

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
HILLSDALE COMMUNITY

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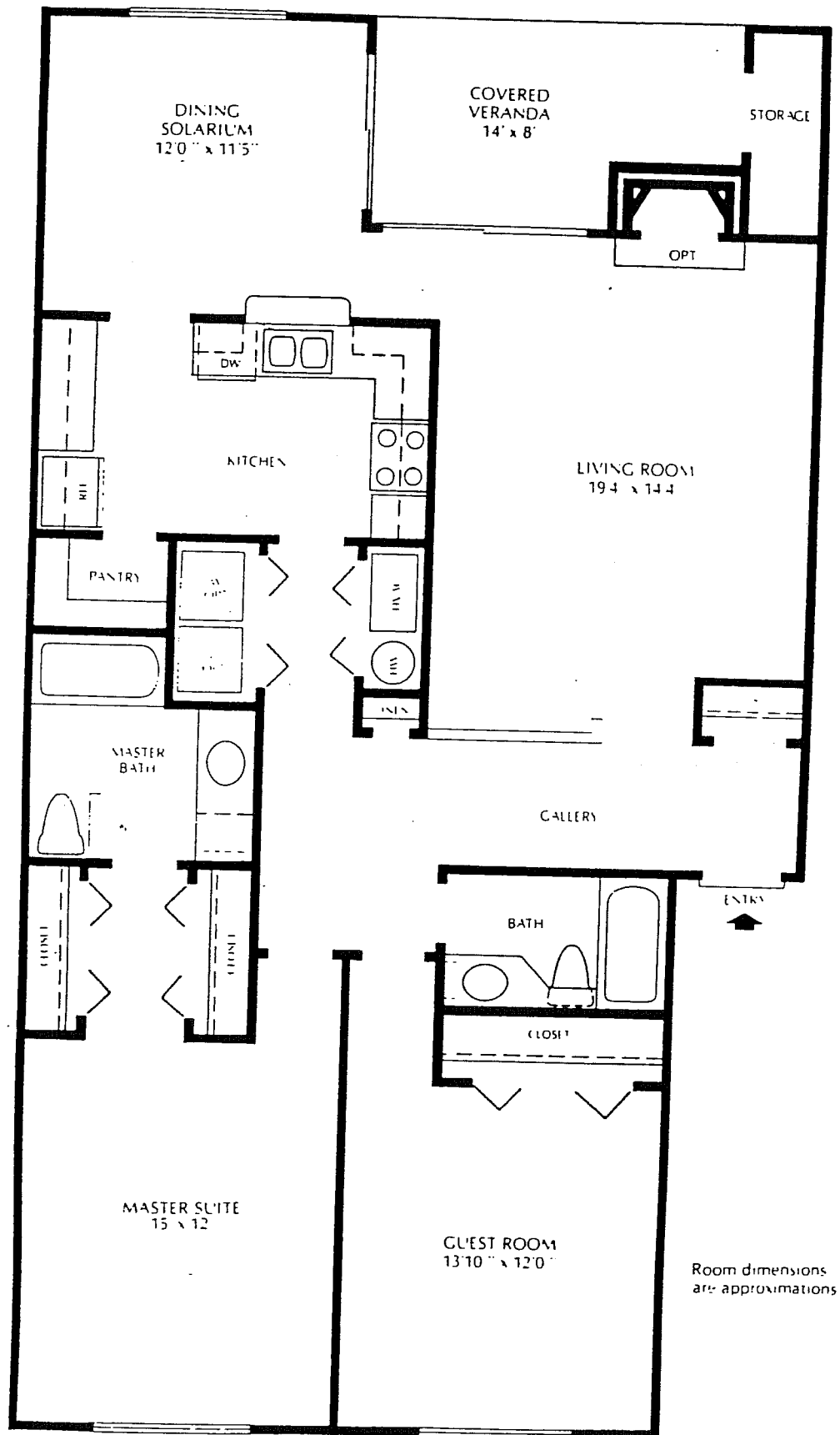
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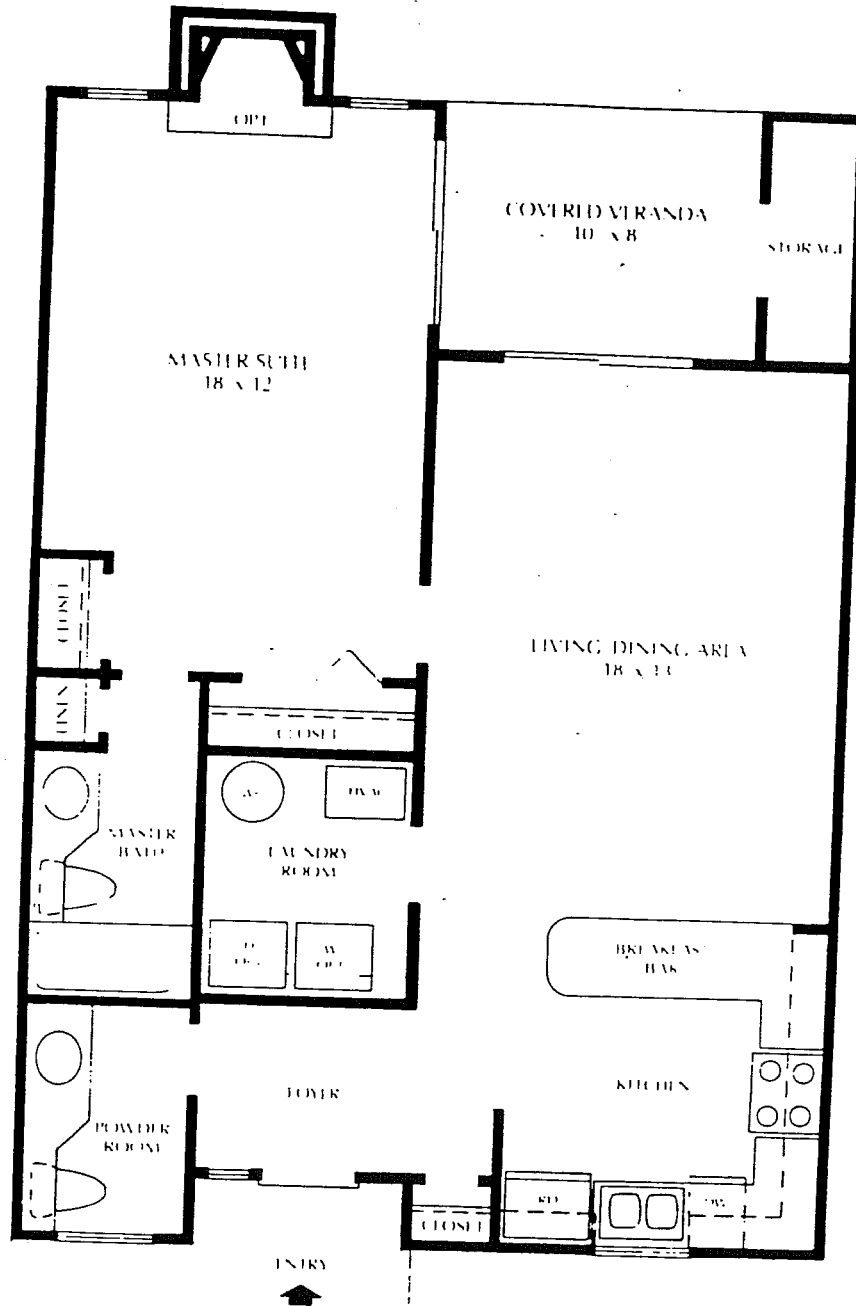
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THE CLASSIC...A Spacious 2 Bedroom Home With Gallery And Formal Dining Room



APPLS IN SECOND FLOOR HOMES

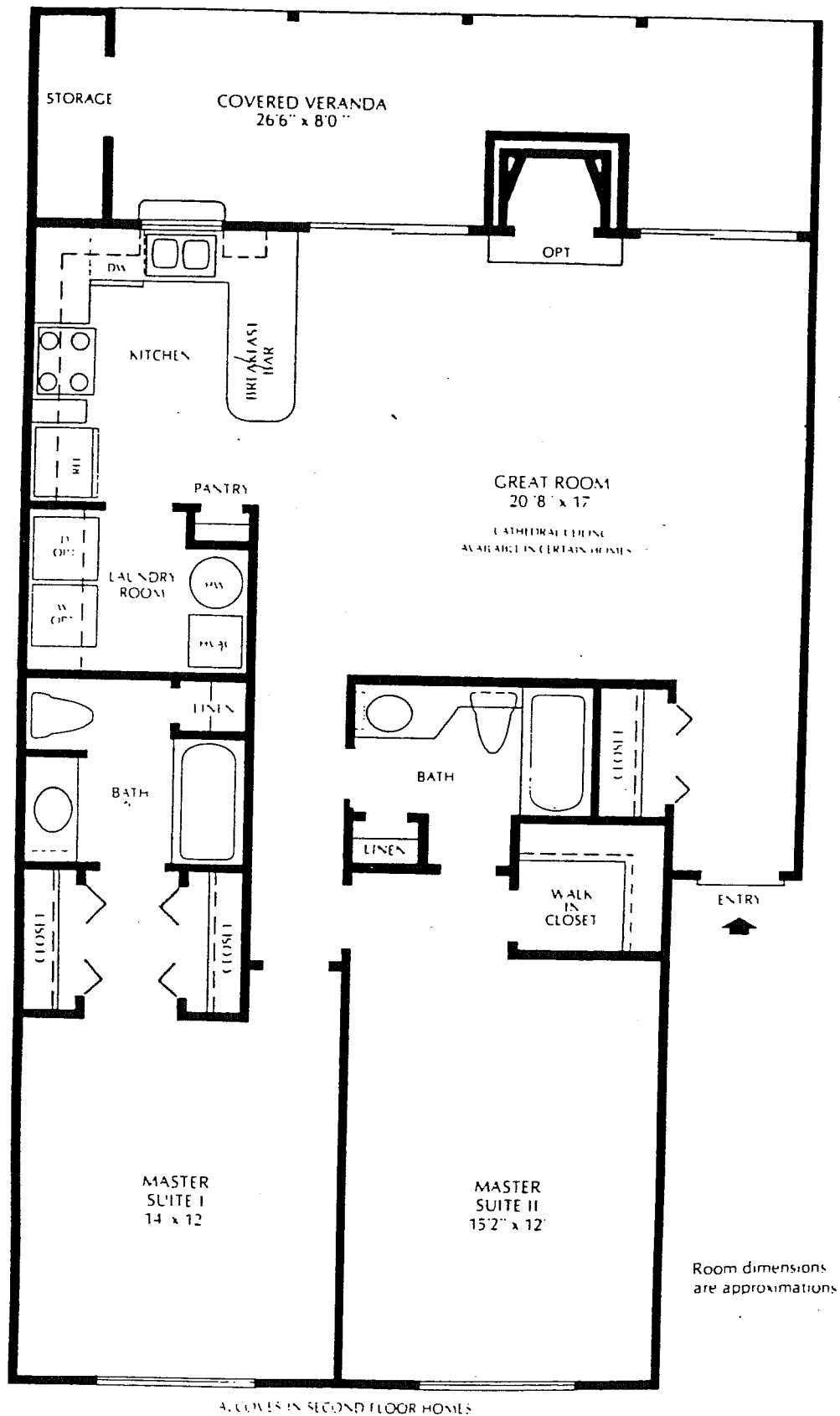
THE ESSEX... An Exciting New 1 Bedroom, 1½ Bath Home



Room dimensions are approximations.

THE FORUM... A Unique New Home

With 2 Complete Master Suites



DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
HILLSDALE COMMUNITY

This Declaration of Covenants, Conditions, and Restrictions is made this _____ day of _____, 19____, by Ridgeway Development Corp., a Georgia corporation, having its principal office at 150 Interstate North, Suite 190, Atlanta, Georgia, 30339, (hereinafter referred to as "Declarant");

W I T N E S S E T H

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within Hillsdale Community. Declarant desires to provide a flexible and reasonable procedure for the overall development of the property and the interrelationships of the component residential associations, and to establish a method for the administration, maintenance, preservation, use, and enjoyment of such property as is now or may hereafter be submitted to this Declaration. The Association hereby created may perform educational, recreational, charitable, and other social welfare activities.

NOW, THEREFORE, Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as may by subsequent amendment be added to and subjected to this Declaration shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property submitted to this Declaration and which shall be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

Article I
General

Section 1. Name. The name of the development is Hillsdale Community.

Section 2. Location. Hillsdale Community is located in Land Lots 707 and 708 of the 17th Section, 2nd District, Cobb County, Georgia, and is more particularly described on Exhibit "A", attached hereto and incorporated herein by this reference.

Section 3. Definitions. Generally, terms shall have their natural meaning or the meaning set forth in the By-Laws, the Georgia Nonprofit Corporation Code, or the Articles of Incorporation. Unless the context otherwise requires, the terms used herein and in the Articles of Incorporation and By-Laws shall have the following meanings:

(a) "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which

by contract with any residential or condominium association, or with any apartment building owner or cooperative within Hillsdale Community, become the responsibility of the Association. In addition, the office of any property manager employed by or contracting with the Association and located on the Properties shall be part of the Area of Common Responsibility.

(b) "Association" shall mean and refer to Hillsdale Community Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

(c) "Board of Directors" or "Board" shall be the elected body having its normal meaning under Georgia corporate law.

(d) "Common Area" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the owners, including, but not limited to, the road, the water system, and the sewer system (both sanitary and storm) of Hillsdale Community.

(e) "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation.

(f) "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in metropolitan Atlanta, Georgia. Such standard may be more specifically determined by the Board of Directors.

(g) "Eligible Mortgage Holder" shall mean a first mortgagee who has requested notice of certain matters from the Association, as set forth herein.

(h) "Member" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

(i) "Mortgage" shall include a deed of trust, deed to secure debt, and any other instrument given for the purpose of securing the performance of an obligation, as well as a mortgage.

(j) "Mortgagee" shall mean the holder of a mortgage.

(k) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of any Residential Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. For the purpose of this definition, the owner of Residential Units in an apartment shall be the record owner of the apartment building or buildings. The owner of Residential Units in a cooperative, if any, shall be the cooperative corporation.

(l) "Parcel" shall mean and refer to separately designated, developed residential areas comprised of various types of housing initially or by amendment made subject to this Declaration, for example and as by way of illustration and not limitation further refer to such additional property as may hereafter be annexed by amendment to this Declaration or which is owned in fee simple by the Association.

(p) "Residential Association" shall mean any homeowners, condominium, cooperative, or other such association created on property subject to this Declaration containing units, homes, apartments, or other structures for residential purposes.

(q) "Residential Unit" shall mean any portion of the Properties intended for any type of independent ownership for use and occupancy as a residence by a single household and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) single family detached houses, condominium units, apartment and cooperative units, patio or zero lot line homes, as may be developed, used, and defined, as herein provided or as provided in subsequent Declarations covering all or a part of the Properties. For the purposes of this Declaration, a newly constructed Residential Unit shall come into existence when substantially complete or upon the issuance of a certificate of occupancy, if given by the appropriate agency of Cobb County or other local governmental entity.

Article II Property Rights

Every owner shall have a right and easement of enjoyment in and to the Common Area subject to any restrictions or limitations contained in any deed or amendment to this Declaration conveying to the Association or subjecting to this Declaration such property. Any owner may delegate his or her right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt. Tenants shall have the same rights of delegation as an owner.

Article III Membership and Voting Rights

Section 1. Membership. Every person or entity who is the record owner of a fee or undivided fee interest in any Residential Unit that is subject to this Declaration shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the owner's membership. No owner, whether one or more persons, shall have more than one membership per Residential Unit owned. In the event of multiple owners of a Residential Unit, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote for each class of membership applicable to a particular Residential Unit be cast for each Residential Unit.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" members shall be all owners with the exception of the Class "B" members, if any. Class "A" members shall be entitled to one (1) vote for each Residential Unit in which they hold the interest required for membership by Section 1 hereof; there shall be only one (1) vote per unit. When more than one person holds such interest in any Residential Unit, the vote for such Residential Unit shall be exercised as those owners themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, if one owner votes, the vote shall conclusively be presumed to be cast on behalf of all co-owners; if more than one person seeks to exercise the vote, the Residential Unit's vote shall be suspended. Any owner of Residential Units which are leased may, in the lease or other written instrument, assign the

voting right appurtenant to that Residential Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

(b) Class "B". Class "B" members shall be the Declarant and any successor of Declarant who takes title for the purpose of development and sale. The Class "B" members shall originally be entitled to five hundred (500) votes; this number shall be decreased by one (1) vote for each Class "A" member existing at any one time. The Class "B" membership shall terminate and become converted to Class "A" membership upon the happening of the earlier of the following:

(i) when the total outstanding Class "A" votes equal or exceed two hundred (200);

(ii) five (5) years from the date of recording this Declaration in the Cobb County, Georgia Records; or

(iii) when, in its discretion, the Declarant so determines.

From and after the happening of these events, whichever occurs earlier, the Class "B" members shall be deemed to be Class "A" members entitled to one (1) vote for each Residential Unit in which the interest required for membership under Section 1 hereof is held. At such time, the Declarant shall call a meeting as provided in the By-Laws for special meetings to advise the membership of the termination of Class "B" status.

Article IV Maintenance

Section 1: Association Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Area. The Association may, in the discretion of its Board, assume the maintenance responsibilities set out in any Declaration subsequently recorded which creates any Parcel or Residential Association (including, but not limited to, condominium associations) upon all or any portion of the Properties. In such event, all costs of such maintenance shall be assessed only against those members residing in the association to which the services are provided. The assumption of this responsibility may take place either by contract or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the community-wide standard of Hillsdale Community; provided, however, no such action shall be taken without giving the affected association or Parcel fifteen (15) days' written notice and an opportunity to cure. The provision of services in accordance with this Section shall not constitute discrimination within a Class.

Section 2. Owner's Responsibility. In accordance with any additional declaration or covenants which may be filed on portions of the Properties and in accordance with this Declaration, all maintenance of the Residential Unit and all structures, parking areas, and other improvements thereon shall be the sole responsibility of the Owner thereof or its Residential Association, who shall maintain said property in a manner consistent with the community-wide standard of Hillsdale and the applicable covenants.

Article V
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area and may, by written agreement with any other association in the Properties subject to this Declaration, assume the insurance responsibility for the property held by or the responsibility of such other association against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. All hazard insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall also obtain a public liability policy applicable to the Common Area covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have at least a Five Hundred Thousand (\$500,000.00) Dollar per person limit, as respects bodily injury, a One Million (\$1,000,000.00) Dollar limit per occurrence, and a One Hundred Thousand (\$100,000.00) Dollar minimum property damage limit. Premiums for all insurance on the Common Area shall be common expenses of the Association and included in its General Assessment; premiums for insurance provided to other associations shall be charged to those associations. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

(a) All insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as Trustee for the respective benefitted parties, as further identified below. Such insurance shall be governed by the provisions hereinafter set forth:

(i) All policies shall be written with a company licensed to do business in Georgia and holding a rating of XI or better in the Financial Category as established by A. M. Best Company, Inc., if available, or, if not available, the most nearly equivalent rating.

(ii) All policies on the Common Area shall be for the benefit of the Residential Unit Owners and their mortgagees as their interests may appear.

(iii) Exclusive authority to adjust losses under policies in force on the Property obtained by the Association shall be vested in the Association's Board of Directors; provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(iv) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual owners, occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

(v) All property insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the metropolitan Atlanta, Georgia, area.

(vi) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its Manager, the owners and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) that no policy may be cancelled, invalidated, or suspended on account of any one or more individual owners;

(iv) that no policy may be cancelled, invalidated or suspended on account any defect or of the conduct of any director, officer, or employee of the Association or its duly authorized Manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Manager, any owner or mortgagee;

(v) that any "other insurance" clause in any policy exclude individual owners' policies from consideration;

(vi) that any deductible amount per occurrence not exceed One Thousand (\$1,000.00) Dollars; and

(vii) that it contain an agreed value endorsement.

(b) In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, workmen's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 2. No Partition. Except as is permitted in the Declaration, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 4 of this Article in the case of damage or destruction, or unless the Properties have been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Section 3. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction, as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area,

or in the event no repair or reconstruction is made after making such settlement as is necessary and appropriate with the affected owner or owners and their mortgagee(s), as their interests may appear, if any Residential Unit is involved, shall be retained by and for the benefit of the Association. This is a covenant for the benefit of any mortgagee of a Residential Unit and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 4 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 3(a) hereof.

Section 4. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five (75) percent of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

Section 5. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's members, levy a special assessment against all owners in proportion to the number of Residential Units owned by such owners in the event of damage to the Common Area. In the event the deficit pertains to damage to units or Common Areas in any other association for which the Association has assumed the insurance responsibility, any such deficit in insurance proceeds shall be assessed against all owners in such other association. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the cost of repair, such excess shall be deposited to the benefit of the Association.

Section 6. Insurance Deductibles. If maintenance is required as a result of an insured loss, the amount of the deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such repair in the absence of insurance. If the loss affects more than one unit or a unit and the Common Area, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in accordance with the total cost of repair.

Article VI Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed under threat of condemnation and in lieu thereof by the Board, acting on its behalf or on the written direction of all Owners of Residential Units subject to the taking, if any) by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, unless otherwise prohibited by law. The award made for such taking shall be payable to the Association, as Trustee for all owners and mortgagees, to be disbursed as follows:

(a) If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy-five (75%) percent of the Class "A" members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area, to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

(b) If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VII Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until seven (7) years from the date this Declaration is recorded in the Cobb County, Georgia, Land Records, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B" attached hereto and by this reference made a part hereof, whether in fee simple or leasehold, by filing in the Cobb County, Georgia, Records, an amendment annexing such property. Such amendment to this Declaration shall not require the vote of the Class "A" members. Any such annexation shall be effective upon the filing for record of such amendment, unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or

assignee shall be the developer of at least a portion of said real property described in said Exhibit "B" attached hereto.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the written consent of the owner thereof, upon the written consent or affirmative vote of a majority of the Class "A" members, other than Declarant, of the Association present or represented by proxy at a meeting duly called for such purpose, and of the Declarant, the Association may annex real property, other than that shown on Exhibit "B" (and following the expiration of the right unilaterally to add, as provided on Section hereof, the property shown on Exhibit "B"), to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Cobb County, Georgia, Records, a supplementary amendment in respect to the property being annexed. Any such supplementary amendment shall be signed by the President and the Secretary of the Association, and any such annexation shall be effective upon filing, unless otherwise provided therein. The time within which and the manner in which notice of any such meeting of the Class "A" members of the Association, called for the purpose of determining whether additional property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the By-Laws of the Association for regular or special meetings, as the case may be.

Article VIII Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines which shall constitute a lien upon the owner's Residential Unit or Units and suspension of the right to vote and the right to use the Common Area, provided that nothing herein shall authorize the Association to impede access to or from any Residential Unit. In addition, the Board shall have the power to seek relief in any court for violations or to abate unreasonable disturbances. Imposition of sanctions shall be as provided in the By-Laws.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Article IX
Assessments

Section 1. Creation of General Assessment. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors. General Assessments shall be allocated equally among all Residential Units within the Association and shall be for expenses determined by the Board to be for the benefit of the Association as a whole. Parcel Assessments shall be levied equally against Residential Units in particular portions of the Properties or in residential associations for whose benefit Common Expenses are incurred which benefit less than the Association as a whole. Each owner, by acceptance of a deed, is deemed to covenant and agrees to pay these assessments. All such assessments, together with interest at the highest rate allowable under the laws of Georgia from time to time relating to usury for residential real estate loans, reasonable late charges, costs, and reasonable attorney's fees shall be the personal obligation of the person who was the owner of such Residential Unit at the time the assessment arose, a charge on the land, and shall be a continuing lien upon the Residential Unit against which each assessment is made. The grantee of any owner shall be jointly and severally liable for such portion of the assessment obligation thereof as may be due and payable at the time of conveyance, except no first mortgagee who obtains title to a Residential Unit pursuant to the remedies provided in the mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual assessment for delinquents; unless the Board otherwise provides, the assessments shall be paid in monthly installments.

(a) It is the intention of this Declaration that assessments be collected by the residential associations within Hillsdale Community and be paid by such associations to the Hillsdale Community Association, Inc. Such a system shall prejudice neither the right for direct collection nor the lien rights set out in Section 4 of this Article.

(b) The Association is specifically authorized and encouraged to seek public and private funds to help defray in whole or in part the expenses for which assessments would be necessary. To the extent received, such funds shall be used to reduce the assessments otherwise required by the budget in Section 2.

Section 2. Computation of Assessment. If the Association incurs ongoing Common Expenses, the Board shall prepare an annual budget, at least thirty (30) days prior to the proposed effective date of the budget and assessment, covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund, in accordance with a capital budget separately prepared, and shall separately list general and parcel expenses, if any. The Board shall cause a copy of the budget, and the amount of the assessments to be levied against each Residential Unit for the following year, to be delivered to each owner at least fifteen (15) days prior to the proposed effective date. The budget and the assessments shall become effective unless disapproved by a vote of at least a majority of the total Association membership with respect to the general budget and a majority of the total vote of the parcel association with respect to parcel expenses. Unless requested by the members in accordance with the provisions for calling a special meeting by the members, as set forth in the By-Laws, the budget and assessment may take effect without a meeting of the members.

Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, the budget and assessment in effect for the then current year shall continue; and the Board may propose a new budget at any time during the year by causing to be delivered to the members such proposed budget and assessment at least fifteen (15) days prior to the proposed effective date.

Section 3. Special Assessments. In addition to the assessments authorized in Section 1, the Association may levy a Special Assessment in any year. So long as the total assessments authorized under this Article do not exceed Five Hundred (\$500.00) Dollars per Residential Unit in any one year, the Board, by majority vote, may impose the special assessment. If such total be exceeded, any special assessment shall be effective only with the approval of a majority of the Class "A" members.

Section 4. Lien for Assessments. All assessments shall constitute a lien on each Residential Unit prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first priority mortgage of record made in good faith and for value. The Association, acting on behalf of the owners, shall have the power to bid for the Residential Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period a Residential Unit is owned by the Association following foreclosure: (1) no right to vote shall be exercised on its behalf; (2) no assessment shall be assessed or levied on it; and (3) each other Residential Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged to such Residential Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses, rent, and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessment, as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

Section 6. Acceleration. If a unit owner shall be in default in payment of an installment of an assessment, including, but not limited to, the monthly installments based on the annual budget, the Board of Directors may accelerate the remaining installments upon ten (10) days written notice to such residence owner, whereupon the entire unpaid balance of such installments shall become due upon the date stated in such notice.

Section 7. Beginning Date of Assessments. The date any Residential Unit becomes subject to assessment hereunder shall be the date on which the later of the following occurs:

(a) the Residential Unit becomes subject to this Declaration; and

(b) the appropriate official of Cobb County, Georgia, or the City of Smyrna, Georgia, issues a certificate of occupancy or its equivalent stating that the Residential Unit is substantially complete and available for occupancy.

Section 8. Assessments by Declarant. Notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money, (herein collectively called "in kind contribution"). The amount by which monetary assessments shall be decreased as a result of any in kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Association and the Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

Article X Architectural Standards

All property which is now or may hereafter be subjected to this Declaration is subject to architectural and environmental review. This review shall be in accordance with this Article and such standards as may be promulgated by the Board.

Section 1. Restrictions. No owner, occupant, lessee or lessor, or any other person may make any exterior change, alteration or construction, nor erect, place, or post any sign, object, light, or thing on the exterior of the buildings or any other common element without first obtaining the written approval of the Board or its delegate. Application shall be in writing and shall provide such information as the Board may reasonably require. The Board or its delegate may publish written architectural standards for exterior alterations or additions and any request in compliance therewith shall be approved. In the event that the Board or its delegate fails to approve or to disapprove such application within sixty (60) days after it shall have been submitted, its approval will not be required and this Section 4 will be deemed complied with; provided that, even if the requirements of this Section are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of this Declaration, the By-Laws, the Post Villages Northwest Declaration, or any Condominium Declaration.

Section 2. Procedures. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations shall be submitted to the Board or its designee for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation.

Article XI Use Restrictions

The Properties shall be used only for residential, recreational, and related purposes as may more particularly be set

forth in this Declaration, amendments hereto, or subsequently recorded declarations creating residential associations subject to this Declaration. The Association, acting through the Board of Directors, shall have standing and the power to enforce use restrictions contained in any such declaration, as if such provision were a regulation of the Association.

Article XII Mortgagees' Rights

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages on Residential Units in Hillsdale Community. To the extent applicable, necessary, or proper, the provisions of this Article apply to both this Declaration and to the By-Laws of Hillsdale Community Association, Inc. These provisions apply only to "Eligible Mortgage Holders," as herein defined.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first mortgage who provides a written request to the Association (such request to state the name and address of such holder and the unit number), (therefore becoming an "Eligible Mortgage Holder"), will be entitled to timely written notice of:

- (a) any proposed termination of the regime;
- (b) any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Residential Unit on which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgage Holder;
- (c) any delinquency in the payment of assessments or charges owed by an Owner of a Residential Unit subject to the mortgage of such eligible holder, insurer, or guarantor, where such delinquency has continued for a period of sixty (60) days;
- (d) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (e) any proposed action which would require the consent of Eligible Mortgage Holders, as required in Sections 2 and 3 of this Article.

Section 2. Other Provisions For First Lien Holders. To the extent possible under Georgia law:

- (a) any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval of the Eligible Mortgage Holders of first mortgages on Residential Units to which at least fifty-one (51%) percent of the votes of Residential Units, subject to mortgages held by such Eligible Mortgage Holders are allocated, is obtained; and
- (b) any election to terminate the regime after substantial destruction or a substantial taking in condemnation must require the approval of the Eligible Mortgage Holders of first mortgages on Residential Units to which at least fifty-one (51%) percent of the votes of Residential Units, subject to mortgages held by such Eligible Mortgage Holders, are allocated.

Section 3. Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the regime made as a result of destruction, damage, or condemnation pursuant to Section 2(a) and (b)

above, or to the addition of land in accordance with Article VII and a reallocation of interests in the Common Area which might occur pursuant to any plan of expansion or phased development previously approved by the agencies and corporations, to the extent such approval was required under the applicable programs of the agencies and corporations.

(a) The consent of at least sixty-seven (67%) percent of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, or any unexpired option unilaterally to add property to this Declaration, and the approval of the Eligible Mortgage Holders of first mortgages on Residential Units to which at least sixty-seven (67%) percent of the votes of Residential Units subject to a mortgage held by an Eligible Mortgage Holder appertain, shall be required to terminate the regime.

(b) The consent of at least sixty-seven (67%) percent of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, or any unexpired option unilaterally to add property to this Declaration, and the approval of the Eligible Mortgage Holders of first mortgages on Residential Units to which at least fifty-one (51%) percent of the votes of Residential Units subject to a mortgage held by an Eligible Mortgage Holder appertain, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of Incorporation of the Association, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: voting; assessments, assessment liens, or subordination of such liens; reserves for maintenance, repair, and replacement of the Common Area; insurance or fidelity bonds; rights to use of the Common Area; responsibility for maintenance and repair of the Properties; expansion or contraction of the Properties, or the addition, annexation, or withdrawal of property to or from the regime; boundaries of any Residential Unit; leasing of Residential Units; imposition of any right of first refusal or similar restriction on the right of any Owner to sell, transfer, or otherwise convey his or her Residential Unit; establishment of self-management by the Association where professional management has been required by any of the agencies or corporations; or any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first mortgages on Residential Units.

Section 4. Special FHLMC Provision. So long as required by The Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless two-thirds (2/3) of the first mortgagees or Owners, other than Declarant, give their consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area which the Association owns, directly or indirectly;

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Residential Units and of the Common Area;

(d) fail to maintain fire and extended coverage insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

Section 5. Material Changes and Approval. An addition or amendment to the Declaration, By-Laws, or Articles of Incorporation shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. An Eligible Mortgage Holder who receives a written request to approve additions or amendments to the Declaration, By-Laws, or Articles of Incorporation who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Section 6. Payment of Taxes. First mortgagees of Residential Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Area. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 7. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or any other party priority over any rights of the first mortgagee of a Residential Unit in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Area.

Section 8. Notice of Default. Notwithstanding anything contained herein which might otherwise be construed to the contrary, a first mortgagee, upon request, will be entitled to written notification from the Association of any default in the performance by an Owner of a Residential Unit in which such mortgagee has an interest of any obligation under this Declaration, the By-Laws, or the Articles of Incorporation which is not cured within sixty (60) days.

Section 9. Management Agreement Limitations. Notwithstanding anything contained herein which might otherwise be construed to the contrary, any agreement for professional management of the development, or any other agreement providing for services by the Declarant, may not exceed one (1) year and must provide for termination by either party without cause and without payment of a termination fee on thirty (30) days or fewer written notice.

Article XIII General Provisions

Section 1. Coverage. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns.

Section 2. Amendment. Subject to the provisions of Articles VII and XII, regarding addition of property and mortgage rights, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of the total voting power of the Association, including a majority of members other than the Declarant and the consent of the Class "B" member. In addition, so long as the Declarant owns any land subject to this Declaration or has an unexpired option unilaterally to add property to this

Declaration, the written consent of the Declarant is required before any amendment shall be effective. Any amendment must be recorded among the land records of Cobb County, Georgia. So long as the Class "B" membership exists, the Declarant may, without vote of the owners, amend this Declaration, so long as no substantive rights of any existing Owner or mortgagee are adversely affected. Any amendment certified to as appropriately adopted by the officers of the Association (and signed by Declarant, if required) shall conclusively be deemed validly adopted upon recording in the Cobb County, Georgia Records.

Section 3. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Delegation of Use. Any owner may delegate, in accordance with the By-Laws of the Association, his or her right of enjoyment to the Common Area and facilities to the members of his or her family, tenants, and social invitees.

Section 5. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Residential Unit and such portion or portions of the Common Area adjacent thereto or as between adjacent Residential Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Residential Unit and the adjacent portion of the Common Area or as between said adjacent Residential Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an owner, tenant, or the Association.

Section 6. Easements for Utilities, Etc. There is hereby reserved the power to grant blanket easements upon, across, over, and under all of the Property for ingress, egress, installation, replacing, repairing, and maintaining master television antenna systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, sewers, telephones, gas, cable television, and electricity. This reserved power may be exercised by Declarant, so long as there is a Class "B" member or any unexpired option unilaterally to add property to the Declaration and by the Board of Directors of the Association thereafter. The Board shall, upon written request,

grant such easements as may be reasonably necessary for the development of any property contained in Exhibit "B".

Notwithstanding anything to the contrary contained in paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said property, except as may be approved by the Association's Board of Directors or as provided in the development and sale by Declarant. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said property without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties. The Board shall have, by two-thirds (2/3) vote, the power to dedicate all or part of the Common Area to Cobb County, Georgia, the City of Smyrna, or other local governmental entity.

Section 7. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 8. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Ronald Reagan, President of the United States.

Section 9. Easement for Construction and Sale. 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 Property for construction of Residential Units or common facilities, for provision of warranty services to owners, and for the maintenance of sales offices, signs, and/or model units on the Property, so long as Declarant owns any Residential Unit primarily for the purpose of sale or has an unexpired option to expand a Condominium, or owns any land subject to this Declaration. Such easement shall include, but not be limited to, the right to change grades, landscaping, etc., on the Common Areas, so long as the resulting grade, landscaping, etc., is compatible with the remainder of Hillsdale Community.

Section 10. Post Villages Northwest. The use of the Residential 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 _____, in Deed Book _____, Page _____, et seq., Cobb County, Georgia Records, as such Declaration may be amended, (herein called the "Post Villages Northwest Declaration"). The Association may 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.

**ATTORNEYS AT LAW****To: Jul Perez - Re: Hillsdale I Condominium**

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RESOLUTION OF THE BOARD OF DIRECTORS

OF

HILLSDALE I CONDOMINIUM ASSOCIATION, INC.

WHEREAS, Paragraph 9(b) of the Declaration of Condominium for Hillsdale I Condominium ("Declaration") establishes the authority of the Board of Directors of Hillsdale I Condominium Association, Inc. ("Association"), to adopt and enforce reasonable rules and regulations concerning parking of vehicles at Hillsdale I Condominium; and

WHEREAS, the Board of Directors has determined that it is necessary or beneficial to minimize nuisances, disturbances, noise and the unattractive appearance caused by certain vehicles, including unregistered vehicles and unsightly and inoperable vehicles parked, stored or abandoned at the Condominium by prohibiting certain vehicles from being parked at Hillsdale I Condominium and by establishing a procedure for towing unauthorized vehicles;

NOW, THEREFORE, the Board of Directors of Hillsdale I Condominium Association, Inc., hereby sets forth and adopts the following rule and regulation regarding parking, which shall be interpreted and construed in accordance with the Declaration and Bylaws of the Association:

PARKING REGULATION

(1) General. Parking shall be only within designated parking spaces on the common elements of the Condominium, and vehicles may be parked in a front first position only. There are no assigned parking spaces. All parking in common element parking spaces is on a first come, first served basis. No more than two (2) passenger vehicles (as set forth herein) per unit shall be permitted to be parked at the Condominium at any time.

(2) Prohibited Vehicles. Disabled and stored vehicles are prohibited from being parked on the Condominium. For purposes of this Parking Regulation, a vehicle shall be considered "disabled" if it does not have a current license tag, is kept on blocks overnight, or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium overnight covered with a tarpaulin without the approval of the Board or remains on the Condominium for fourteen (14) consecutive days or longer without the prior approval of the Board of Directors. Notwithstanding the above, vehicles covered with a custom or professionally manufactured fitted vehicle cover in white, off-white or tan shall not be considered a stored vehicle hereunder, as long as otherwise in compliance with the provisions hereof.

Except as provided herein, only authorized four (4) wheel passenger automobiles may be parked on the Condominium. Boats, trailers, trucks (including pickup trucks), vans (excluding mini-vans or utility vehicles used primarily as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RV's and motor homes), motorcycles, vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked, kept or brought on the Condominium, except in areas, if any, designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the common elements during normal business hours for the purpose of serving any unit or the common elements; provided, no such vehicle shall be authorized to remain on the common elements overnight or for any purpose except serving a unit or the common elements, without the written consent of the Board.

(c) Towing Procedure. If any vehicle is parked on any portion of the Condominium in violation of this Parking Regulation or of the Declaration or Bylaws, or in violation of the Association's rules and regulations, the Board may place a towing notice on the vehicle specifying the nature of the violation and stating that after forty-eight (48) hours the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the entrances to the Condominium stating the name and telephone number of the person or entity which will do the towing.

If forty-eight (48) hours after towing notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the owner or user of the vehicle. The Association's right to tow is in addition to, and not in limitation of, all other rights available to the Association, including the right to impose fines.

If a vehicle is towed in accordance with this Parking Resolution, neither the Association nor any officer, director or agent of the Association shall be liable to any person for any claim of damage by such person for damages incurred as a result of such towing.

(d) Emergency or Hazardous Conditions. If a vehicle is parked in a fire lane, is blocking another vehicle or access to another owner's or occupant's unit, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately.

RESOLVED AND ADOPTED by the Board of Directors of Hillsdale I Condominium Association, Inc., this 13 day of April, 1997.

HILLSDALE I CONDOMINIUM ASSOCIATION, INC.:

Muri Thomas
Director

D. Lyvenger
Director

Bob McHale
Director

Senar A. Shaw
Director

Director

RESOLUTION OF THE BOARD OF DIRECTORS

OF

HILLSDALE I CONDOMINIUM ASSOCIATION, INC.

WHEREAS, Paragraph 9(b) of the Declaration of Condominium for Hillsdale I Condominium ("Declaration") establishes the authority of the Board of Directors of Hillsdale I Condominium Association, Inc. ("Association"), to adopt and enforce reasonable rules and regulations concerning parking of vehicles at Hillsdale I Condominium; and

WHEREAS, the Board of Directors has determined that it is necessary or beneficial to minimize nuisances, disturbances, noise and the unattractive appearance caused by certain vehicles, including unregistered vehicles and unsightly and inoperable vehicles parked, stored or abandoned at the Condominium by prohibiting certain vehicles from being parked at Hillsdale I Condominium and by establishing a procedure for towing unauthorized vehicles;

NOW, THEREFORE, the Board of Directors of Hillsdale I Condominium Association, Inc., hereby sets forth and adopts the following rule and regulation regarding parking, which shall be interpreted and construed in accordance with the Declaration and Bylaws of the Association:

PARKING REGULATION

(1) General. Parking shall be only within designated parking spaces on the common elements of the Condominium, and vehicles may be parked in a front first position only. There are no assigned parking spaces. All parking in common element parking spaces is on a first come, first served basis. No more than two (2) passenger vehicles (as set forth herein) per unit shall be permitted to be parked at the Condominium at any time.

(2) Prohibited Vehicles. Disabled and stored vehicles are prohibited from being parked on the Condominium. For purposes of this Parking Regulation, a vehicle shall be considered "disabled" if it does not have a current license tag, is kept on blocks overnight, or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium overnight covered with a tarpaulin without the approval of the Board or remains on the Condominium for fourteen (14) consecutive days or longer without the prior approval of the Board of Directors.

Except as provided herein, only authorized four (4) wheel passenger automobiles may be parked on the Condominium. Boats, trailers, trucks (including pickup trucks), vans (excluding mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RV's and motor homes), motorcycles, vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked, kept or brought on the Condominium, except in areas, if any, designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the common elements during normal business hours for the purpose of serving any unit or the common elements; provided, no such vehicle shall be authorized to remain on the common elements overnight or for any purpose except serving a unit or the common elements, without the written consent of the Board.

(c) Towing Procedure. If any vehicle is parked on any portion of the Condominium in violation of this Parking Regulation or of the Declaration or Bylaws, or in violation of the Association's rules and regulations, the Board may place a towing notice on the vehicle specifying the nature of the

violation and stating that after forty-eight (48) hours the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the entrances to the Condominium stating the name and telephone number of the person or entity which will do the towing.

If forty-eight (48) hours after towing notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the owner or user of the vehicle. The Association's right to tow is in addition to, and not in limitation of, all other rights available to the Association, including the right to impose fines.

If a vehicle is towed in accordance with this Parking Resolution, neither the Association nor any officer, director or agent of the Association shall be liable to any person for any claim of damage by such person for damages incurred as a result of such towing.

(d) Emergency or Hazardous Conditions. If a vehicle is parked in a fire lane, is blocking another vehicle or access to another owner's or occupant's unit, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately.

RESOLVED AND ADOPTED by the Board of Directors of Hillsdale I Condominium Association, Inc., this 29th day of July, 1993.

HILLSDALE I CONDOMINIUM ASSOCIATION, INC.

Robert J. Russo
Director

Barbara M. F. F. F.
Director

Mark T. Pike
Director

TH 9
Director

Michael P. Smith
Director

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RESOLUTION REGARDING PARKING OF THE BOARD OF DIRECTORS
OF HILLSDALE I CONDOMINIUM ASSOCIATION, INC.

This Resolution of the Hillsdale I Condominium Association, Inc., ("Association"), is made and adopted by its Board of Directors as follows:

WHEREAS, Section 9 of the Declaration of Condominium of Hillsdale I Condominium, ("Declaration"), provides in part:

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

* * *

(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

WHEREAS, Article III, Section 13, of the By-Laws of the Association provides that the powers of the Association are to be exercised by the Board of Directors; and

WHEREAS, at a duly called and constituted meeting of the members of the Association held March 15, 1983, the members, by the unanimous vote of those present, authorized the Board of Directors to make and adopt regulations governing parking on the common areas; and

WHEREAS, the Board of Directors of the Association has determined that the adoption of a comprehensive parking regulation is in the best interest of the Association and its members;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Association as follows:

1.

Parking shall be only within designated parking spaces on the common areas and only in a front first position. There are no assigned parking spaces. All parking spaces on the common area are on a first come, first served basis.

2.

No more than two (2) passenger vehicles per unit shall be allowed to be parked on the common areas at any time.

No vehicle other than a passenger vehicle shall be authorized to park on the common areas. Without limiting the generality of the foregoing, the following are strictly prohibited to be parked, stored, or to remain on the common areas:

- (a) abandoned vehicles;
 - (b) disabled vehicles;
 - (c) stored vehicles;
 - (d) motorcycles;
 - (e) boats;
 - (f) boat trailers;
 - (g) campers;
 - (h) trucks;
 - (i) vehicles primarily used for commercial purposes;
- and
- (j) vehicles with commercial writings on their exteriors.

4.

Notwithstanding the above, trucks and commercial vehicles shall be allowed temporarily on the common areas during normal business hours for the purpose of serving any unit or the common areas. No such vehicle shall be authorized to remain on the common areas overnight or for any purpose except serving a unit or the common areas.

5.

For the purposes of this Resolution, the terms used herein are defined as follows:

(a) An "abandoned vehicle" shall mean a vehicle that is (i) obviously inoperable or does not have a current operating license; and (ii) remains parked for fourteen (14) days.

(b) A "disabled vehicle" shall mean any vehicle either not in current operating condition or without a current operating license.

(c) A "passenger vehicle" shall mean any vehicle (other than trucks) of four (4) wheels used primarily for personal transportation of the owner or lessee and guests.

(d) A "stored vehicle" shall mean any vehicle other than an abandoned vehicle which remains parked in the same spot for fourteen (14) days or which is put on blocks or covered with a tarpaulin and remains on blocks or covered overnight.

(e) A "truck" shall mean any vehicle designed primarily for the transportation of freight or materials and shall include, but not be limited to, pickup trucks and vans.

6.

If any vehicle is parked on the common area except as authorized by this Resolution, a notice shall be placed on the vehicle designating the provision hereof which is being violated and indicating that after ten (10) days the vehicle may be towed and designating the name and telephone number of the person who will do the towing and setting forth the name and telephone number of a person to contact regarding the alleged violation.

7.

If ten (10) days after such notice is placed on the vehicle the violation continues or again occurs, the vehicle may be towed in accordance with the notice, without further notice to the owner. Any fee or expense incurred for towing and storage of any vehicle shall be paid by the owner.

8.

Notwithstanding anything to the contrary herein, the Board of Directors may elect to use the procedure set forth in Article VII, Section 2, of the Association's By-Laws to impose a fine or other available sanction, rather than exercise its authority to tow, as set forth herein.

9.

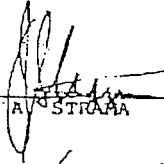
If a vehicle is towed in accordance with this Resolution, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of

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damage by such person for damages incurred as a result of such
towing.

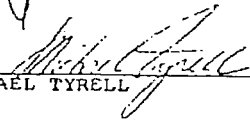
10.

This Resolution shall become effective five (5) days
following its adoption by the Board of Directors and service of
a copy of this Resolution upon each owner at such owner's unit
or at such other address as such owner may have designated for
the receipt of such notices.


IN WITNESS WHEREOF, the Board of Directors has adopted
this Resolution this 28 day of March, 1983.



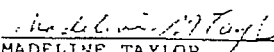
JOHN A. STRAMA



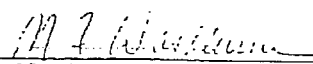
MICHAEL TYRELL



STEVEN LAMBERT



MADELINE TAYLOR



MICHAEL WASHBURN