to Owners other than a successor Declarant and the Declarant no longer has an option to add Additional Property to the Condominium; or (c) the date on which the Declarant voluntarily relinquishes such right by executing and recording, in the Office of the Clerk of the Superior Court of Cobb County, Georgia, a written declaration of intent which shall become effective as specified in such declaration. At such annual meetings, directors, or their representatives shall have the right to be present at the counting of ballots cast during such annual meetings. The Board may, but shall not be obligated to, distribute to Unit Owners, biographical and background information about candidates for election to the Board provided that (1) no preference is expressed in favor of any candidate; and (2) reasonable efforts are made to identify all candidates and (3) all candidates are given an opportunity to include biographical and background information in the information to be distributed. Those candidates for election as director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. At the initial election held at the first regular meeting of Members, those three (3) directors receiving the greatest number of votes shall hold office for a term of two (2) years, and the remaining four (4) directors shall hold office for a term of one (1) year. Thereafter, every director shall hold office for a term of two (2) years and until his or her successor shall be elected and qualified. Members of the Board may succeed themselves.

SECTION 2. Qualifications. Except for members of the First Board, each director shall be an Occupant of a Unit and shall be a Unit Owner (or, if a Unit Owner is a trustee of a trust, a director may be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, a director may be an officer, partner or employee of such Unit Owner or beneficiary). If there are multiple owners of a Unit, only one of the multiple owners shall be eligible to serve as a Member of the Board at any one time. If a Director shall cease to meet such qualifications during his or her term, he shall thereupon cease to be a director and his place of the Board shall be deemed vacant.

SECTION 3. Vacancies. Any vacancies occurring in the Board shall be filled by a two-thirds (2/3) vote of the remaining members thereof, except that a vacant position of the Board which was last filled by a member of the First Board may be filled by a person appointed by the beneficiary of the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the time until the next meeting of Unit Owners or thirty (30) days following the filing of a petition signed by Unit Owners holding 20% of the Association's votes requesting a meeting of the Unit Owners to fill the vacancy for the balance of its unexpired term. Such a meeting shall be called no later than thirty (30) days following the filing of such a petition signed by Unit Owners holding 20% of the Association's votes.

SECTION 4. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, delivered personally or by mail or telegram.

Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting. The Board shall meet at least four (4) times annually, and at such other times as the Board deems necessary. Meetings of the Board shall be open to any Unit Owner, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the particular association has been filed and is pending in a court or administrative tribunal, or when the board of managers finds that such action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal of an employee, or (iii) to discuss violations of rules and regulations of the association or a Unit Owner's unpaid share of Common Expenses; however, any vote on these matters shall be taken at a meeting or portion thereof open to any Unit Owner. Any Unit Owner may record the proceedings at meetings required to be open by this Act by tape, film or other means. The Board may prescribe reasonable rules and regulations to govern the right to make such recordings. Notice of any such meeting shall be mailed or delivered at least forty-eight (48) hours prior thereto, unless a written waiver of such notice is signed by the person or persons entitled to such notice pursuant to the Declaration, Bylaws, or provision of law before the meeting is convened. Copies of notices of any such meetings shall be posted conspicuously in hallways, lobbies or bulletin boards at least 48 hours prior to such meeting, except if there is no common lobby for seven (7) or more Units, the Board may designate locations near said Units.

SECTION 5. Removal. Any director may be removed from office for cause by the vote of two-thirds (2/3) of the total undivided ownership of the Common Elements.

SECTION 6. Compensation. Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions adopted by the Unit Owners.

SECTION 7. Quorum. Four (4) Directors shall constitute a quorum.

SECTION 8. General Powers and Duties of the Board. The powers and duties of the Board shall include, but shall not be limited to, the following matters:

- (a) operation, care, upkeep, maintenance, replacement and improvement of the Common Elements;
- (b) preparation, adoption and distribution of the annual budget for the Condominium;
- (c) levying of assessments;
- (d) collection of assessments from Unit Owners;
- (e) employment and dismissal of (i) the personnel necessary or advisable for the maintenance and operation of the Common Elements and (ii) an Activities Director for the Association and its Members;
- (f) obtaining adequate and appropriate kinds of insurance;
- (g) owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by it;
- (h) adoption and amendment of rules and regulations covering the details of the operation and use of the Condominium after a meeting of the Unit Owners called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulations and which conforms to the requirements of the Act, however, no rules or regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States. No quorum shall be required at such meeting of the Unit Owners;
- (i) keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Condominium;
- (j) having access to each Unit from time to time as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to other Unit or Units.

SECTION 9. Other Powers and Duties. The Board shall also have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and the Condominium;
- (c) to engage, if the Board deems desirable, the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Condominium or any part thereof for all of the Unit Owners, upon

such terms and for such compensation and with such authority as the Board may approve; provided however, that the First Board, appointed as provided herein, shall ratify and approve the Management Agreement between the Developer, the Declarant, or its Beneficiary, on behalf of the Association, and Encore Real Estate Co. to act as Managing Agent for the Condominium for a term commencing on the date this Declaration is recorded and terminating two (2) years thereafter at a rate of Fourteen and 00/100 Dollars (\$14.00) per Unit per month, for each Unit which has either been conveyed to a Purchaser, which is inhabited by an Occupant or which is unsold;

- (d) to formulate policies for the administration, management and operation of the Condominium and the Common Elements thereof;
- (e) to provide for payments for all debts, obligations, and contracts of the Association and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;
- (f) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Condominium and the Common Elements and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);
- (g) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (h) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (i) to acquire such furnishing, equipment, and other personal property for the Common Elements as the Board shall determine are necessary and proper;
- (j) to maintain and repair any Unit if such maintenance and repair is necessary, in the discretion of the Board, to protect the Common Elements or any other portion of the Building, and, if a Unit Owner or any Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair mailed or delivered by the Board to said Unit Owner, the Board may levy a special assessment against such Unit Owner for the cost of said maintenance or repair.
- (k) the Board or its agent upon reasonable notice, may enter any Unit when necessary in connection with any maintenance or construction for which the Board is responsible. Such entry shall be made with as little inconvenience to the Unit

Owner as practicable and any damage caused thereby shall be repaired by the Board as a Common Expense.

- (l) the Board may, in accordance with the Act, adopt such reasonable rules and regulations not consistent herewith, as it may deem advisable for the maintenance, administration, management, operation, use, conservation and beautification of the Condominium, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants of the Condominium. Written notice of such rules and regulations shall be given to all Unit Owners and Occupants and the entire Condominium shall at all times be maintained subject to such rules and regulations.
- (m) upon authorization by a two-thirds (2/3) vote of the members of the Board or by the affirmative votes of not less than a majority of the Voting Members at a meeting duly called for such purposes, the Board, acting on behalf of all Unit Owners, shall have the power to seek relief from or in connection with the assessment or levy of any special assessments and any other special taxes or charges of the State of Georgia or any political subdivision thereof, or any other lawful taxing or assessing body, which are authorized by law to be assessed and levied on real property and to charge and collect all expenses incurred in connection therewith as Common Expenses.
- (n) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as said majority is defined in Paragraph 1(q) of the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;
- (o) to exercise all other power and duties of the board of directors or Unit Owners as a group referred to in the Condominium Act of the State of Georgia, and all powers and duties of a board of directors referred to in the Declaration of these Bylaws or the Business Corporation Act and Not-for-Profit Corporation Act of Georgia.

SECTION 10. Non-Delegation. Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

### ARTICLE III

#### Officers

SECTION 1. Designation. At each regular annual meeting, the directors present at said meeting shall elect the following officers of the Association by a majority vote:



- (a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;
- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;
- (d) such additional officers as the Board sees fit to elect.

SECTION 2. Powers. The respective officers shall have the general powers usually vested in such officers, provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit. Either the President or the Secretary may mail and receive notices and execute amendments to the Condominium Instruments as provided for in the Act and in the Condominium Instruments.

SECTION 3. Term of Office. Each officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified.

SECTION 4. Vacancies. Vacancies in any office shall be filled by the Board by a two-thirds (2/3) vote of the remaining members thereof, at a special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the time until the next meeting of Unit Owners or thirty (30) days following the filing of a petition signed by Unit Owners holding 20% of the Association's votes requesting a meeting of the Unit Owners to fill the vacancy for the balance of its unexpired term. Such a meeting shall be called no later than thirty (30) days following the filing of such a petition signed by Unit Owners hold 20% of the Association's votes. Any officer may be removed for cause at any time by vote of two thirds (2/3) of the total membership of the Board at a special meeting thereof.

SECTION 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Unit Owners.

#### ARTICLE IV

##### Assessments

SECTION 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated Common Expenses and cash requirements for the year, including but not limited to salaries, wages,

payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other Common Expenses. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for capital expenditures, in reasonable amounts as determined by the Board. The reserve for capital expenditures shall be held in a segregated account in the name of the Association.

SECTION 2. Assessments. Each Owner of a Unit, by acceptance of a deed therefor covenants and agrees to pay to the Association: (i) annual assessments; (ii) special assessments; and (iii) specific assessments, all as herein provided. All such assessments, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, and if the Board so elects, rent 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 shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. No Owner may withhold payment of an assessment for any reason whatsoever, including, but not limited to, the failure of the Association to perform any obligation required under this Declaration, or inconvenience or discomfort arising from the performance by the Association of its duties. The estimated annual budget for each fiscal year shall be approved by the Board, and copies of the proposed annual budget, together with an indication of which portions are intended for capital expenditures or repairs or payment of real estate taxes, shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the adoption thereof. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding (i) 120% of the assessments for the preceding year, or (ii) the assessments for the preceding year increased by the annual rate of inflation in the CPI for All Urban Consumers, whichever is greater, the Board, upon written petition by Unit Owners with 20 percent (20%) of the votes of the Association filed with fourteen (14) days of the Board action, shall call a meeting of the Unit Owners within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of the Unit Owners are cast at a meeting to reject the budget, it is ratified, whether or not a quorum is present. In determining whether assessments exceed the permitted increase of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, and anticipated expenses by the Association, that are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the Common Expenses, one twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. Unless otherwise provided in the Declaration, such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements as set forth in Exhibit "C" of the Declaration. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit

Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Elements, or the Limited Elements. Each Unit Owner shall receive notice, in the same manner as is provided herein for membership meetings, of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment.

SECTION 3. Delinquent Assessments. All assessments not paid on or before the due date shall be delinquent, and the Owner shall be in default. If any monthly installment of the annual assessment or any special assessment or any part thereof is not paid in full when due or if any other charge is not paid when due, 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 or such higher rate as may be permitted by the Act and adopted by resolution of the Board of Directors shall accrue from the due date. If part payment of an assessment and related charges is made, the amount received shall be applied in the following order, and no restrictive language on any check or draft shall be effective to change the order of application: (i) first to any unpaid late charges, interest charges, and specific assessments (including, but not limited to, fines) in the order of their coming due; (ii) next to costs of collection, including reasonable attorney's fees actually incurred by the Association; (iii) next to any unpaid installments of the annual assessment or any special assessment in the order of their coming due; and (iv) if the Board so elects, to the fair rental value of the Unit during the pendency of suit and prior to satisfaction of any judgment which remains unpaid. The fair rental value of the Units, for purposes of this Article, shall be an amount established from time to time by the Board of Directors. If any assessment, fine or other charge or any part thereof due from an Owner is not paid when due, a notice of delinquency may be given to the Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment, any special assessment and any specific assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment, any special assessment and any specific assessment, without any further notice being given to the delinquent Owner. If any assessment and other charge or any part thereof remains unpaid more than thirty (30) days after first becoming delinquent, the Association may institute suit to collect all amounts due pursuant to the provisions of the Condominium Instruments, the Act and Georgia law. In the event any assessment is delinquent for sixty (60) days or more, in addition to all other rights provided in the Act and this Declaration, the Association shall have the right upon ten (10) days written notice, and compliance with all requirements of the Act, to suspend any utility services, the cost of which are a Common Expense of the Association, including, but not limited to, water, electricity, heat, air conditioning, gas and cable, to that Unit until such time as the delinquent assessments and all costs permitted pursuant to this Declaration or the Act are paid in full. Any costs incurred by the Association in discontinuing and/or reconnecting any utility service shall be an assessment against the Unit and shall be collected as provided herein for the collection of assessments.

SECTION 4. Special Assessments. The Board may, at any time, and in addition to any other rights it may have, 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 vote of Owners of a Majority of the Units prior to becoming effective.

SECTION 5. Specific Assessments. Any other Common Expenses benefiting less than all the Units shall be specifically assessed equitably among all of the Units so benefited. Any other Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by licensees or invitees of any such Unit or Units shall be specifically assessed against the Unit or Units, conduct of any occupant, licensee, or invitee of which occasion any such Common Expenses. Any other Common Expenses significantly, proportionately benefiting all of the Units shall be assessed equitably among all of the Units.

SECTION 6. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his Unit, each Unit Owner shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

SECTION 7. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing an itemized accounting of the Common Expenses for the preceding year actually incurred and paid including capital expenditures or repairs and real estate taxes, together with an indication of which portions were for capital expenditures and with a tabulation of the amounts collected pursuant to the budget or assessments, and showing the net excess or deficit of income over expenditures plus reserves, and such other information as the Board may deem desirable.

SECTION 8. Supplemental Budget. In the event that during the course of a year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses and limited Common Expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

SECTION 9. Expenditures. Except with respect to such expenditures which (i) are specifically authorized by the Declaration or Bylaws, or (ii) are required by law, or (iii) can be paid from the proceeds of insurance received by or for the account of the Board, or (iv) are immediately

necessary for the emergency repair, preservation, safety or protection of the Unit Owners or the Common Elements, the Board shall have no authority to approve or authorize any structural alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of the Twenty Thousand Dollars (\$20,000.00) or any contract for a term of more than four (4) years, unless such expenditure or contract shall have been approved by two-thirds (2/3) of the total votes cast at a meeting called for that purpose.

Any non-recurring Common Expense, any Common Expense not set forth in the budget as adopted, and any increase in assessment over the amount adopted shall be separately assessed against all Unit Owners. Any such separate assessment shall be subject to the approval by the affirmative votes of at least a majority of the Unit Owners voting at a meeting of Unit Owners duly called for the purpose of approving the assessment if it involves proposed expenditures resulting in a total payment assessed to a Unit than \$200.00.

SECTION 10. Lien. It shall be the duty of every Unit Owner to pay his proportionate share of the Common Expenses and limited Common Expenses, as provided in the Declaration, and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of the Common Expenses or limited Common Expenses, when due, the amount thereof together with interest thereon at the rate of 8% per annum or such greater percentage as may then be permitted under the laws of the State of Georgia after said Common Expenses become due and payable, late charges, reasonable attorneys' fees and cost of collection or amount of any unpaid fine shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Condominium, provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage held by an insurance company, bank, savings and loan, mortgage broker and FNMA or other lending institution on the interest of such Unit Owner, except for the amount of the proportionate share of Common Expenses and limited Common Expenses which are due and payable from and after the date on which such mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security), or accepts a deed in lieu of foreclosure for its mortgage and causes a receiver to be appointed, in suit to foreclose its mortgage, all as provided in the Declaration. The provisions of this paragraph of this Section 10 shall not be amended, changed, modified or rescinded in any way without the prior written consent of all such lien holders of record. The Association or its successors and assigns, or the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorneys' fees to be fixed by the Court. Furthermore, if any Unit Owner shall fail or refuse to pay when due his proportionate share of the Common Expenses or limited Common Expenses and such Unit Owner withholds possession of his Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Unit. The Board and the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Declaration or these Bylaws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

SECTION 11. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the Common Expenses and limited Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of ten (10) days written notice to it or the Association and upon payments of a reasonable fee, furnish to any Unit Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

SECTION 12. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance, which in the opinion of the Board may constitute a lien against the Condominium or the Common Elements, rather than a lien against only a particular Unit Ownership. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien.

SECTION 13. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit "C".

SECTION 14. Forbearance. The Association shall have no authority to forbear the payment of assessments by any Unit Owner.

#### ARTICLE V

##### Rules and Regulations, Use and Occupancy Restrictions

The Declaration contains the initial Rules and Regulations of the Association and the Use and Occupancy Restrictions, subject to change from time to time according to the procedure set forth in the Declaration.

#### ARTICLE VI

##### Contractual Powers

No contract or other transaction between this Association and one or more of its Directors or between this Association and any corporation, firm or association in which one or more of the Directors of this Association are directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which

authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

- (a) The fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or
- (b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof, which authorizes, approves or ratifies a contract or transaction.

#### ARTICLE VII

##### Amendments

Pursuant to the requirement contained in Declaration Section 24, these Bylaws may be amended or modified from time to time by action or approval of sixty-seven percent (67%) of the total ownership and first mortgage holders of the Common Elements, and such amendment shall be effective upon approval of the County of Cobb and upon the recording, in the Office of the Clerk of Superior Court of Cobb County, Georgia, of a certificate of the Secretary of the Association setting forth the amendment and certifying the requisite percentage vote of the total ownership; provided, however, that no change, modification or amendment which affects the rights, privileges, or obligations of the Developer, the Declarant or its beneficiary shall be effective without the prior written consent of the Declarant or its beneficiary.

#### ARTICLE VIII

##### Indemnification

SECTION 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the Bylaws of the Association, and the Board, Developer, Trustee and beneficiary, against all contractual and other liabilities to others arising out of contracts made by or other act of such directors, Board, officers, committee members, Trustee or beneficiary, on behalf of the Unit Owners, or arising out of their status as directors, Board, officers, committee members, Trustee or beneficiary unless any such contract or act is contrary to the provisions of the Declaration or these Bylaws or shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all cost and expenses (including, but not limited to, counsel fees, amounts of judgment paid and amounts paid in settlement) reasonably

incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member, Trustee or beneficiary may be involved by virtue of such persons being or having been such directors, officer, Board, committee member, Trustee or beneficiary; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, Trustee or beneficiary; or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, Board, officer, committee member, Trustee or beneficiary.

SECTION 2. Success on Merits. To the extent that the Trustee or beneficiary or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the Bylaws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonable incurred by him in connection therewith.

SECTION 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of any undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

SECTION 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising by special assessment or otherwise, any sums required to discharge its obligations under this article, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, Trustee or beneficiary, or out of the aforesaid indemnity in favor of the directors, Board, officers, members of such committees, Trustee or beneficiary, shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of such committees, Trustee or beneficiary or by the Managing Agent on behalf of the Unit Owners shall provide that the directors, Board, officers, members of such committees, Declarant or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to



indemnification shall continue as to a person or entity who has ceased to be Trustee or beneficiary or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

#### ARTICLE IX

##### Definition of Terms

The terms used in these Bylaws, to the extent they are defined therein, shall have the same definition as set forth in the Declaration of Condominium for Shiloh Ridge, a Condominium, which Declaration is recorded in the office of the Clerk of Superior Court of Cobb County, Georgia.

The term "member", as used in these Bylaws, means "Unit Owner" as defined in the Declaration.

#### ARTICLE X

##### Miscellaneous

SECTION 1. Fidelity Bond. The Board shall require (1) that all officers, employees or other persons who either handle or are responsible for funds held or administered by the Association shall furnish fiduciary insurance coverage which covers the maximum amount of funds that will be in custody of the Association plus the Association reserve funds, the premium cost of which will be paid by the Association and (2) that all management companies who either handle or are responsible for funds held or administered by the Association shall furnish a fidelity bond to the Association which covers the maximum amount of Association funds and the Association reserves that will be in the custody of the management company, the premium cost of which will be paid by the Association, and shall at all times maintain a separate account for each reserve fund, for the total operating funds of the Association managed by the management company and for all other monies of the management company. The management company may hold all operating funds of the Association which it manages in a single operating account but shall at all times maintain records identifying all monies of each Association on such operating account.

SECTION 2. Applicability of Documents to Lessees of a Unit. The Declaration, Bylaws, and other Rules and Regulations of the Association and other Condominium Instruments shall be applicable to any person leasing the Unit and shall be deemed to be incorporated in any lease for any Unit in the Condominium.

CONSENT OF MORTGAGEE  
TO CONDOMINIUM DECLARATION

THE UNDERSIGNED, U.S. BANK NATIONAL ASSOCIATION, as Mortgagee under that certain Deed to Secure Debt and Security Agreement dated June 20, 2003 as Document No. 2003-0158254 recorded with the Clerk of Superior Court of Cobb County Georgia in Deed Book 13786 Page 1358 on July 8, 2003 made by Portrait Homes-Shiloh Ridge LLC, an Illinois limited liability company, does hereby consent to the foregoing Declaration, and to any and all amendments made to said Declaration including without limitation, amendments made pursuant to Paragraph 19 of the Declaration, adding additional land to the terms thereof, and does agree that the lien of said Mortgage shall be and is hereby made, subject and subordinate to the terms and provisions of said Declaration, as amended from time to time.

IN WITNESS WHEREOF, the undersigned has executed this consent on the 13<sup>th</sup> day of August, 2003.

U.S. BANK NATIONAL ASSOCIATION

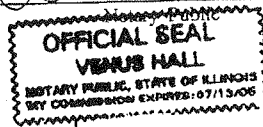
*[Signature]*  
By: Katharine Gallagher  
Title: AVP

STATE OF IL)  
COUNTY OF COOK) S.S.

I, the undersigned, a notary public in the aforesaid County, in the State aforesaid, do hereby certify that before me on this day personally appeared KATHARINE GALLAGHER to me known as the ASSISTANT VICE PRESIDENT of \_\_\_\_\_, the corporation that executed the foregoing instrument, and acknowledged that they executed the said instrument as their free and voluntary act, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal this 13 th day of AUGUST, 2003.

Commission Expires: 7/13/05



This Instrument Was Prepared By:

Greg A. Bouwer, Esq.  
Koransky & Bouwer, P.C.  
425 Joliet Street, Suite 425  
Dyer, Indiana 46311

After Recording Mail to:

Greg A. Bouwer  
Koransky & Bouwer, P.C.  
425 Joliet Street, Suite 425  
Dyer, Indiana 46311  
PIN:

**Morris, Schneider, Weiss, Katz & LLC**  
**6111 Peachtree-Dynwoody Road, N.E.**  
**Building 2**  
**Atlanta, GA 30328**

**PROPERTY ADDRESS:**

Shiloh Valley Drive  
Cobb County, GA

FIRST AMENDMENT TO  
DECLARATION OF CONDOMINIUM  
and of  
EASEMENTS, COVENANTS AND RESTRICTIONS  
FOR  
**SHILOH RIDGE, A CONDOMINIUM**

THIS FIRST AMENDMENT is made this 31<sup>st</sup> day of August, 2005, by PORTRAIT HOMES-SHILOH RIDGE, LLC, an Illinois limited liability company, (hereinafter referred to as "Declarant").

WHEREAS, Declarant executed that certain Declaration of Condominium and of Easements, Covenants and Restrictions for Shiloh Ridge, a Condominium (hereinafter as such document may have been supplemented and amended from time to time referred to as the "Declaration") recorded on September 2, 2004, in Deed Book 14058, page 1995, *et seq.*, in the Cobb County, Georgia records; and

WHEREAS, pursuant to Section 26 of the Declaration, Declarant reserves the right and authority to correct clerical and typographical errors in the Declaration which is coupled with a power of attorney-in-fact to accomplish said amendment; and

WHEREAS, in the purchase and sales agreements applicable to Units in the Condominium, Declarant disclosed to the purchasers of the Units their monthly assessment rate

under the Condominium that was equal for all Unit Owners, and all purchasers accepted same, and have not objected to same at any prior time; and

WHEREAS, pursuant to O.C.G.A. §§ 44-3-80(c), the Association has previously levied charges equally among the Units because such charges provide proportionate or uniform benefits to the Units, and the Association has exercised its discretion under that code provision through the current date to charge equal assessments; and

WHEREAS, Declarant now desires to correct the language in the Declaration and the Bylaws of the Shiloh Ridge Condominium Association, Inc. ("Bylaws") which are attached to the Declaration as Exhibit "D" thereto to provide that the Common Expenses will be billed on an equal basis among all Unit Owners within the Condominium as disclosed to all purchasers in their respective purchase and sales agreements applicable to a Unit.

NOW THEREFORE, Declarant does hereby amend the Declaration and Bylaws, as applicable, as follows:

1. Section 10(a) of the Declaration is deleted in its entirety and replaced with the following:

(a) Responsibility for Common Expenses. Except as provided below, or elsewhere in the Act or Condominium Instruments, each Unit Owner shall be responsible for an equal share of all Common Expenses. The Board of Directors shall have the power to assess specially pursuant to this Article and Section 44-3-80(b) of the Act as in its discretion it deems appropriate. Failure of the Board of Directors to exercise its authority under this Article shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Article in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Article. Except for expenses incurred for maintenance and repair of items, which are the Association's maintenance responsibility under the Condominium Instruments, any Common Expenses benefiting less than all of the Units or significantly disproportionately benefiting all Units may be specially assessed equitably among all of the Units which are benefited according to the benefit received. Any Common Expenses occasioned by the conduct of less than all of the Owners or by the Occupant(s), licensees or invitees of any Unit(s) may be specially assessed against such Unit(s).

Except as elsewhere provided herein, each Unit Owner, including the Developer, and including the Developer as to completed Units it has not yet sold, but which are subjected to this Declaration whether originally or by Amendment as set forth in Paragraph 19 hereof, shall pay his or her equal share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with the Declaration and Bylaws (which expenses are herein sometimes referred to as "Common Expenses"), including, but

not limited to, the maintenance and repair thereof and any and all replacements and additions thereto. Except for its responsibilities as a Unit Owner, as provided here, the Developer, nor its beneficiary shall have any responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date this Declaration is recorded. Notwithstanding the foregoing, the Developer shall remain responsible for its warranty obligations as provided by a V.A. contract rider, if applicable, and as additionally set forth in a Limited Warranty.

Each Unit Owner shall pay an equal share of the Common Expenses, except that, with the respect to any meters measuring the use of light or heat or water on the basis of the consumption thereof in a Building, at the option of the Board and at its sole discretion, the expenses therefore may be allocated to and assessed against the Unit or Units located within that Building. In such an event, all of the Units in each said Building shall be responsible for the total cost of said metered expense for said Building, and among themselves each of said Units shall be responsible for an equal proportion. Payment of Common Expenses, including any prepayment thereof required by the contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided by the Bylaws.

The Easement Area Assessments (herein defined) and the Easement and Restriction Assessments (herein defined) shall be equally shared among the Unit Owners, as a Common Expense. Until the last Unit of the Condominium as fully expanded is sold or leased by Declarant to a Unit Owner for occupancy, the maximum annual amount of the Easement Area Assessment and Easement and Restriction Assessment included in the Common Expenses shall be \$270.00 per Unit. After the last Unit is leased or sold, the maximum annual amount of the Easement Area Assessment and Easement and Restriction Assessment included in the Common Expenses shall be \$500.00 per Unit, subject to a yearly increase of five percent (5%). Easement Area Assessments shall not commence until sale or lease of a Unit by Declarant to a Unit Owner for occupancy, but the Easement and Restriction Assessment shall commence for each Unit upon recording of the Declaration.

2. Article IV, Section 2 of the Bylaws is hereby deleted in its entirety and replaced with the following:

SECTION 2. Assessments. Each Owner of a Unit, by acceptance of a deed therefor covenants and agrees to pay to the Association: (i) annual assessments; (ii) special assessments; and (iii) specific assessments, all as herein provided. All such assessments, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, and if the Board so elects, rent 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 shall be jointly and severally liable for all

assessments and charges due and payable at the time of any conveyance. No Owner may withhold payment of an assessment for any reason whatsoever, including, but not limited to, the failure of the Association to perform any obligation required under this Declaration, or inconvenience or discomfort arising from the performance by the Association of its duties. The estimated annual budget for each fiscal year shall be approved by the Board, and copies of the proposed annual budget, together with an indication of which portions are intended for capital expenditures or repairs or payment of real estate taxes, shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the adoption thereof. If an adopted budget requires assessment against the Unit Owners in any fiscal or calendar year exceeding (i) 120% of the assessments for the preceding year, or (ii) the assessments for the preceding year increased by the annual rate of inflation in the CPI for All Urban Consumers, whichever is greater, the Board, upon written petition by Unit Owners with 20 percent (20%) of the votes of the Association filed with fourteen (14) days of the Board action, shall call a meeting of the Unit Owners within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the votes of the Unit Owners are cast at a meeting to reject the budget, it is ratified, whether or not a quorum is present. In determining whether assessments exceed the permitted increase of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, and anticipated expenses by the Association, that are not anticipated to be incurred on a regular or annual basis, shall be excluded from the computation. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the Common Expenses, one twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. Each Unit Owner shall pay an equal share for the Common Expenses unless otherwise provided in the Declaration. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Elements, or the Limited Elements. Each Unit Owner shall receive notice, in the same manner as is provided herein for membership meetings, of any meeting of the Board concerning the adoption of the proposed annual budget or any increase or establishment of an assessment.

3. All capitalized terms in this Amendment, to the extent not otherwise expressly defined herein, shall have the same meaning given to such terms in the Declaration.

4. Except as expressly amended herein, the terms and conditions of the Declaration and of the Bylaws shall continue in full force and effect and are hereby ratified in their entirety.

IN WITNESS WHEREOF, the Declarant has executed this First Amendment under seal the day and year first above written.

**PORTRAIT HOMES-SHILOH RIDGE LLC,**  
An Illinois limited liability company

By: [Signature] (SEAL)  
Its: \_\_\_\_\_

[Signature]  
Witness  
Amanda [Signature]

STATE OF ILLINOIS  
COUNTY OF COOK SS.

I, Paloma Y.G. Riordan, a Notary Public in and for County and State aforesaid, do hereby certify that Michael J. Pasquinelli as V.P. of Portrait Homes-Shiloh Ridge LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 31<sup>st</sup> day of August, 2005.  
Paloma Y.G. Riordan  
Notary Public

My Commission Expires: 5-19-07

