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WHITFIELD C. SMITH
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DECLARATION OF CONDOMINIUM

for

DUNWOODY RIDGE, A CONDOMINIUM

A CONDOMINIUM

in

DEKALB COUNTY, GEORGIA

RECORDING REFERENCES

- PLAT: Condominium Plat Book 5, page 118.
- PLANS: Condominium Floor Plans Cabinet 169,
Drawer _____

DECLARATION
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- C - Schedule of Unit Information
- D - Schedule of Boundaries and Maintenance

DECLARATION OF CONDOMINIUM

THIS DECLARATION is made as of November 26, 1984, by DUNWOODY RIDGE DEV. CO., LTD., a Georgia limited partnership (the "Declarant," as hereinafter defined).

BACKGROUND

Declarant is the owner of a tract of land and all improvements thereon in DeKalb County, Georgia, and is creating an expandable condominium under the Georgia Condominium Act. Residential dwelling units have been built on a portion of the land called the Submitted Property, which is being submitted to the Georgia Condominium Act at this time by this Declaration. The remainder of the land, called the Additional Property, is not being made a part of the Condominium at this time, but Declarant has the right to expand the Condominium by adding all or part of the Additional Property in the future.

NOW THEREFORE, Declarant hereby makes this Declaration for the purposes and subject to all the terms and provisions hereinafter set forth.

ARTICLE 1

DEFINITIONS

1.1 General. Pursuant to Section 44-3-75(a)(1) of the Act, the terms defined in Section 44-3-71 of the Act shall have the meanings therein specified whenever they appear in the Condominium Instruments, the Articles of Incorporation and Bylaws, unless the context otherwise requires and except to the extent, if any, that such definitions are changed in Section 1.2 below. In addition, the other terms defined in Section 1.2 below shall have the meanings specified whenever they appear in the Condominium Instruments, Articles of Incorporation and Bylaws, unless the context otherwise requires. These definitions shall apply whether or not the defined terms are capitalized.

1.2 Specific Terms. The following terms are defined.

"Act" means the Georgia Condominium Act.

"Additional Property" means the property described in Exhibit B and shown on the Plat, together with all improvements thereon and all rights and easements appurtenant thereto, which may be added to the Condominium in accordance with the provisions of this Declaration and the Act. At such time as any part of the Additional Property is added to the Condominium, such part shall thereafter be included in the Submitted Property.

"Articles of Incorporation" means the articles of incorporation of the Association.

"Assessment" means the share of the Common Expenses from time to time assessed against a Condominium Unit and its Owner by the Association.

"Association" means Dunwoody Ridge Condominium Association, Inc. a Georgia nonprofit corporation, formed for the purpose of exercising the powers of the association under the Act, the Condominium Instruments, Articles of Incorporation and Bylaws.

"Board of Directors" or "Board" means the board of directors of the Association, which is the governing body of the Association.

"Bylaws" means the bylaws of the Association, as amended from time to time.

"Common Elements" means all portions of the Condominium other than the Units.

"Common Expenses" means all expenditures lawfully made or liabilities incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation and/or maintenance of reserves, pursuant to the provisions of the Act or the Condominium Instruments.

"Common Profits" means all income collected or accrued by or on behalf of the Association other than income derived from Assessments.

"Condominium" means the Submitted Property, as it may exist from time to time, submitted to the provisions of the Act by the Condominium Instruments.

"Condominium Instruments" means this Declaration, the Plat and the Plans, including any and all exhibits, schedules,

certifications and amendments thereof, as they may exist from time to time, made and recorded pursuant to the Act.

"Condominium Unit" means a Unit together with the undivided interest in the Common Elements appertaining to that Unit.

"Declarant" means initially Dunwoody Ridge Dev. Co., Ltd., a Georgia limited partnership, which is the owner of the Submitted Property and has executed this Declaration. This term includes any successor-in-title thereto who comes to stand in the same relation to the Condominium as the Declarant, specifically including any person who acquires the Declarant's interest pursuant to foreclosure of a Mortgage encumbering Declarant's interest in the Submitted Property. From the time of the recordation of any amendment to the Declaration expanding this Expandable Condominium, all persons who execute that amendment or on whose behalf that amendment is executed, as required by the Act, shall also come within this definition. This term does not include, in his capacity as such, any Mortgagee, any lienholder, any person having an equitable interest under any contract for the sale and/or lease of a Unit, or any Occupant of a Unit under a Lease.

"Declarant Control Period" means the period of time from the recording of the Declaration until the first to occur of: (i) the date five (5) years after the recording of the Declaration; (ii) the date as of which Condominium Units to which three-fourths (3/4) of the undivided interests in the Common Elements appertain have been conveyed to Unit Owners other than Declarant, unless the Declarant has at that time an unexpired option to add all or part of the Additional Property; or (iii) the termination of the Declarant Control Period by a recorded amendment to the Declaration executed by Declarant and by all Mortgagees of Condominium Units then owned by Declarant, without the need for consent or joinder by any other person (see Section 44-3-101 of the Act).

"Declaration" means this Declaration as amended from time to time.

"Director" means a member of the Board of Directors.

"Expandable Condominium" means a condominium to which additional property may be added pursuant to the Act and the Declaration, and this Condominium is an Expandable Condominium.

"First Mortgagee" means the Mortgagee of a first-in-priority Mortgage.

"Foreclosure" includes, without limitation, the judicial foreclosure of a Mortgage or the exercise of a power of sale contained in any Mortgage or any deed in lieu of foreclosure of any Mortgage.

"Identifying Number" means the number that identifies each Unit, as set forth in the Schedule of Unit Information and as shown on the Plat and the Plans.

"Lease" means any lease, usufruct, tenancy, sublease, rental contract or other occupancy agreement whether oral or written.

"Limited Common Element" means a portion of the Common Elements reserved for the exclusive use of one or more, but less than all, of the Units.

"Majority" means more than fifty (50%) percent in any context, unless a different percentage is expressly required.

"Mortgage" means a mortgage, deed to secure debt, deed of trust, security agreement or other instrument conveying a lien upon or security title to a Condominium Unit as security for a debt or for the performance of an obligation.

"Mortgagee" means the holder, guarantor or insurer of a Mortgage.

"Occupant" means any person, including, without limitation, any guest, invitee, tenant, lessee or family member of an Owner, occupying or otherwise using or visiting in a Unit.

"Officer" means an officer of the Association.

"Owner" has the same meaning as Unit Owner.

"Permanently Assigned Limited Common Element" means a Limited Common Element which cannot be reassigned or which can be reassigned only with the consent of the Unit Owner or Owners of the Unit or Units to which it is assigned.

"Person" means a natural person, corporation, partnership, association, trust or other legal entity, or any combination thereof.

"Plans" means the plans for the Condominium which are certified and filed for record as indicated on the cover page hereof, as amended and certified from time to time.

"Plat" means the plat of survey for the Condominium which is certified and recorded as indicated on the cover page hereof, as amended and certified from time to time.

"Record" or "file for record" means filing for record with the Clerk of Superior Court of the county in which the Condominium is located.

"Registered", with respect to a Mortgagee, means a Mortgagee who has given notice to the Association (sent certified mail to its registered agent and office per the Secretary of State's records) of its Mortgage setting forth the name of the Owner, the Identifying Number of the Unit, the name and address of the Mortgagee, and the name and address to which the Mortgagee wants its notices and other information sent.

"Schedule of Boundaries and Maintenance" means the schedule attached hereto as Exhibit D, which lists various physical and structural components of the Condominium and states whether each is part of Unit or the Common Elements (and whether a Limited Common Element or not) and who is responsible for performing and paying for the maintenance and repairs of it.

"Schedule of Unit Information" means the schedule attached hereto as Exhibit C, which shows for each Condominium Unit its Identifying Number, undivided interest in the Common Elements, number of Votes in the Association, and share of liability for Common Expenses.

"Submitted Property" means the property lawfully submitted to the provisions of the Act and the Condominium Instruments from time to time by the recordation of Condominium Instruments in accordance with the Act. The original Submitted Property, before the addition of any part of the Additional Property, is the land described in Exhibit A and shown on the Plat, together with all improvements thereon and all rights and easements appurtenant thereto. This term shall include any portion of the Additional Property that has been lawfully added to the Condominium, from and after the date that such portion is added.

"Unit" means a portion of the Condominium intended for independent ownership and use, as more fully set forth and shown in the Condominium Instruments.

"Unit Owner" has the same meaning as Owner and means one or more persons, including the Declarant, who own a Condominium Unit. This term does not include a Mortgagee in his capacity as such.

"Unit Type" means the architectural floor plan designation for a Unit, as shown by the Plans and as specified for each Unit on the Schedule of Unit Information, if applicable.

"Vote" means the vote in the Association appertaining to each Condominium Unit.

ARTICLE 2

CREATION OF THE CONDOMINIUM

2.1 Submission to the Act. Declarant hereby submits the Submitted Property to the Act, effective upon the recordation of the Condominium Instruments.

2.2 Name. The name of the Condominium is "Dunwoody Ridge, a Condominium."

2.3 Governing Provisions. The Condominium, the Association, each Unit Owner and each Occupant shall be governed by the Act, the Georgia Nonprofit Corporation Code, the Condominium Instruments, the Articles of Incorporation and Bylaws of the Association, and any rules and regulations adopted by the Association. ACCORDINGLY, THIS DECLARATION MUST BE READ AND INTERPRETED WITH THE OTHER ITEMS LISTED ABOVE, ESPECIALLY THE ACT. Numerous references are made herein to the Act for convenience in reading this Declaration. Unless expressly stated otherwise, these references are not intended to limit the applicability of the Act, and the omission of a reference to a portion of the Act which might be applicable shall have no effect.

ARTICLE 3

DESCRIPTION OF THE CONDOMINIUM

3.1 Submitted Property. The Submitted Property is described on Exhibit A and shown on the Plat and Plans, and it includes all improvements thereon and all rights and easements appurtenant thereto. The Condominium is an Expandable Condominium, with Declarant having reserved the right to expand the Condominium by adding all or part of the Additional Property. At such time as all or any part of the Additional Property is lawfully added to the Condominium, the portion so added shall be included in the Submitted Property. So long as Declarant owns any Condominium Unit, Declarant reserves the right, but shall have no obligation, to make improvements and changes to the Units owned by Declarant and all parts of the Common Elements (other than changes to the location of Unit boundaries and other than improvements and changes not permitted by the Act).

3.2 Additional Property. The Additional property is described on Exhibit B and shown on the Plat, and it includes all improvements now or hereafter located thereon and all rights and easements appurtenant thereto. The Additional Property is not a part of the Condominium and is not subject to the Condominium Instruments as of the recording of this Declaration. However, from and after the date that all or any part of the Additional Property is lawfully added to the Condominium, the portion so added shall be included in the Submitted Property. Additional provisions governing expansion of the Condominium are set forth in Section 3.7 below.

3.3 Condominium Units. The Condominium contains initially twenty-four (24) Condominium Units, the Identifying Numbers of which are set out in Exhibit C and are shown in the Plat and Plans. Each Condominium Unit consists of the Unit together with its undivided interest in the Common Elements. The Schedule of Unit Information (Exhibit C) sets forth for each Condominium Unit its Identifying Number, undivided interest in the Common Elements, Votes in the Association, and share of liability for Common Expenses.

3.4 Unit Boundaries. The boundaries of each Unit are the walls, floors and ceilings thereof. All doors and windows therein (including glass) and all lath, wallboard, plasterboard, plaster, paneling, molding, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof shall be deemed a

part of each Unit. The provisions of Section 44-3-75(a)(2) through (5) of the Act are intended to govern Unit boundaries, unless and to the extent specifically changed by the Schedule of Boundaries and Maintenance (Exhibit D). The location and dimensions of the walls, floors and ceilings are shown in the Plans, but the actual locations shall govern Unit boundaries if and to the extent different from the Plans.

3.5 Common Elements. The Common Elements consist of all portions of the Condominium other than Units. Certain portions of the Common Elements are Limited Common Elements, as set out in Section 3.6. For particulars, see Section 44-3-75(a)(2) through (5) of the Act and the Schedule of Boundaries and Maintenance.

3.6 Limited Common Elements. The Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of those persons who are entitled to the use of one or more (but less than all) of the Units. For particulars, see Section 44-3-75(a)(5) of the Act and the Schedule of Boundaries and Maintenance. Limited Common Elements may be assigned subsequently only in connection with expansions of the Condominium and as set forth in the Schedule of Boundaries and Maintenance.

3.7 Expansion of the Condominium. Declarant reserves the option to expand the Condominium by adding to the Condominium all or any part of the Additional Property on one or more occasions. Except for zoning and other governmental requirements, there are no limitations as to the location of improvements on the Additional Property. The Additional Property may be added as a whole at one time or in one or more portions at different times. This option shall expire seven (7) years from the date of recording this Declaration; provided, however, the Unit Owners of Condominium Units to which two-thirds of the Votes in the Association appertain, exclusive of any Vote or Votes appurtenant to any Condominium Unit or Units owned by Declarant, may consent to the extension of this option within one year prior to the date upon which this option would otherwise have expired. The maximum number of Units that may be created on the Additional Property and added to the Condominium is fifty-six (56), making the maximum number of Units in the Condominium eighty (80). The maximum average number of Units per acre on the added portions of the Additional Property shall not exceed thirty units per acre (although the Condominium as a whole shall have the maximum number of Units set forth above). The Additional Property shall be subject to the use restrictions set forth herein when

it is added to the Condominium. The structures created on any portion of the Additional Property added shall be compatible with the structures on the Submitted Property in terms of quality of construction, the principal materials used, and architectural style. The Declarant shall have the right to assign Limited Common Elements on the Additional Property on the same basis that they are assigned on the Submitted Property. The undivided interests in the Common Elements, Votes in the Association and liability for Common Expenses are allocated among the Condominium Units on the Submitted Property on the basis of an equal share per Unit, and, upon the expansion of the Condominium to include any portion of the Additional Property, shall be reallocated among the Condominium Units on the Submitted Property and the Additional Property on the same basis of an equal share per Unit. Any expansion under this Section shall be accomplished by Declarant's executing and recording the amendments to this Declaration, the Plats and the Plans required by the Act, at Declarant's sole expense, and shall be effective immediately upon recording. The Condominium Units thereby created and added shall be owned by Declarant, but the Common Elements shall be owned by all of the Unit Owners. Except as expressly set forth herein, the Declarant's option to expand the Condominium by including Additional Property shall not be limited in any respect mentioned in Section 44-3-77(b)(1) through (13) of the Act or in any other respect.

ARTICLE 4

EASEMENTS

4.1 Use of Common Elements; Limitations. Every Owner shall have the right to use the Common Elements, subject to all the governing provisions set forth in Section 2.3, which include but are not limited to the following:

4.1.1 The right of the Association to control the use through rules and regulations, to limit use to the Owners and their authorized Occupants and to provide for the exclusive use of portions of the Common Elements by an Owner and his authorized Occupants at certain times.

4.1.2 The right of the Association to limit the number of guests of Owners.

4.1.3 The right of each Owner to the exclusive use of the Limited Common Elements appurtenant to his Unit.

4.1.4 The right of the Association to suspend the use of the Common Elements pursuant to Section 5.8.3.

4.1.5 The right of the Association to charge admission and other fees for the use of a particular recreational or other facility, which fees, unless paid separately, shall be added to the next Assessment payable by the using Owner.

In no event shall any Owner be denied access to his Unit at any time.

4.2 Encroachments. Pursuant to Section 44-3-85(b) of the Act, an easement for encroachments shall exist. This easement is intended to apply to minor unintentional encroachments that are reasonable in extent and do not deprive another of a substantial property right or use.

4.3 Maintenance and Repair. Pursuant to Section 44-3-105 of the Act, an easement for access for maintenance, repairs, etc. shall exist.

4.4 Rights of Declarant. Declarant shall have the rights set forth in Section 44-3-85(c) and (d) of the Act.

ARTICLE 5

ADMINISTRATION

5.1 Administration by the Association. The Association shall administer the Condominium and have the rights and duties with respect thereto set out in and be subject to the Act (see particularly Section 44-3-106), the Georgia Nonprofit Corporation Code, the Condominium Instruments, the Bylaws and the Articles of Incorporation. Except to the extent expressly provided otherwise by any of the foregoing, the powers of the Association may be exercised by the Board, acting through the Officers, without any further consent or action by the Unit Owners, as set forth in Section 44-3-106(f) of the Act.

5.2 Declarant Control Period. Pursuant to Section 44-3-101(a) of the Act, Declarant shall have the right to appoint and remove all Directors and Officers of the Association throughout the Declarant Control Period. Upon the expiration of the Declarant Control Period, the Directors and Officers shall be elected by the Unit Owners as provided in the Bylaws. Section 44-3-101(b) provides for the Declarant's obligations with respect to control, and Section 44-3-101(c) provides for the Association's right to terminate management and other agreements after the Declarant Control Period. All contracts and agreements of any kind entered into by the Association during the Declarant Control Period shall be terminable upon not more than ninety (90) days notice to the other party.

5.3 Professional Management. The Association may employ a professional management firm to manage the Condominium and the Association. All management agreements shall be in writing, shall have a term of one year or less, and shall be terminable by the Association without penalty upon prior written notice of not more than thirty (30) days if for cause and ninety (90) days if without cause. The Board may delegate to the management firm such duties and powers as the Board shall determine. The Declarant or any person affiliated with Declarant may be employed as the professional management; provided, however, that any agreement with the Declarant entered into during the Declarant Control Period shall be terminable as set forth in Section 44-3-101(c) of the Act.

5.4 Financial Statements. The Board of Directors shall prepare or cause to be prepared on a monthly and annual basis balance sheets and income and expense statements for the Association. The annual statements shall be distributed to all

Unit Owners within at least ninety (90) days after the close of each fiscal year, and the monthly statements shall be available to any Unit Owner upon request after the twentieth (20th) day of the following month. The financial statements shall be certified by the person preparing them, whether it be the treasurer or a managing agent. The Board may require the annual financial statements to be audited as a Common Expense.

5.5 Maintenance and Repair. The Association shall maintain, repair and replace all portions of the Common Elements, including Limited Common Elements, except as specifically provided otherwise herein or in the Act. The Association's responsibility with respect to Limited Common Elements is a change from Section 44-3-105 of the Act. Each Unit Owner shall maintain, repair and replace all portions of his Unit, except as specifically provided otherwise herein or in the Act. For particulars, see the Schedule of Boundaries and Maintenance.

5.6 Adoption of Rules and Regulations. The Association may adopt reasonable rules and regulations governing the use and enjoyment of the Units and the Common Elements by Unit Owners and other Occupants. Any rules and regulations adopted or modified shall be distributed to all Unit Owners promptly after the adoption or modification. A Unit Owner may obtain a copy of any rules and regulations in effect at any time by written request to the Association.

5.7 Procedure to Determine Violations. The Association shall determine if there exists any violation of the Condominium Instruments, these Bylaws or the rules and regulations in accordance with the Condominium Instruments and the following procedure:

5.7.1 Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation, and (iii) a time period of not less than ten (10) days during which the violation may be abated without further sanction or a statement that any further violation of the same provision may result in the imposition of sanction after notice and hearing.

5.7.2 Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same provision is subsequently violated, the Association shall serve the alleged violator with written notice of a hearing to be held by the

Board of Directors in session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; and (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on his or her behalf.

5.7.3 The hearing shall be held pursuant to this notice affording the alleged violator of a reasonable opportunity to be heard. Proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the Officer or Director who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. After any statements, evidence and witnesses are presented, the Board shall determine if a violation exists and what sanction will be imposed, which shall be reflected in the written minutes of the meeting.

5.8 Enforcement. The Association shall have the following rights, remedies and sanctions for any violation:

5.8.1 Those set forth in Section 44-3-76 of the Act.

5.8.2 The right to impose reasonable fines of up to \$50.00 for a single offense or \$10.00 per day for any offense of a continuing nature, with the same treated as an Assessment against the Owner's Condominium Unit.

5.8.3 The right to suspend an Owner's right to use the Common Elements, except access to his Unit.

5.8.4 The right to enter upon any portion of the Common Elements to remove, stop or abate a violation not corrected by the Owner, without guilt or liability for trespass or otherwise; provided, however, that no item of construction may be demolished or materially altered until judicial proceedings have been instituted.

5.8.5 The right to collect reasonable attorneys fees if the Association engages counsel in connection with any violation, with the same treated as an Assessment against the Owner's Condominium Unit.

Any delay or failure by the Association to determine the existence of violation or enforce any right or remedy shall not constitute a waiver of any rights or remedies. No Director or Officer shall have any liability of any kind for any failure or delay in determining the existence of any violation or enforcing any right or remedy or for any decision made in good faith that a violation exists or to enforce a right or remedy.

ARTICLE 6

ASSESSMENTS

6.1 Obligation. Each Unit Owner shall pay to the Association all Assessments for Common Expenses made pursuant to the Act and this Declaration. The share of liability of each Condominium Unit for Assessments is set out in the Schedule of Unit Information. Each Owner shall be personally liable for Assessments coming due while he is the Owner. The Association may require the payment of a fee not to exceed Ten Dollars as a prerequisite to its issuance of any statement pursuant to Section 44-3-109(d) of the Act.

6.2 Amount and Allocation Generally. Regular Assessments for Common Expenses shall be established by the Board of Directors. At least thirty (30) days prior to the annual meeting of the Association, the Board of Directors shall prepare and submit in writing to the Owners a budget of the Common Expenses for the next fiscal year to be assessed against the Unit Owners pursuant to Section 44-3-80(c) of the Act. The Assessments allocated to each Unit shall be payable in equal monthly installments on the first day of each calendar month. If the budget proves inaccurate for any reason at any time during the year, the Board of Directors may change the Assessments at any time and notify the Owners accordingly. If for any reason an annual budget is not made by the Board, the previously established amount shall continue in effect until changed by the Board. Common Expenses to be paid through Assessments include: management, legal and accounting fees and other administrative costs; utilities for the Common Elements; utilities for Units, if not separately metered; insurance premiums; the costs and expenses of the maintenance, repair and replacement of the Common Elements; the establishment of reserves; and any other expenses which are Common Expenses pursuant to the Act, the Condominium Instruments or a decision of the Board. In any year in which there are any Common Profits or an excess of Assessments over Common Expenses, the Board shall determine either to apply the same or any portion thereof against and reduce the subsequent year's Assessments or to allocate the same to one or more reserve accounts of the Association. The Association shall maintain reserves in amounts and for purposes as determined by the Board.

6.3 Special Allocation. Assessments for Common Expenses shall not be specially allocated pursuant to Section 44-3-80(a) of the Act, but they may be pursuant to Section 44-3-80(b). If any portion of an amount which might be specially assessed

under the preceding sentence is covered by insurance proceeds, the balance (e.g., the deductible amount) may still be specially assessed. The special allocation of Assessments shall be determined by the Board in its reasonable judgment, including the amount and due date. In no event shall the Association or any Director have any liability for any judgment or decision made reasonably and in good faith under this Section.

6.4 Collection. The lien for Assessments shall include the items in Section 44-3-109(b)(1) through (4) of the Act and may be collected as provided in Section 44-3-109(c) of the Act.

6.5 Priority of Lien. The lien for Assessments shall have the priority set forth in Section 44-3-109(a) of the Act. Foreclosure of a prior Mortgage shall have the effect provided in Section 44-3-80(f) of the Act.

6.6 Statements as to Status. The Association shall issue statements as provided in Section 44-3-109(d) of the Act and may charge a fee not to exceed Ten Dollars for each. Such statements shall have the effect provided in Section 44-3-80(e) of the Act.

7.3 Casualty Insurance. The casualty insurance policy shall be written in the name of the Association as trustee for the benefit of the Unit Owners, their respective Mortgagees, as their interests may appear. The Board shall review or cause to be reviewed at least every two (2) years the amount of insurance in effect, taking into account the value and replacement cost of the improvements, and the Board may engage appraisers, cost estimators or others it deems appropriate in doing so. The policy shall insure the entirety of each structure, including both Common Elements and Units, but it shall not include any improvements or betterments made by a Unit Owner or any personal property or fixtures of a Unit Owner.

7.4 Casualty Policy Provisions. The Board shall consider and endeavor to obtain casualty insurance on the following terms and conditions if the Board considers them advisable:

7.4.1 The insurer shall waive its right of subrogation against the Association, any Directors or Officers of the Association, any managing agent or other agents or employees of the Association, all Unit Owners, and all other persons entitled to occupy the Units or other portions of the Condominium.

7.4.2 The policy shall not be cancelled, invalidated, or suspended on account of the conduct of any person listed in paragraph 7.4.1 above without at least 30 days prior written notice.

7.4.3 Any "no other insurance" provision in the policy shall expressly exclude the individual Unit Owners' policies from its operation.

7.4.4 The policy shall include a Mortgagee's clause for the benefit of all Mortgagees of Condominium Units.

7.4.5 The policy shall not be cancelled or materially altered for the nonpayment of premium or otherwise until the Association and all Mortgagees have been given thirty (30) days prior written notice.

7.4.6 The policy shall include a waiver of any co-insurance provisions and a waiver of any defense based on invalidity arising from the acts of the insured.

7.4.7 The policy shall include an agreed value endorsement.

7.4.8 The policy shall include a deductible amount per occurrence not in excess of \$1,000.

7.4.9 The insurer shall provide appropriate insurance certificates to each Unit Owner and each Mortgagee, together with duplicate originals of the policies and proof of payment of the premiums.

7.4.10 The insurer shall be financially sound and responsible and qualified to do business in Georgia.

7.4.11 The policy shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association.

7.4.12 The policy shall provide that coverage will not be prejudiced by (i) act or neglect of the Unit Owners when said act or neglect is not within the control of the Association or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Condominium over which the Association has no control.

7.5 Unit Owner Policies. Unit Owners may carry, at their own initiative and expense, the following insurance:

7.5.1 A building additions, betterments and alterations endorsement to the master policy of casualty insurance described above for the exclusive benefit of the particular Unit Owner.

7.5.2 A "tenant's or condominium owner's policy" covering the contents of his Unit, personal injury and property damage liability, burglary and the like.

In no event shall any recovery or payment under the insurance coverage obtained and maintained by the Association be affected or diminished by insurance purchased by individual Owners or Mortgagees, and no Unit Owner shall be entitled to exercise his right to maintain the additional insurance coverage set forth in this Section in such a way as to bring into contribution any insurance maintained by the Association.

ARTICLE 8

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

8.1 General. This Article generally follows Section 44-3-94 of the Act and supplements it with more detail. However, it does differ in at least two respects. First, since almost all parts of the buildings are technically Common Elements rather than part of any Unit, a concept of Common Elements exclusively serving a Unit is used. Second, if insurance proceeds are inadequate to cover the costs of repairing or reconstructing a Unit (and the Common Elements exclusively serving it) the excess is made a Common Expense herein and is not payable entirely by the Owner or Owners whose Unit or Units were damaged or destroyed (as provided in Section 44-3-94 of the Act). The terms "repair" or "reconstruction" as used herein shall mean repairing or restoring the Submitted Property to substantially the same condition in which it existed prior to the fire or other casualty (excluding improvements and betterments made by an Owner or Occupant) with each Unit and the Common Elements having the same boundaries as before. Any repair or reconstruction may reasonably take into account changes in construction and design techniques and materials and the cost or availability thereof. The term "substantial loss" shall mean a loss involving damage or destruction having a cost of restoration or repair of more than fifty percent (50%) of the total replacement cost of the improvements which are damaged or destroyed. For purposes of this Article, Common Elements shall be deemed to serve exclusively a particular Unit only if they constitute all or a portion of the building in which such Unit is contained or a Limited Common Element assigned to such Unit. This concept of Common Elements serving exclusively a Unit is necessary because, by the definition of Unit boundaries, almost all parts of the buildings are Common Elements and are not a part of any Unit.

8.2 Claims, Adjustments and Repair Estimates. Immediately after any casualty, the Board shall proceed with the filing and adjustment of claims and obtain estimates of the cost of repair or reconstruction.

8.3 Decision to Repair or Restore.

8.3.1 In the case of damage or destruction to Common Elements not serving exclusively a Unit, such damage or destruction shall be repaired or reconstructed unless both (i) there is a substantial loss of the Common Elements

resulting from such damage or destruction and (ii) within ninety (90) days of the date of such casualty, Owners having two-thirds (2/3rds) of the Votes in the Association Vote not to repair or reconstruct.

8.3.2 In the case of a casualty causing damage or destruction to a Unit or to any Common Elements serving exclusively such Unit, it shall be repaired or reconstructed unless all of the following occur: (i) there is a substantial loss of property so damaged or destroyed; (ii) seventy-five percent (75%) or more of the Units in any one building in the Condominium are damaged or destroyed by such casualty; and (iii) within ninety (90) days of such casualty, the Owners of all of the Units within the building or buildings in which the damage or destruction occurred, together with enough remaining Owners to comprise at least two-thirds (2/3rds) of the total Vote of the Association, agree in writing not to repair or reconstruct. If any Units are not repaired or reconstructed, the undivided interest in the Common Elements, Votes in the Association and share of liability for Common Expenses appertaining to them shall be reallocated to the remaining units on the basis of an equal share per Unit. Any remaining portions of the Units not replaced shall be a part of the Common Elements, to be used or razed as determined by the Board.

8.3.3 If for any reason the amount of insurance proceeds to be paid as a result of a casualty or reliable and detailed estimates of the cost of repair or reconstruction of such casualty are not made available within ninety (90) days after such casualty, then the ninety (90) day period specified above shall be extended until thirty (30) days after such information is made available; provided, however, that such period of time shall in no event exceed One Hundred Fifty (150) days after such casualty.

8.4 Application of Proceeds. If it is so determined that any damaged Common Elements not exclusively serving a Unit shall not be repaired or restored, then the insurance proceeds with respect thereto shall be divided among the Owners in accordance with their interests in the Common Elements. If it is determined in accordance with the provisions hereof that any damaged Unit and Common Elements exclusively serving it shall not be repaired or restored, then the insurance proceeds with respect thereto shall be paid to the Owner of such damaged Unit in proportion to the total damage for which proceeds are received, and the Owner shall have no further right, title or interest in the Condominium. In all cases where there is a Mortgagee endorsement to the Association's insurance policy

with respect to a Unit, any insurance proceeds shall be disbursed to the Owner and such Mortgagee jointly.

8.5 Repair and Reconstruction. All repairs and reconstruction shall be made in accordance with the plans and specifications for the damaged property prior to the damage. The work shall be the responsibility of the Association. The Association may employ such building supervisors, architects, contractors, engineers and others as the Board of Directors shall determine. The costs of repairing or reconstructing shall be paid with any insurance proceeds paid to the Association on account of such damage or destruction. If such insurance proceeds are not sufficient, then the deficit will be a Common Expense. The Board shall determine whether to use reserves, if any, and shall impose a special Assessment for the balance.

ARTICLE 9

ARCHITECTURAL CONTROL AND USE RESTRICTIONS

9.1 Residential Purposes Only. Except for Declarant's rights as set forth herein, all Condominium Units shall be restricted exclusively to residential use, and the occupancy thereof shall be subject to such restrictions as the Board of Directors may establish pursuant to the rules and regulations of the Association. No business activities, other than the development and sales activities of Declarant permitted hereunder, shall be conducted on the Submitted Property.

9.2 Use Subject to Rules and Regulations. The use and enjoyment of the Condominium by the Owners and their Occupants shall be subject to rules and regulations made in accordance with Article 5.

9.3 Approval Required for Changes. Pursuant to Sections 44-3-90(a) and 44-3-106(a)(3) of the Act, with the following providing details and procedures but without limiting or restricting those Sections of the Act, no construction, painting or other changes of any nature whatsoever shall be commenced or maintained by any Unit Owner other than Declarant with respect to any portion of the Condominium (including any Unit or Limited Common Element) unless and until the plans and specifications showing the nature, kind, shape, color, height, materials and location of the same shall have been first submitted and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Association. Without limitation, the foregoing shall apply to: awnings, shades, screens or other items attached to, hung or used on the exterior of any window or door of a Unit or on the exterior of any building; any foil or other reflective material used on any windows for sun screens, blinds, shades or any other purpose; the use of shades, drapery linings and other window treatments visible from the exterior of a Unit on any window or door (except that for shades, drapery linings and other window treatments, white and off-white to include neutral colors blending with the exterior colors of the building are hereby automatically approved); outside clotheslines or other outside facilities for drying or airing clothes; and clothing, rugs or any other item hung on any railing, fence or other structure. With regard to the Limited Common Elements, the patios, balconies and porches were not intended to be enclosed and were not constructed in a manner to permit enclosure. Therefore, the patios, balconies and porches are not waterproof and any Owner attempting to

enclose a patio, balcony or porch will risk water damage to the Limited Common Elements and the Unit. Any Owner who desires to enclose a patio, balcony or porch must first comply with the provisions of this Section 9.3 with regard to submission of plans and specifications to and approval of the intended construction by the Association. An Owner may make improvements and alterations within his Unit not affecting its exterior appearance, provided they do not impair the safety or soundness of any portion of the Condominium.

9.4 Governmental Regulations. All governmental building codes, health regulations, zoning restrictions and the like applicable to the Submitted Property shall be observed. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provisions shall apply.

9.5 Lease of Unit. No Owner may Lease his Condominium Unit for transient or hotel purposes. An underground parking space which is assigned as a Limited Common Element may be leased separately from the Unit to which it is assigned. All Leases shall be in writing with a minimum term of at least three months. Any Lease shall be subject in all respects to the provisions of this Declaration, the Bylaws and the rules and regulations of the Association; any failure by the tenant to comply with the terms of such documents shall be a default under the Lease; and any Lease shall so provide. In the event any tenant of a Condominium Unit violates the terms of such documents, the Association shall have the right to require the Owner or tenant of the Condominium Unit to terminate the Lease because of the violation and to enforce the violation against the Owner.

9.6 Signs. Except as may be required by legal proceedings, no "For Sale" or "For Rent" signs or other signs or advertising posters of any kind shall be maintained or permitted on any portion of the Submitted Property without the prior written approval of the Association. The approval may be subject to conditions. Notwithstanding the foregoing, the provisions of this Section shall not apply to any signs maintained on the Submitted Property by Declarant during the period that Declarant has any Condominium Unit for sale or to a "For Sale" sign posted by a Mortgagee who becomes the Owner as purchaser at a Foreclosure sale or in lieu thereof.

9.7 Pets. No animals or birds, other than a reasonable number of generally recognized house pets, shall be kept or

maintained on any portion of the Submitted Property and then only if they are kept or maintained solely as domestic pets and not for commercial purposes. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Common Elements, except that such a structure may be constructed or maintained within any balcony, deck, patio, terrace area or other Limited Common Element if approved in advance in writing by the Association. Pets shall be under leash when walked or exercised in any portion of the Common Elements. No pet shall be permitted to leave its droppings on any portion of the Common Elements, and the Owner of such pet shall immediately remove the droppings. The Association may conclusively determine, in its sole and absolute discretion, whether, for the purposes of this Section, a particular pet is permitted or such pet is a nuisance, and the Association shall have the right to require the Owner of a particular pet to remove the pet from the Condominium if the pet is found to be a nuisance or to be in violation of these restrictions.

9.8 Antennas. Without the prior written approval of the Association, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Submitted Property, whether attached to a building or structure or otherwise; provided, however, that Declarant and the Association shall have the right to erect, construct and maintain such devices.

9.9 Motor Vehicles, Trailers, Boats, etc. Automobiles shall be operated and parked only upon those portions of the Common Elements designated for such purpose by the Association. Other motor vehicles, including, without limitation, mobile homes, motor homes, truck campers, trailers of any kind and boats, shall be kept, placed, stored, parked, maintained or operated only upon those portions of the Submitted Property, if any, designated specifically for such purpose by the Association. Further, although not expressly prohibited hereby, the Association may prohibit mobile homes, motor homes, truck campers, trailers of any kind, motorcycles, motor scooters, motorized bicycles, mo-peds, motorized go-carts and other such contrivances, or any of them, from being kept, placed, stored, maintained or operated upon any portion of the Submitted Property if such prohibition shall be determined to be in the best interests of the Condominium.

9.10 Nuisances. No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of

the Submitted Property, except in containers specially designated for such purpose, nor shall any odors be permitted, so as to render any portion of the Submitted Property unsanitary, unsightly, offensive or detrimental to persons using or occupying other portions of the Submitted Property. No nuisance shall be permitted to exist or operate upon any portion of the Submitted Property so as to be offensive or detrimental to persons using or occupying other portions of the Submitted Property. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on the Submitted Property. Noxious or offensive activities shall not be carried on in any Unit or in any part of the Common Elements. Each Owner and Occupant shall refrain from any act or use of his Unit or the Common Elements which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the other Owners and Occupants, or which could result in the cancellation of insurance on any Unit or any portion of the Common Elements. Hobbies or other activities, including 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 portion of the Submitted Property.

ARTICLE 10

RIGHTS OF MORTGAGEES

10.1 General. This Article sets forth the rights of Mortgagees of Condominium Units. These rights are required by Mortgagees and the regulations applicable to them in order to make loans available to Unit Owners to purchase or refinance their Condominium Units. Some of these provisions are for the benefit of all Mortgagees, others are for First Mortgagees only, and still others are for Registered Mortgagees only.

10.1.1 In the event of any conflict or inconsistency between the provisions of this Article and any other provisions of this Declaration or the Bylaws, the provisions of this Article shall control.

10.1.2 No provision of this Article may be amended without the approval of at least two-thirds of the First Mortgagees.

10.1.3 In any situation requiring action, approval or consent by a certain number, percentage or fraction of First Mortgagees, there shall be one vote per First Mortgage and the vote applicable to the First Mortgage shall be exercised as a whole by the holder of record of such First Mortgage, even if the definition of the term "Mortgagee" could include more than one person (such as the holder of a Mortgage as well as an insurer and/or a servicer). If a fraction (or percentage) is involved and any Condominium Unit is not subject to a First Mortgage, that Condominium Unit shall be included in the denominator but not in the numerator.

10.2 Right to Notices and Information. Each Registered Mortgagee shall be entitled to the following notices and information:

10.2.1 Immediate written notice from the Association of any default by an Owner in the performance of his obligations under this Declaration, the Bylaws or the rules and regulations of the Association which is not cured within sixty (60) days, specifically including any delinquency in payment of an Assessment.

10.2.2 Thirty (30) days prior written notice of, and the right to designate a representative to attend and observe, all meetings of Owners, but not meetings of the Board of Directors.

10.2.3 Immediate written notice of any condemnation loss, damage, destruction or any other casualty loss which affects a material portion of the Common Elements (if the reasonably estimated cost of repair exceeds \$10,000) or the Unit encumbered by its Mortgage (if the reasonably estimated cost of repair exceeds \$1,000).

10.2.4 Immediate written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

10.2.5 Thirty (30) days prior written notice of any proposed action which would require the consent of a specified number, fraction or percentage of Mortgagees.

10.2.6 Copies of annual financial reports within 120 days after the end of the Association's fiscal year.

10.3 Restrictions on Certain Actions. Except as provided by the Act in case of condemnation or substantial loss to the Units and/or Common Elements, neither the Association nor the Owners shall be entitled to do any of the following unless the First Mortgagees of Condominium Units to which at least two-thirds (2/3) of the Votes appertain (and so long as that certain Deed to Secure Debt recorded in Deed Book _____, page _____, is not satisfied of record, the then holder of such Deed to Secure Debt) have given their prior written approval:

10.3.1 By act or omission, seek to abandon or terminate the Condominium.

10.3.2 Except for Assessments specially allocated pursuant to Section 6.3 hereof and the distribution of hazard insurance proceeds pursuant to Article 8, change the prorata interest or obligations of any Condominium Unit for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the prorata share of ownership of each Condominium Unit in the Common Elements.

10.3.3 Partition or subdivide any Condominium Unit.

10.3.4 By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements (except the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements).

10.3.5 Use hazard insurance proceeds for losses to any part of the Submitted Property (whether to Units or to

Common Elements) for other than the repair, replacement or reconstruction of such Submitted Property.

10.4 Financial Statements and Records. The Association shall make available to every Unit Owner and Mortgagee during normal business hours at the principal office of the Association, Condominium Instruments, Articles of Incorporation, Bylaws, rules and regulations, financial statements and all other books and records of the Association.

10.5 Initial Working Capital. A working capital fund shall be established for the initial months of the operation of the Condominium equal to at least two (2) months of the regular Assessment applicable to each Unit. This amount shall be paid with respect to each Condominium Unit upon the conveyance of that Condominium Unit by Declarant to another Unit Owner. The payments shall be collected by the Declarant from the Unit Owner acquiring the Condominium Unit and shall then be deposited and maintained in a separate account of the Association. The purpose of such fund is to insure that funds will be available for the Association to meet unforeseen expenditures, to pay non-recurring start up expenses at the beginning of the Association such as legal, accounting and other services and advice, and to acquire additional equipment or services deemed necessary or desirable by the Board of Directors. This fund is not refundable to the Declarant or the Unit Owners. If it is not used for the described purposes, the Board may use it for any purpose it deems appropriate. Amounts paid into such fund shall not be considered as advance payment of the annual Assessments.

10.6 Require Professional Management. Any First Mortgagee may by written notice to the Association require the Association to hire professional management for a one year period beginning within ninety (90) days after the notice. The Association shall do so pursuant to Section 5.3 of the Declaration.

10.7 Reassignments of Underground Parking Spaces. Any reassignment of an underground parking space which is a Limited Common Element as set forth in the Schedule of Boundaries and Maintenance shall be effective only upon the recorded written consent of all Mortgagees of the Condominium Unit away from which the underground parking space is being reassigned.

ARTICLE 11

GENERAL PROVISIONS

11.1 Amendment. Amendments to this Declaration and the other Condominium Instruments, shall be governed by Section 44-3-93 and 44-3-106(c) of the Act.

11.2 Eminent Domain. Any taking by eminent domain of all or part of the Submitted Property shall be governed by Section 44-3-97 of the Act.

11.3 Certain Unit Changes. Section 44-3-90 of the Act governs alterations within Units and combining two or more Units.

11.4 Termination. Section 44-3-98 of the Act governs termination of the Condominium.

11.5 Exhibits. All exhibits referred to in and attached to this Declaration are incorporated herein in full.

11.6 No Restrictions on Sale. The right of any Owner to sell, transfer, convey, mortgage, encumber or pledge his Condominium Unit shall not be subject to any right of first refusal or any similar restriction in favor of the Association or any other Owner. Leases are subject to Section 9.5 of this Declaration.

11.7 Author. This Declaration was prepared by Sam F. Hatcher, Alston & Bird, 35 Broad Street, Suite 1200, Atlanta, Georgia 30335.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed under seal as of the day and year first above written.

Signed, sealed and delivered in the presence of:

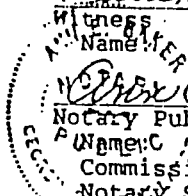
DUNWOODY RIDGE DEV. CO., LTD., a Georgia limited partnership

Sam F. Hatcher
Witness Name

By: James R. Treadwell (SEAL)
JAMES R. TREADWELL
General Partner

Chris E. Baker
Notary Public
Name: C

By: Alfred J. Cole, Sr. (SEAL)
ALFRED J. COLE, SR.
General Partner



Commission Expires:
Notary Seal:

Notary Public, Georgia, State at Large
My Commission Expires Jan. 23, 1999