

110.00
+ 5.00

FILED AND RECORDED
BOOK PAGE 43

'82 JUL 27 A8:43

Chesapeake

COBB SUPERIOR COURT CLERK

DECLARATION OF CONDOMINIUM
FOR
HILLSDALE I CONDOMINIUM

D. R. Sloan, Jr.
HYATT & RHOADS, P.C.
Attorneys

2200 Peachtree Center Harris Tower
Atlanta, Georgia 30303
(404) 659-6600

1625 I Street
Washington, D.C. 20006
(202) 488-4418

- TABLE OF CONTENTS -

	<u>Page</u>
1. NAME.....	1
2. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS.....	1
3. UNITS AND BOUNDARIES.....	2
4. LIMITED COMMON ELEMENTS -- ASSIGNMENT AND REASSIGNMENT.....	2
5. COMMON ELEMENTS.....	3
6. UNDIVIDED INTEREST IN COMMON ELEMENTS.....	3
7. ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES.....	3
8. ALLOCATION OF LIABILITY FOR COMMON EXPENSES.....	3
9. ASSOCIATION RIGHTS AND RESTRICTIONS.....	4
10. USE RESTRICTIONS.....	4
11. ASSESSMENT LIEN.....	6
12. AMENDMENTS.....	6
13. SEVERABILITY.....	7
14. PREPARER.....	7
15. SALES AND LEASES.....	7
16. MORTGAGEE PROVISIONS.....	9
17. DECLARANT RIGHTS.....	10
18. EXPANSION OPTION.....	12
19. POST VILLAGES NORTHWEST.....	13
20. HILLSDALE COMMUNITY.....	13
21. SUCCESSOR DECLARANT.....	13

- LIST OF EXHIBITS -

LEGAL DESCRIPTION.....	"A"
HILLSDALE I LEASE AGREEMENT.....	"B"
ADDITIONAL PROPERTY.....	"C"
PHASE II ADDITIONAL PROPERTY.....	"C-2"
PHASE III ADDITIONAL PROPERTY.....	"C-3"
PHASE IV ADDITIONAL PROPERTY.....	"C-4"
PHASE V ADDITIONAL PROPERTY.....	"C-5"
PHASE VI ADDITIONAL PROPERTY.....	"C-6"
BY-LAWS.....	"D"

DECLARATION OF CONDOMINIUM

FOR

HILLSDALE I CONDOMINIUM

THIS DECLARATION is made on this 12th day of July, 1982, by RIDGEWAY DEVELOPMENT CORP., a Georgia corporation, having its principal office at 150 Interstate North, Suite 190, Atlanta, Cobb County, Georgia, (hereinafter, together with any successors in title who come to stand in the same relation to the Condominium, referred to as the "Declarant");

W I T N E S S E T H

WHEREAS, the Declarant is the owner in fee simple of that property located in Land Lots 707 and 708, 17th District, 2nd Section, Cobb County, Georgia, which is more particularly described on Exhibit "A" attached hereto and by this reference incorporated herein; and

WHEREAS, the Declarant desires to submit the property described on Exhibit "A" hereto to the provisions of the Georgia Condominium Act, pursuant to the terms and provisions of this Declaration;

NOW, THEREFORE, the Declarant does hereby submit the property described on Exhibit "A", which is attached hereto and incorporated herein by this reference, together with all of the improvements located thereon, to the provisions of the Georgia Condominium Act, Georgia Laws 1975, Act No. 463, Ga. Code Ann. §§85-1601e, et seq. From and after the date on which this Declaration, together with the Plat of Survey and the Plans described herein, are recorded with the Clerk of the Superior Court of Cobb County, Georgia, the property described on Exhibit "A" hereto, and all of the improvements located thereon shall be owned, held, transferred, sold, conveyed, used, occupied, mortgaged, or otherwise encumbered, subject to all of the terms, provisions and restrictions of this Declaration and of the aforesaid Georgia Condominium Act.

1. NAME.

The name of the condominium is Hillsdale I Condominium, (hereinafter sometimes called "Hillsdale I" or the "Condominium").

2. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS.

The Condominium is located in Land Lots 707 and 708 of the 17th District, 2nd Section, Cobb County, Georgia. The Property which is submitted by this Declaration to the Act, is described in Exhibit "A" attached hereto. A Plat of Survey has been filed in Condominium Plat Book 4, Pages 33-36, Cobb County, Georgia Records. Simultaneously with the recording of this Declaration in the office of the Clerk for Cobb County, Georgia, Plans of every building which contains a unit located on the Property are being filed in the Condominium File Drawer, Cobb County, Georgia Records. The Plat of Survey and Plans are hereby incorporated herein by reference as fully as if the same were set forth in the entirety herein.

3. UNITS AND BOUNDARIES.

The Property described and submitted to the Act is divided into eight (8) separate units, the limited common elements and the common elements. Each unit consists of a dwelling and its appurtenant percentage of undivided interest in the common elements as herein provided. Each unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments. The units are depicted on the Plat of Survey and the Plans. Each unit includes that part of the structure which lies within the following boundaries:

(a) Horizontal (Upper and Lower):

(i) The upper horizontal boundary of each unit located on the Property is the plane formed by the uppermost, unexposed surface of the wallboard or other material comprising a part of the ceiling enclosing the unit.

(ii) The lower horizontal boundary of each unit located on the Property is the plane formed by the finished surface of the concrete slab or subflooring on which the unit is constructed.

(b) Vertical (Perimetric or Lateral): The vertical boundaries of each unit located on the Property are the planes formed by the unexposed surface of the wallboard or other surface comprising the interior walls enclosing a unit.

(c) Notwithstanding the description of the boundaries set forth above, the boundaries shall be deemed to be extended to include within the unit the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that individual unit; all windows and doors (including frames) serving the unit; and all portions of any covered veranda serving the unit, whether or not such veranda is enclosed.

4. LIMITED COMMON ELEMENTS -- ASSIGNMENT AND REASSIGNMENT.

(a) The limited common elements located on the Property and the unit(s) to which they are assigned are:

(i) the mailbox is assigned as a limited common element to the unit it serves;

(ii) to the extent that a patio or balcony serving a unit is not part of the unit, the patio or balcony which is appurtenant to each unit is assigned as limited common element to the unit having direct access to such patio or balcony;

(iii) the doorsteps or stoops leading as access to a patio or balcony are assigned as limited common element to the unit to which is assigned as limited common element the patio or balcony served by such doorsteps or stoops;

(iv) the portion of the common elements on which there is located any portion of the air conditioning or heating system exclusively serving a particular unit or units is assigned as limited common element to the unit or units so served;

(v) any gas or electric meter which serves only one unit is assigned as limited common element to the unit so served; and

(vi) landings and stairways serving more than one and fewer than all of the units are assigned as limited common elements to the units served jointly.

(b) The Association's Board of Directors, without need for a membership vote, is hereby authorized to assign and to reassign Limited Common Elements, provided that any such assignment or reassignment shall be made in accordance with the provisions of Section 19(b) and (c) of the Act and, provided, further, that no such assignment or reassignment may be made during the time the Declarant is in control of the Association pursuant to this Declaration, unless such assignment or reassignment is agreed to by Declarant and greater than two-thirds (2/3) of the unit owners other than the Declarant.

5. COMMON ELEMENTS.

The common elements and facilities include all parts of the Property not located within the boundaries of a unit.

6. UNDIVIDED INTEREST IN COMMON ELEMENTS.

Pursuant to Section 15 of the Act, each unit is allocated a percentage of undivided interest in the common elements equal to that assigned to every other unit.

7. ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES.

All unit owners, by virtue of their ownership of a unit in the condominium, are members of the Hillsdale I Condominium Association, Inc., and shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to the Declaration and in accordance with the By-Laws of the Association which are attached hereto as Exhibit "D" and are by this reference incorporated herein. Subject to the provisions of the condominium instruments, each owner shall be entitled to one (1) vote for each unit in which he or she holds the interest required for membership and each unit is allocated a vote equal to each other unit's vote.

8. ALLOCATION OF LIABILITY FOR COMMON EXPENSES.

Each unit is hereby allocated liability for common expenses equal to that allocated to every other unit.

(a) Except as provided below, or elsewhere in the Act or condominium instruments, the amount of all common expenses shall be assessed against all the condominium units in accordance with the allocation of liability for common expenses.

(b) Notwithstanding the foregoing, except for staining or painting of exposed exterior portions of the units, any common expenses which are incurred for the benefit of less than all of the units or are occasioned by the conduct of less than all of those entitled to occupy all of the units (or by the licensees or invitees of any such unit or units) shall be specially assessed against the unit or units incurring or causing any such common expenses to be incurred. Except for the painting or staining of exposed limited common elements, maintenance of stairways and landings that serve more than one unit, and paving and maintenance of parking spaces, if parking spaces are assigned as limited common elements; common expenses, if any, associated with the maintenance, repair, or replacement of any limited common element shall be assessed against the unit or units to which the limited common element was assigned at the time the expense was incurred; if the limited common element was or is assigned to more than one unit, the expense shall be equally divided among those units.

9. ASSOCIATION RIGHTS AND RESTRICTIONS.

The Association shall have the right, in addition to and not in limitation of all other rights it may have:

(a) to enter into units for emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the owner or occupant of the unit;

(b) to make and to enforce reasonable rules and regulations governing the use of the Property, including the units, limited common elements, and common elements, specifically including, but not limited to, regulation of parking on the common elements; and

(c) to enforce Use Restrictions, other Declaration and By-Law provisions, and rules and regulations by the imposition of reasonable monetary fines and suspension of use and voting privileges as provided in Section 13 of the Act. These powers, however, shall not be construed as limiting any other legal means of enforcing the Use Restrictions or rules and regulations of the Association. Any fines so imposed shall be considered an assessment against the unit and may be collected in the manner provided for collection of other assessments.

10. USE RESTRICTIONS.

Except as otherwise provided for Declarant, the units at the Condominium shall be and are restricted exclusively to residential use and no business may be conducted upon or in any building, unit, or in any portion of the property subjected to this Declaration. Other restrictions regarding use of units are as follows:

(a) No unit may be subdivided into a smaller unit and no unit owner shall erect or use any structure(s) of a temporary character, trailer, tent, shack, carport, garage, barn or other outbuilding on any portion of the Property as may be subjected hereto, at any time either temporarily or permanently.

(b) No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the Property or other property as may be subjected hereto, except that no more than a total of two (2) dogs, cats, or other household pets may be kept by an owner in his or her respective unit, provided that they are not kept, bred, or maintained for any commercial purpose and do not endanger the health or unreasonably disturb the owner or occupants of any other units. Notwithstanding this provision, no pet enclosures shall be erected, placed, or permitted to remain on any property subjected to this Declaration. The keeping of pets and their ingress, egress, and travel upon the common elements shall be subject to such rules and regulations as may be issued by the Board of Directors. If an owner or occupant fails to abide by the rules and regulations and/or covenants applicable to pets, the Board of Directors may bar such pet from use or travel upon the common elements, or subject such use or travel to a user fee.

(c) Except as hereinafter provided for Declarant, no advertising signs [except one "for rent" or "for sale" sign per unit of not more than one foot by two feet (1' x 2') placed only inside the enclosed unit], billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the property subjected to this Declaration.

(d) All rubbish, trash, and garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon. For so long as trash dumpsters are used to facilitate trash, rubbish, and garbage removal, all such trash, rubbish, and garbage shall be placed therein for removal from the premises.

(e) No planting or gardening shall be done, and no fences, hedges, or walls shall be erected or maintained upon the property subjected hereto, except such as have been installed in accordance with the initial construction of the buildings located thereon or as approved by the Association's Board of Directors or their designated representative. Except for the right of ingress and egress, the owners of units are hereby prohibited and restricted from using any of the property subject to this Declaration outside of their respective units, except as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all owners in the development and is necessary for the protection of said owners.

(f) An owner shall do no act nor any work that will impair the structural soundness or integrity of another unit or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other units or their owners.

(g) No exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements located upon the property subject to this Declaration nor upon any structure situated upon said property other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna.

(h) No owner or occupant of a unit may use or allow the use of the unit or any portion of the condominium in any way or for any purpose which may endanger the health or unreasonably annoy or disturb other owners or occupants of a portion of the condominium; or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved homeowner to proceed individually for relief from interference with his property or personal rights.

(i) No boats, boat trailers, campers, trucks, vehicles primarily used for commercial purposes, or vehicles with commercial writings on their exteriors shall be stored, allowed to remain, or continuously parked on the property subject to this Declaration, except in an area, if any, designated by the Board of Directors for such purpose.

(j) There shall be no more than two (2) permanent residents in any one (1) bedroom unit and no more than three (3) permanent residents in any two (2) bedroom unit. For purposes of this paragraph, anyone who resides at the Condominium for more than four (4) consecutive weeks or for more than eight (8) weeks in any calendar year shall be deemed a permanent resident.

(k) Hillsdale I is created as an adult community, and no permanent resident shall be less than eighteen (18) years of age. For purposes of this paragraph, anyone who resides at the Condominium for more than four (4) consecutive weeks or for more than eight (8) weeks in any calendar year shall be deemed a permanent resident.

(1) Notwithstanding the foregoing, any family group including a child not more than four (4) years of age may reside within the community.

11. ASSESSMENT LIEN.

The Association shall have the power to impose assessments as provided in these condominium instruments. Such assessments are the personal obligation of the owner against whom they are assessed and are a lien against the unit. The obligation and the lien for assessment shall also include: a late or delinquency charge in the amount of the greater of Ten (\$10.00) Dollars or ten (10%) percent of the amount of each assessment or installment not paid when due; interest on each assessment or installment not paid when due and on any delinquency fee or late charge appertaining thereto from the date the charge was first due and payable at the rate of eight (8%) percent per annum; the cost of collection, including court cost, the expenses of sale, any expense required for the protection and preservation of the unit, and reasonable attorney's fees actually incurred; and the fair rental value of the unit from the time of institution of suit until the sale at foreclosure or other satisfaction of any judgment. All rights provided for and to the Association by this Section shall be exercised as provided in the By-Laws.

12. AMENDMENTS.

Except as provided herein, in the case of an amendment to this Declaration by the Association to assign or reassign limited common elements, or for the Declarant to relinquish its right to appoint and remove Directors of the Association, or for Declarant to expand the Condominium as provided herein, or as a result of condemnation or substantial damage and destruction as provided herein and in the Act, this Declaration may be amended only as follows:

(a) All amendments to this Declaration, other than as specified above, may be made only by the affirmative vote, written consent, or any combination thereof, of the members of the Association holding at least seventy-five (75%) percent of the total votes thereof.

(b) So long as the Declarant has at least one (1) unit held primarily for sale or an unexpired option to expand the Condominium, no amendment to the Declaration or By-Laws shall be effective until approved in writing by the Declarant. So long as Declarant has the right to maintain sales activity within the Condominium, no amendment limiting or restricting that right shall be effective until approved in writing by Declarant.

(c) Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. Any member may evidence consent to any amendment in writing without the necessity of a meeting or to supplement votes received at a meeting.

(d) The approval of Eligible Mortgage Holders holding mortgages on units which have at least fifty-one (51%) percent of the votes of units subject to Eligible Mortgage Holder mortgages shall be required to add or amend any material provisions of the Condominium Instruments which establish, provide for, govern, or regulate any of the following: assessments, assessment liens, or subordination of such liens; reserves for maintenance, repair, and replacement of the common elements or units; insurance or fidelity bonds; rights to use of the common elements; responsibility for maintenance and repair of the several

portions of the Condominium; voting; expansion or contraction of the Condominium or the addition, annexation, or withdrawal of property to or from the Condominium, other than as authorized herein by the Declarant; boundaries of any unit, subject to the provisions of the Act; the interests in the general or limited common elements; convertibility of units into common elements or of common elements into units; leasing of units; imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey his or her unit; or any provisions which are for the express benefit of mortgage holders or Eligible Mortgage Holders.

(e) An addition or amendment to the Condominium Instruments shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. Any Eligible Mortgage Holder who does not deliver or post to the requesting party a negative response to an amendment proposed to affect any of the foregoing within thirty (30) days of receipt of the proposed amendment shall be deemed to have approved such request; provided, however, if such amendment should affect any mortgagee rights, at least sixty-seven (67%) percent of the holders of first mortgages shall first, in writing, consent.

(f) No amendment shall be effective until it is certified by the officers of the Association and a copy is filed in the office of the Clerk of Superior Court of Cobb County, Georgia. Any amendment so certified (and signed by the Declarant, if required) and recorded shall be conclusively presumed to have been duly adopted.

13. SEVERABILITY.

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

14. PREPARER.

This Declaration was prepared by D. R. Sloan, Jr., of Hyatt and Rhoads, 2200 Peachtree Center Harris Tower, 233 Peachtree Street, N.E., Atlanta, Georgia, 30303.

15. SALES AND LEASES.

In order to assure a community of congenial owners and thus protect the value of the units, the sale or leasing of a unit by any owner (other than as herein provided for certain mortgagees and Declarant) shall be subject to the following provisions so long as the property shall be owned in accordance with the terms and conditions of this Declaration and the Georgia Condominium Act:

(a) Any owner intending to sell or lease his or her unit shall give notice in writing to the Board of Directors of such intention, stating the name and address of the intended purchaser or lessee, the terms of the proposed transaction and such other information as the Board may reasonably require. The Board of Directors shall have authority to make and to enforce reasonable rules and regulations in order to enforce this provision, including the right to impose fines constituting a lien upon the unit sold or leased pursuant to Sections 13 and 41 of the Act.

(b) Units may be rented only in their entirety; no fraction or portion may be rented. No transient tenants may be accommodated therein. All leases and lessees are subject to the

provisions of the Declaration and By-Laws. All rentals must be for a term no less than one (1) year. The unit owner must make available to the tenant copies of the condominium instruments including the Declaration, By-Laws, and rules and regulations. Any lease of a unit in the Condominium shall be deemed to contain the following provisions, whether or not expressly therein stated, and each owner covenants and agrees that any lease of a unit shall contain the following language and agrees that if such language is not expressly contained therein, then, such language shall be incorporated into a lease by existence of this covenant on the unit. A lease that complies with this covenant and that may be used by owners in compliance herewith is attached hereto as Exhibit "B", which is incorporated herein by this reference. Any lessee, by occupancy in a unit, agrees to the applicability of this covenant and incorporation of this covenant and the following language into the lease:

(i) Lessee acknowledges that promises made to Lessor in Paragraphs 5, 6, and 7 of the Lease, attached hereto as Exhibit "B", are made for the benefit of the Association for the purpose of discharging Lessor's duties to the Association through Lessee's performance. In order to enforce the provisions of this Agreement made for the Association's benefit, the Association may bring an action against Lessee to recover sums due for damages or injunctive relief or may impose any other sanction authorized by the Declaration and By-Laws, as they may be amended from time to time, or available at law or equity, including, but not limited to, all remedies available to a landlord upon breach or default of a lease agreement by the Lessee. Failure by the Association to enforce any of its rights shall in no event be deemed a waiver of the right to do so thereafter.

(ii) Lessee shall comply strictly with all provisions of the Declaration, By-Laws, and with the administrative rules and regulations adopted pursuant thereto, as any of the foregoing may be lawfully amended from time to time. Lessee shall control the conduct of his or her family and guests in order to assure compliance with the foregoing and shall indemnify and hold Lessor and the Association harmless for any such person's failure to comply. Lessee acknowledges that the violation by Lessee or any occupant or person living with Lessee of any provision of the Declaration, By-Laws, or rules and regulations adopted thereunder shall constitute a default under this lease.

(iii) Upon request by the Association, Lessee shall pay to the Association all unpaid annual assessments and special assessments, as lawfully determined and made payable during and prior to the term of this Agreement and any other period of occupancy by Lessee; provided, however, that Lessee need not make such payments to the Association in excess of or prior to the due dates for monthly rental payments unpaid at the time of the Association's request. All payments made to the Association shall reduce by the same amount Lessee's obligation to make monthly rental payments to Lessor under the Lease. If Lessee fails to comply with the Association's request to pay assessments, Lessee shall pay to the Association all late or delinquent charges, fines, interest, and costs of collection, including, but not limited to, reasonable attorney's fees actually incurred, to the same extent Lessee would be required to make such payments to the Association if Lessee were the owner of the Premises during the term of this Agreement and any other period of occupancy by Lessee.

(iv) Lessee's rights shall be subject to all rights of the Association and any bona fide mortgage or deed to secure debt which is now or may hereafter be placed upon the Premises by Lessor.

(c) In the event the Association proceeds to evict the Lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be specially assessed against the unit and the owner thereof, such being deemed hereby as an expense which benefits the leased unit and the owner thereof.

(d) Any Lessee charged with a violation of the Declaration, By-Laws, or rules and regulations is entitled to the same rights to which the owner is entitled as provided in the Association's By-Laws.

(c) Notwithstanding anything to the contrary herein contained, the provisions of this Article shall not apply to impair the right of any first mortgagee to:

(i) foreclose or take title to a unit pursuant to remedies contained in any mortgage;

(ii) take a deed or assignment in lieu of foreclosure, or

(iii) sell, lease, or otherwise dispose of a unit acquired by the mortgagee.

16. MORTGAGEE PROVISIONS.

(a) Notwithstanding any other provision herein to the contrary, unless at least two-thirds (2/3) of the mortgagees or owners other than Declarant shall have given their prior written approval, neither the Association nor any unit owner shall:

(i) by act or omission seek to abandon or terminate the Condominium;

(ii) except as provided herein and in the Act for condemnation, substantial damage and destruction, and expansion of the Condominium, change the percentage interest in the common elements, or obligations for common expenses or votes in the Association of any unit;

(iii) subdivide, partition, or relocate the boundaries of any unit;

(iv) by act or omission, withdraw the submission of the subjected property to the Act, except as provided by the Condominium Instruments or the Act or abandon, subdivide, partition, encumber, sell, or transfer the common elements (The granting of easements for public utilities or for other public purposes, including cable television in the community, consistent with the intended use of the common elements by the Association or the Declarant shall not be deemed a transfer.); or

(v) use hazard insurance proceeds for losses to any condominium property for other than the repair, replacement, or reconstruction of such property, except as provided by statute for substantial loss to the units and/or common elements.

(b) Any holder of a first mortgage who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of mortgage is not liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

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

(i) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any unit on which there is a first mortgage held by such Eligible Mortgage Holder;

(ii) any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a first mortgage held by such Eligible Mortgage Holder which remains uncured for a period of sixty (60) days; and any holder of a first mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an individual unit owner of any obligation under the Condominium Instruments which is not cured within sixty (60) days;

(iii) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(iv) any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders, as specified herein.

(d) Eligible Mortgage Holders are also afforded the following rights:

(i) Any restoration or repair of the Condominium, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original Plats and Plans, unless other action is approved by Eligible Mortgage Holders holding mortgages on units which have at least fifty-one (51%) percent of the votes of units subject to Eligible Mortgage Holder mortgages.

(ii) Other than as provided in the Act, no reallocation of interests in the common elements resulting from a partial condemnation or partial destruction of such a project may be effected without the prior approval of Eligible Mortgage Holders holding mortgages on all remaining units, whether existing in whole or in part, and which have at least fifty-one (51%) percent of the votes of such remaining units subject to Eligible Mortgage Holder mortgages.

(iii) When professional management has been previously required by any Eligible Mortgage Holder, whether such entity became an Eligible Mortgage Holder at that time or later, any decision to establish self-management by the Association shall require the prior consent of owners of units to which at least sixty-seven (67%) percent of the votes in the Association are allocated and the approval of Eligible Mortgage Holders holding mortgages on units which have at least fifty-one (51%) percent of the votes of units subject to eligible holder mortgages.

(iv) Any party who receives a request to approve a request or plan pursuant to this Section 16 shall be deemed to approve the request or plan unless such party posts or delivers to the requesting party a negative response within thirty (30) days of receipt of such request.

(e) Any holder of a first mortgage shall be entitled, upon written request, to receive within a reasonable time after request, an audited financial statement of the Association for the immediately preceding fiscal year, free of charge to the mortgagee so requesting.

17. DECLARANT RIGHTS.

Notwithstanding anything to the contrary contained elsewhere in this Declaration, any other Condominium Instrument,

or the Articles of Incorporation of Hillsdale I Condominium Association, Inc., in accordance with the Act and this Declaration, the Declarant shall have the following rights:

(a) The Declarant and its duly authorized agents, representatives, and employees shall have, and there hereby is reserved unto the Declarant, its agents, representatives, and employees, an easement over, across, and to the Condominium for construction of units or common facilities, provision of warranty services to owners, and for the maintenance of sales offices, signs, and/or model units on the Condominium property, so long as Declarant owns any land or Residential Unit subject to the Hillsdale Community Declaration primarily for the purpose of sale or an unexpired option to expand the Condominium or Hillsdale Community, (herein called "Declarant's Easement").

(b) The Declarant shall have the right to appoint and remove any member or members of the Board of Directors of the Association. The Declarant's authority to so appoint and remove members of the Board of Directors of the Association shall expire on the first to occur of the following:

(i) the expiration of five (5) years after the date upon which this Declaration is recorded in the Clerk's Office of Cobb County, Georgia, or

(ii) the date as of which seventy-five (75%) percent of the units shall have been conveyed by the Declarant to unit owners other than a person or persons constituting the Declarant; or

(iii) the date on which the Declarant voluntarily relinquishes such right by executing and recording a written declaration of intent which shall become effective as specified in such declaration.

(c) From the termination of Declarant's right to appoint and remove Directors until the termination of Declarant's Easement, Declarant shall have the right to approve any proposed budget of the Association, any proposed assessment, and any proposed rule or regulation. The Association shall give Declarant not less than thirty (30) days written notice of any proposed change in budget, assessment, or rule or regulation, and such change or rule shall not become effective if Declarant notifies the Association within such thirty (30) day period, in writing, that it elects to veto such action pursuant to this section. If Declarant does not so notify the Association, the proposed action may be taken as proposed.

(d) Notwithstanding anything to the contrary contained herein, Declarant shall have the right to sell or lease units and to erect and maintain signs to facilitate such sales or leases as it, in its sole discretion, deems appropriate and shall not be required to comply with the provisions of this Declaration regarding signs and Sales and Leases.

(e) Any notice required to be given Declarant shall be effective on receipt and shall be sent registered or certified mail, return receipt requested, or personally delivered, addressed as follows:

Ridgeway Development Corp.
150 Interstate North, Suite 190
Atlanta, Georgia 30339

with a copy to:

D. R. Sloan, Jr.
Hyatt & Rhoads, P.C.
2200 Peachtree Center Harris Tower
Atlanta, Georgia 30303

18. EXPANSION OPTION.

The Declarant expressly reserves the option and right, but not the obligation, to expand the Condominium; and, subject to this Declaration and the Act, to submit to the Condominium all or any portion of the Additional Property described on Exhibit "C" attached hereto and by this reference incorporated herein, including any improvements thereon. Except as contained in this Section, there are no limitations upon this option to expand.

(a) This option to expand shall expire seven (7) years from the date of recording this Declaration, unless all of the Additional Property shall have been added to the Condominium before that time; provided that the time may be extended by the affirmative vote or written consent, or any combination of affirmative vote and written consent, of two-thirds (2/3) of the total vote of the Association, excluding any votes held by Declarant at any time during the year preceding the time the option would otherwise expire.

(b) The Property shall be developed in six (6) Phases. Phase I consists of eight (8) units located upon the property described on Exhibit "A" hereof. The Additional Property shall be developed in five (5) phases, designated Phases 2, 3, 4, 5, and 6. The boundaries of Phases 2, 3, 4, 5, and 6 are described respectively on Exhibits "C-2", "C-3", "C-4", "C-5", and "C-6", attached hereto and by this reference incorporated herein. The Additional Property within any Phase may be added as a whole at one time or in one or more portions at different times, or it may never be added, and there are no limitations upon the order of addition or boundaries thereof. The parcels submitted to the Condominium need not be contiguous and the exercise of the option as to any portion of the Additional Property shall not bar the further exercise of the option as to any other portions of the Additional Property.

(c) There are no limitations on the locations or dimensions of improvements to be located on the Additional Property. No assurances are made as to what, if any, further improvements will be made by Declarant on any portion of the Additional Property.

(d) The maximum number of units that may be created on the Additional Property is two hundred thirty-two (232). The maximum average number of units per acre that may be created on the Additional Property is twelve (12).

(e) The Additional Property, when and if added to the Condominium, shall be subject to the use restrictions contained in this Declaration or subsequently promulgated in accordance herewith.

(f) Any structures and improvements placed, constructed, replaced, or reconstructed on the Additional Property, if added to the Condominium, will be compatible with and the same as or similar to the existing units in the Condominium as to quality of construction and architectural style. No assurances are made with respect to materials to be used in improvements placed on the Additional Property.

(g) No assurances are made that units constructed on the Additional Property will be substantially identical to those in the Condominium.

(h) The Declarant shall have the unlimited right to assign some of the Additional Property as limited common elements.

(i) If the option to expand the Condominium is exercised, the undivided interest in the common elements, the liability for common expenses, and votes in the Association shall all be reallocated so that the interest, liability, and vote of each unit is equal to that of every other unit in the Condominium, as expanded.

(j) This option reserved shall be exercisable by the Declarant and the consent of unit owners shall not be required. Declarant shall have the unilateral right to reallocate percentages of undivided interests in the common elements, liability for payment of common expenses, and allocation of votes in the Association, all to be done in accordance with the limitations above described. The Declarant shall exercise the option by its adoption, execution, and recordation of an amendment to this Declaration and by recording such plats, certifications, and plans as may be required by the Act.

19. POST VILLAGES NORTHWEST.

The use of the units and common elements shall be subject to the Declaration of Covenants, Conditions, and Restrictions for Post Villages Northwest dated March 31, 1981, and recorded April 1, 1981, in Deed Book 2334, Page 11, et seq., Cobb County, Georgia Records, as modified by the First Amendment to the Declaration of Covenants, Conditions, and Restrictions for Post Villages Northwest dated August 10, 1981, and recorded August 11, 1981, in Deed Book 2398, Page 283, et seq., Cobb County, Georgia Records, as such Declaration may be amended, (herein called the "Post Villages Northwest Declaration"). The Association shall be a member of said Post Villages Northwest Owners Association, Inc., and have all the rights and duties of membership as set forth in the Articles of Incorporation and By-Laws of the Post Villages Northwest Owners Association, Inc., as the same may be amended.

20. HILLSDALE COMMUNITY.

The use of the units and the common elements shall be subject to the Declaration of Covenants, Conditions, and Restrictions for Hillsdale Community dated July 12, 1982, and recorded in Deed Book 2559, Page 1, et seq., Cobb County, Georgia Records, as such Declaration may be amended, (herein called the "Hillsdale Community Declaration"). Each member shall also be a member of the Hillsdale Community Association, Inc., with all of the rights and duties of membership as set forth in the Articles of Incorporation and By-Laws of the Hillsdale Community Association, Inc., as the same may be amended from time to time.

21. SUCCESSOR DECLARANT.

No successor to Declarant by operation of law or through purchase of Declarant's interest in the property, or any part thereof, at foreclosure shall be liable for any act, omission, or matter occurring prior to the time such successor succeeded to the interest of Declarant.

[CONTINUED]

IN WITNESS WHEREOF, Ridgeway Development Corp., as the Declarant, hereby executes this Declaration by and through its authorized representatives on the day and year first above written.

RIDGEWAY DEVELOPMENT CORP.

By: *John A. Strama*
JOHN A. STRAMA, President

Attest: *Judi Ross*
JUDI ROSS, Assistant Secretary

Signed, sealed, and delivered this 12th day of July, 1982, in the presence of:



Helenia Wood
WITNESS

George Lee Howell
NOTARY PUBLIC

Notary Public, Georgia, State at Large
My Commission Expires May 19, 1986



CONSENT OF LIEN HOLDER

THE NATIONAL STATE BANK, ELIZABETH, N.J., a national banking association organized and existing under the laws of the United States of America ("Lender"), as holder of that certain Deed to Secure Debt and a Security Agreement, dated April 26, 1982 between Ridgeway Development Corp. and Lender, recorded at Deed Book 2508, beginning at Page 396, Cobb County, Georgia, Records, (the "Security Deed") relating in part, to the property described in Exhibit "A" to this DECLARATION OF CONDOMINIUM for HILLSDALE I CONDOMINIUM (the "Declaration"), hereby consents to the subjection of such property to the condominium form of ownership and to the Declaration and agrees that any foreclosure of its security title and interest under the Security Deed or any other liens that Lender holds shall be subject to the Declaration; provided, however, that the security title and interest of Lender shall not be subject or subordinate to any liens, claims, or other encumbrances arising under or pursuant to the Declaration, including without limitation, any liens now existing or hereafter arising with respect to any assessments, special assessments, or otherwise under or pursuant to the Declaration. Furthermore, in consenting to the Declaration, Lender does not in any manner waive or relinquish its right to approve actions of "Declarant" under the Declaration pursuant to any document, instrument or agreement evidencing, securing, or otherwise relating to the indebtedness secured by the Security Deed, including without limitation, that certain Construction Loan Agreement between Lender and Ridgeway Development Corp., dated April 26, 1982. By way of illustration and not limitation of the foregoing, Lender hereby expressly reserves the right to approve the submission of any additional property to the lien of the Declaration, and Lender's security title and interest in and to any property other than that described on the date hereof in the Declaration is not

and shall not be subject or subordinate to the Declaration unless and until the undersigned expressly subordinates such security title and interest to the lien of the Declaration with respect to such subject property in a writing recorded in the real estate records of Cobb County, Georgia.

THE NATIONAL STATE BANK,
ELIZABETH, N.J.

BY: *Robert D. S. L.*, S.V.P.
Vice President

ATTEST: *Mary T. McCoy*
Assistant Cashier

Signed, sealed and delivered
in the presence of:

Kenneth J. Duane
WITNESS



NOTARY PUBLIC
LILLEN K. REMSEN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 6, 1983

