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Cross Reference: Deed Book 5868
Page 654

STATE OF GEORGIA
COUNTY OF DEKALB

Deed Book 24292
Page 016

Deed Book 24317
Page 601

***THIS DOCUMENT IS BEING RE-RECORDED TO ADD EXHIBIT "A" HERETO AND
CORRECT THE PROVISIONS IDENTIFIED IN THE CROSS-REFERENCED SCRIVENER'S
AFFIDAVIT ***

**AMENDED AND RESTATED DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS OF STONEBREEZE
SUBDIVISION**

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IMPORTANT NOTICE:

THIS AMENDMENT SUBMITS THE PROPERTY TO THE PROVISIONS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION
ACT, O.C.G.A. SECTION 44-3-220, *ET SEQ.* CLOSING ATTORNEYS SHOULD CONTACT THE ASSOCIATION FOR ESTOPPEL
CERTIFICATES REGARDING BOTH ASSESSMENTS/CHARGES DUE ON LOTS AND ANY UNCURED ARCHITECTURAL
VIOLATIONS OR UNAUTHORIZED IMPROVEMENTS ON LOTS.

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WHEREAS, a Declaration of Covenants, Conditions, Restrictions and Easements for Stonebreeze Subdivision was recorded on June 18, 1987, in Deed Book 5868, Page 654, *et seq.*, DeKalb County, Georgia land records ("Original Declaration") as may be amended; and

WHEREAS, Article IX, Section 9.03 of the Original Declaration and Article VIII, Section 8.03 of the Bylaws of the Amended Bylaws of Stonebreeze Homeowners Association, Inc. ("Original Bylaws"), provides that the Original Declaration and Original Bylaws may be amended by resolution of the Board of Directors with the approval of two-thirds (2/3) of the votes of the members of the Stonebreeze Homeowners Association, Inc. ("Association") present or in person or proxy at a duly called meeting; and

WHEREAS, the Board has determined it to be in the best interests of the Association to hold the vote by action outside of a meeting by mail-in ballot in accordance with O.C.G.A. § 14-3-708; and

WHEREAS, members of the Association having at least two-thirds (2/3) of the total vote of the Association approved the amendment by action outside of a meeting by mail-in ballot, which ballots are in the records of the Association; and

WHEREAS, attached hereto as Exhibit "B" and incorporated herein by reference is the sworn statement of the President of the Association, which sworn statement states unequivocally that agreement of the required two-thirds (2/3) majority of Association members was lawfully obtained; and

WHEREAS, this amendment does not materially and adversely affect the security title and interest of any mortgagee, and therefore, does not require the consent of any such mortgagee; and

WHEREAS, this amendment is not being adopted during any period in which the Declarant had the right to appoint or remove officers and directors of the Association and therefore does not require the consent of the Declarant; and

WHEREAS, this amendment is not being adopted during any period in which the Developer still owns a Lot, and therefore, does not require Developer approval; and

WHEREAS, this amendment is not being adopted during any period in which the Declarant had the right to appoint or remove officers and directors of the Association and therefore does not require the consent of the Declarant; and

WHEREAS, members of the Association holding two-thirds (2/3) of the total vote thereof desire to amend the Original Declaration and Original Bylaws; and

NOW, THEREFORE, the Original Declaration, the Original Bylaws, and all exhibits thereto, are hereby stricken in their entirety and this Declaration and the attached Bylaws are simultaneously substituted therefore:

1. NAME

The name of the Community is Stonebreeze Subdivision, a residential property owners' development which hereby submits to the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.* (Michie 1982), as may be amended.

2. DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall be defined as set forth in this Paragraph 2. Otherwise, the terms used in this Declaration, the Bylaws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the Georgia Nonprofit Corporation Code.

A. Act means the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.* (Michie 1982), as may be amended.

B. Architectural Control Committee or ACC means the committee established to exercise the architectural review powers set forth herein, which shall be the Board of Directors of the Association unless the Board appoints a separate Architectural Control Committee.

C. Articles of Incorporation or Articles means the Articles of Incorporation of Stonebreeze Homeowners Association, Inc. filed with the Secretary of State of the State of Georgia.

D. Association means Stonebreeze Homeowners Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

E. Association Legal Instruments means this Declaration and all exhibits hereto, the Bylaws, the Articles of Incorporation, the plats and all rules and regulations and architectural guidelines for the Association, all as may be supplemented or amended.

F. Board or Board of Directors means the governing body responsible for management and operation of the Association.

G. Bylaws means the Bylaws of Stonebreeze Homeowners Association, Inc., attached as Exhibit "B" to this Declaration and incorporated herein by this reference.

H. Common Property means any and all real and personal property and easements and other interests therein, including but not limited to easements for entrance monuments and related landscaping located on individual Lots, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners.

I. Common Expenses means the expenses incurred or anticipated to be incurred for the general benefit of all Lots, including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Property.

J. Community means that real estate which is submitted to the Act and the provisions of this Declaration, as described in Exhibits "A-1" and "A-2" attached hereto and incorporated herein by reference. The Community is a residential property owners' development which hereby submits to the

Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.* (Michie 1982), as may be amended.

K. **Community-Wide Standard** means the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors and the Architectural Control Committee.

L. **Declaration** means this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Stonebreeze Subdivision.

M. **Director** means a member of the Association's Board of Directors.

N. **Domestic Partner** means any adult who cohabitates with an Owner, and who has been designated as the Owner's Domestic Partner in a written statement, signed by the Owner and filed with the Association's Secretary. A person shall no longer be a Domestic Partner upon the Secretary's receipt of a written termination notice, signed by either the Owner or the Domestic Partner.

O. **Effective Date** means the date that this Declaration is recorded in the DeKalb County, Georgia land records.

P. **Eligible Mortgage Holder** means a holder of a first Mortgage secured by a Lot who has submitted a request in writing to the Association to be deemed an Eligible Mortgage Holder. Such notice must include the mortgage holder's name and address and the Lot number or address of the property in the Community secured by such mortgage.

Q. **Lot** means a portion of the Community intended for ownership and use as a single-family dwelling site subject to this Declaration, as shown may be on the Plats for the Community recorded in the DeKalb County, Georgia land records.

R. **Mortgage** means any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance of fee title for such purpose.

S. **Mortgagee or Mortgage Holder** means the holder of any Mortgage.

T. **Occupant** means any person staying overnight in a dwelling on a Lot for a total of more than 30 days, either consecutive or nonconsecutive, in any calendar year.

U. **Officer** means an individual who is elected by the Board of Directors to serve as President, Vice President, Secretary, or Treasurer or to hold such other office as may be established by the Board of Directors.

V. **Owner** means the record title holder of a Lot, but shall not include a Mortgage Holder. For purposes hereof, the holder of a tax deed on a Lot shall be deemed the Owner thereof, notwithstanding the fact that there may exist a right of redemption on such Lot.

W. **Person** means any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

X. **Plats** mean those plats of the survey relating to the Community filed in the DeKalb County, Georgia land records. All of the Plats of survey are incorporated herein by this reference.

Y. **Violator** means any Owner who violates the Association Legal Instruments and any Owner's family member, guest or Occupant who violates such provisions; provided, however, if an Owner's family member, guest or Occupant violates the Association Legal Instruments, the Owner of the relevant Lot also shall be considered a Violator.

3. **SUBMITTED PROPERTY**

The real property in the Community subject to this Declaration and the Act is located in Land Lots 129 and 160 of the 16th District, DeKalb County, Georgia, being more particularly described in Exhibits "A-1" and "A-2" attached to this Declaration and as may be shown on the Plats.

4. **ASSOCIATION MEMBERSHIP AND VOTING RIGHTS**

A. **Membership**

The Association shall have one class of membership. Each Lot Owner shall be a member of the Association. This does not include persons who hold an interest merely as security for the performance of an obligation. The giving of a security interest shall not terminate an Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot owned in the Community. An Owner's spouse or Domestic Partner may exercise all membership rights and privileges of the Owner.

B. **Voting**

The Owner(s) of the Lot shall be entitled to one equally weighted vote for such Lot, which vote may be exercised and suspended as provided in this Declaration and the Bylaws.

5. **ALLOCATION OF LIABILITY FOR COMMON EXPENSES**

A. **General Allocations**

Except as provided below, or elsewhere in the Act or the Association Legal Instruments, the amount of all Common Expenses shall be assessed against all the Lots equally.

B. **Specific Special Assessments**

Notwithstanding the above, the Board of Directors shall have the power to levy specific special assessments pursuant to Section 44-3-225(a) of the Act as, in its discretion, it shall deem appropriate. Failure of the Board to do so shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to do so in the future.

6. **ASSESSMENTS**

A. **Purpose of Assessment**

The Association shall have the power to levy assessments as provided herein and in the Act. Assessments shall be used for any purpose the Board of Directors determines will benefit the Owners or the Community.

B. Creation of the Lien and Personal Obligation For Assessments

Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all assessments and other charges levied pursuant to this Declaration and the Bylaws.

All assessments and charges levied against a Lot and its Owner, together with interest, costs and reasonable attorneys' fees actually incurred (including post-judgment attorneys' fees, costs and expenses), and rents (if the Board of Directors so elects), in the maximum amounts permitted under the Act, shall be: (1) a charge and a continuing lien against such Lot; and (2) the personal obligation of the Person who is the Owner of the Lot on the due date of the assessment. Each Owner and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance of the Lot. The Association, in the Board's discretion, may record a notice of such lien in the DeKalb County, Georgia land records evidencing the lien created under the Act and this Declaration. The lien provided for herein shall have priority as provided in the Act.

Assessments shall be paid in such manner and on such dates as determined by the Board of Directors. No Owner may exempt himself or herself from liability, or otherwise withhold payment of assessments, for any reason whatsoever.

C. Delinquent Assessments

All assessments and charges not paid on or before the due date shall be delinquent, and the Owner shall be in default. In addition to the powers set forth below for collection of unpaid assessments and charges, the Association shall be entitled to exercise all other rights and remedies provided by law and in equity to satisfy an Owner's debt.

If any assessment or charge, or any part or installment thereof, is not paid in full within 10 days of the due date, or such later date as may be provided by the Board of Directors:

(i) a late charge equal to the greater of \$10.00 or 10% of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner;

(ii) interest at the rate of 10% per annum, or such higher rate as may be authorized by the Act, shall accrue from the due date;

(iii) the Board may accelerate and declare immediately due any unpaid installments of that Owner's assessments and charges. Upon acceleration, the Owner shall lose the privilege of paying such assessments and charges in installments, unless the Board otherwise reinstates such privilege in writing. If the Association has pending legal action against an Owner for unpaid assessments or charges, then no notice shall be required to accelerate unpaid installments of any annual or special assessments that come due during any fiscal year after such legal action commences, until all amounts owed are paid in full or the Board otherwise reinstates such privilege in writing; and

(iv) the Association may bring legal action to collect all sums owed under the Declaration and Georgia law.

If assessments or other charges, or any part thereof, remain unpaid more than 30 days after the due date, the Owner's right to vote and use the Common Property are suspended automatically until all

amounts owed are paid in full or the Board of Directors otherwise reinstates such rights in writing; provided, however, the Board may not deny ingress or egress to or from a Lot.

If part payment of assessments or other charges is made, the amount received may be applied first to post-judgment attorneys' fees, costs and expenses, then to costs and attorneys' fees not reduced to a judgment, then to interest, then to late charges, then to delinquent assessments and then to current assessments. Late charges may be assessed on delinquencies that are created by the application of current payments to outstanding delinquent assessments or charges.

D. Computation of Operating Budget and Assessment

To establish the annual assessment for a fiscal year, the Board of Directors shall prepare a budget covering the estimated costs of operating the Community, which may include a reserve contribution as provided below. The Board shall provide the budget to the Owners at least 21 days before the due date of such assessment, or the first installment thereof. The budget and the assessment shall become effective unless, before the due date of such assessment, a majority of the total Association membership votes to disapprove them at a duly called membership meeting.

If the membership disapproves the proposed budget or the Board of Directors fails for any reason to determine a new budget, the budget then in effect shall continue until a new budget is adopted as provided herein. The Board may adopt an adjusted budget at any time during the year following the procedure specified above.

The budget shall not operate as a limitation on expenditures by the Board of Directors. The budget is merely an estimate of Common Expenses on which the Board establishes the annual assessment.

E. Special Assessments

In addition to the all other assessments and charges provided for herein, the Board of Directors may levy a special assessment against all Owners for any purpose. Special assessments must first be approved by at least a majority of those Owners either voting by written consent or ballot pursuant to the Bylaws, or at least a majority of those Owners present or represented by proxy at a duly called meeting of the members, notice of which shall specify the purpose of such meeting.

F. Capital Budget and Contribution

The Board of Directors may prepare an annual or multi-year capital reserve budget and may establish a capital reserve fund contribution based on such budget. Capital reserve budgets should take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost.

G. Capital Contribution Assessment Upon Transfer of Lots

Upon any conveyance or transfer of a Lot, other than to the spouse or heir of the Owner, the purchaser or grantee thereof shall be assessed and be subject to a non-refundable, non-prorated capital contribution assessment ("Capital Contribution Assessment"). The Capital Contribution Assessment shall be an amount equal to 85% of the annual assessment applicable to such Lot at the time of such conveyance or transfer. The Capital Contribution Assessment shall not constitute an advance payment of the annual assessment and shall be in addition to all other assessments and charges authorized under

the Declaration. The Capital Contribution Assessment shall constitute a specific special assessment against such Lot, a continuing lien against such Lot, and a personal obligation of the Owner of such Lot.

H. Foreclosure Administration Fee

It is recognized that foreclosures of mortgages on Lots create substantial administrative and other burdens on the Association. These additional burdens on the Association include, but are not limited to, having to monitor the status of mortgages and legal periodicals to determine when foreclosures occur, searching the DeKalb County, Georgia land records to determine the names of the purchasers at foreclosure sales, contacting the foreclosure purchasers/owners regarding foreclosure-purchaser responsibilities and assessment obligations and updating Association records multiple times to deal with just a single Lot. Pursuant to this Declaration and Section 44-3-225(a) of the Act, the Association is authorized to assess individual Owners certain fees and expenses occasioned by and benefiting just those Owners or those Owners' Lots. In accordance with these provisions, and in addition to annual assessments, special assessments, and other charges provided for in this Declaration, any Person who acquires a Lot at a foreclosure sale of the mortgage certificate on such Lot after the Effective Date of this Declaration, or by deed in lieu of a foreclosure of such a mortgage, will be required to pay the Association a Foreclosure Administration Fee of \$500 at the time the foreclosure deed or deed in lieu of foreclosure is recorded in the DeKalb County, Georgia records. The Foreclosure Administration Fee shall constitute a specific assessment as described in this Declaration.

I. Statement of Account

Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments and charges due and unpaid, including but not limited to any late charges, interest, fines, attorneys' fees or other charges against such Lot. The Association shall respond in writing within five business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein, if such statement is reasonably relied upon in connection with the issuance of any Mortgage on such Lot.

J. Surplus Funds and Common Profits

Common profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, be: (1) distributed to the Owners; (2) credited to the next assessment chargeable to the Owners; or (3) added to the Association's capital reserve account.

7. MAINTENANCE RESPONSIBILITY

A. Owner's Responsibility

Each Owner shall maintain and keep his or her Lot and dwelling in good repair, condition and order. This maintenance obligation shall include, but not be limited to, roofs, gutters, downspouts, exterior building surfaces, foundations and foundation walls, windows, doors, trees, shrubs, grass, walks, walls and other improvements on the Owner's Lot. In addition, each Owner shall maintain any

public right-of-way located between the Owner's Lot and the curb of the street(s) bordering such Lot. Such maintenance shall be performed consistent with this Declaration and the Community-Wide Standard established pursuant hereto. Each Owner shall perform his or her responsibility hereunder in such manner so as not to unreasonably disturb other Lot Owners.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Property by an Owner or Occupant which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Property) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

B. Association's Responsibility

The Association shall maintain, keep in good repair, replace and, in the Board of Directors' discretion, improve or alter the Common Property. This maintenance obligation shall include amenities, paved access and parking areas, greenbelts, trees, shrubs, grass, walks, drives and other improvements located on the Common Property. The Association shall also maintain and keep in good repair all water and sewer pipes or facilities which serve the Common Property, to the extent that such pipes and facilities are not maintained by public, private, or municipal utility companies.

The Association shall have the right, but not the obligation, to maintain public rights of way adjacent to the Community and other property not owned by the Association, if the Board of Directors in its sole discretion, determines that such maintenance would benefit the Community. At any point thereafter, the Board can cease to maintain such property and such maintenance obligation will revert back to the party originally responsible therefore.

The foregoing maintenance shall be performed consistent with the Community-Wide Standard.

If, during the course of performing its maintenance responsibilities hereunder, the Board discovers that maintenance, repair or replacement is required of an item which is the Owner's responsibility, and such maintenance, repair or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at the Owner's sole expense, without prior notice to the Owner, such being deemed an emergency situation hereunder.

If the Board of Directors determines that the need for maintenance or repair on the Common Property is caused through the willful or negligent act of any Owner or Occupant or his or her family, guests, tenants, or invitees, then the Association may charge the cost of any such maintenance, repair, or replacement as a specific special assessment against the Owner's or Occupant's Lot and the Owner thereof.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Property or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, unless such injury or damage results directly and solely from the negligence or gross negligence of the Association. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Paragraph where such damage or injury is not a foreseeable, natural result of

the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

C. Failure to Maintain

If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her maintenance, repair or replacement obligations pursuant to this Paragraph, then the Association shall give the Owner written notice of: (1) the Owner's failure or refusal; (2) the Association's right to provide necessary maintenance, repair, or replacement at the Owner's sole cost and expense; and (3) the maintenance, repair, or replacement deemed necessary by the Board.

Unless the Board determines that an emergency exists or a violation is re-occurring for which notice previously has been issued hereunder, the Owner shall have 10 days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within 10 days. If the Board determines that an emergency exists, a violation is re-occurring for which notice has been previously issued hereunder or an Owner has not complied with the demand given by the Association hereunder, the Association may provide any such maintenance, repair or replacement, the costs of which shall be a specific special assessment against the Owner and the Lot.

D. Maintenance Standards and Interpretation

The Board of Directors may establish, interpret and enforce maintenance standards for the Community. These standards may vary over time, however, the variances shall not constitute a waiver by the Board of the right to establish and enforce maintenance standards under this Paragraph. No Board decision or interpretation regarding maintenance standards shall constitute a binding precedent with respect to subsequent Board decisions or interpretations.

8. ARCHITECTURAL CONTROLS

A. Architectural Control Committee

The Architectural Control Committee ("ACC") shall constitute a standing committee of the Association. The ACC shall consist of the Board of Directors unless the Board of Directors delegates to other Persons the authority to serve on the ACC.

B. Limitation on Exterior Modifications

Except as otherwise provided herein, no Owner, Occupant, or any other person may, without written approval of the Board or ACC:

- (i) deconstruct any dwelling or other improvement on a Lot;
- (ii) make any change or alteration that affects the exterior appearance of the Lot; or

(iii) erect, place or post any object or thing on the Lot that affects the exterior appearance of the Lot.

Additionally, no modification shall encroach onto the Common Property unless expressly approved in writing by the Board.

C. Standards and Interpretation

The Board of Directors may establish, amend and publish written Community-Wide Standards for modifications that affect the exterior appearance of Lots. These standards may vary for different parts of the Community, based on street visibility and location of the proposed modification or Lot. Any standards established by the Board hereunder may be amended or vetoed by a majority of the total Association vote. No Board decision or interpretation regarding such standards shall constitute a binding precedent with respect to subsequent Board decisions or interpretations.

D. Application Process and Review

The Board of Directors may establish procedures, forms, conditions and requirements for the submission of applications for modifications to the exterior appearance of a Lot. Such applications shall be in writing and, unless otherwise provided by the Board, submitted to the ACC. If the application requests any variance from provisions of this Declaration or published Community-Wide Standards related to the exterior appearance of the Lot, the Owner must expressly identify such variance in the application. No approval issued hereunder shall authorize such a variance unless that variance is expressly identified in the application and specifically approved in writing by the Board or ACC.

Except as may otherwise be determined by the Board, the ACC or its designated representative shall be the sole arbiter of such application.

The standard for approval of such modifications shall include, but not be limited to: (1) aesthetic consideration; (2) materials to be used; (3) compliance with the Community-Wide Standards, this Declaration, or the design standards which may be established by the Board; (4) harmony with the external design of the existing dwellings, Lots and structures, and the location in relation to surrounding structures and topography; and (5) any other matter deemed to be relevant or appropriate by the Board or ACC. The Board or ACC shall approve any request that it determines, in its reasonable discretion, to be in substantial compliance with such standard for approval.

E. Ruling on Application

If the Board or ACC fails to approve or to disapprove such application within 14 days after the application and all required information have been submitted, the Owner submitting the application may issue written notice, via certified mail, to the Association President, informing the President of the Owner's intent to proceed with the modification as identified in the application. Unless the Association issues a written disapproval of the application within 10 days of receipt of the Owner's notice, the approval will not be required and this subparagraph will be deemed complied with as to the items specifically identified in the application. However, even if the requirements of this subparagraph are satisfied, nothing herein shall authorize anyone to construct or maintain any modification that is otherwise in violation of the Association Legal Instruments, or of any applicable zoning or other laws. Except as provided in this subparagraph, no approval of a modification shall be valid unless issued in

writing. Owners may not rely on any verbal approval or statements from any person as the approval required for a modification.

F. Appeal

If the ACC does not consist of the Board of Directors, and the ACC disapproves any application or part thereof, an Owner may, in writing, appeal the ACC's decision to the Board. The notice of appeal must be sent to the Board by certified mail and received by the Board within 14 days from the date of the ACC's disapproval notice, or the decision of the ACC shall become final and all rights of appeal shall terminate. Within 45 days of receipt of a timely appeal, the Board shall approve, disapprove, or conditionally approve the Owner's application, and such ruling shall be final and binding on the Owner.

G. Commencement and Completion of Construction

All modifications approved hereunder must be commenced within six months from the date of approval, or such approval shall be deemed revoked, unless the Board or ACC gives a written extension for commencing the work. All work approved hereunder shall be completed in its entirety within six months from the date of commencement, unless otherwise agreed in writing by the Board or ACC.

H. Limitation of Liability

The Association, Board of Directors, ACC, and members thereof, are not responsible for ensuring, and shall not be held liable for any injury, damage or loss arising out of: (1) the quality, structural integrity or soundness of any modification on a Lot; (2) the length of time required or taken to review any request for approval hereunder; or (3) any modification's compliance with building codes, zoning regulations or other governmental requirements.

9. USE RESTRICTIONS

Each Owner shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of the Association Legal Instruments. In addition to the following use restrictions, the Board of Directors may establish rules and regulations in accordance with the terms hereof and as specified in the Bylaws.

A. Residential Use

Each Lot shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any portion of the Community, except that the Owner or Occupant residing in a dwelling on a Lot may conduct ancillary business activities within the dwelling so long as:

(i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the dwelling;

(ii) the business activity does not involve visitation or deliveries to the Lot by employees, clients, customers, suppliers, couriers, mail carriers, or other business invitees in greater volume than would normally be expected for a Lot without business activity;

(iii) the business activity does not involve use of the Common Property, except for necessary access to and from the Lot by permitted business invitees;

(iv) the business activity is legal and conforms to all zoning requirements for the Community;

(v) the business activity does not increase any insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; and

(vi) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Owners or Occupants, as determined in Board of Director's discretion.

The Association has no liability for any business activity in the Community. The Association also has no liability for any action or omission by it, its Directors, Officers, agents, representatives and/or vendors, that may adversely impact an Owner's or Occupant's business activity. Each Owner and Occupant hereby releases and holds harmless the Association, its Directors, Officers, agents, representatives and/or vendors, for any interruption or suspension of, or any damages to, any business activities conducted on a Lot. Owners and Occupants shall obtain whatever supplemental insurance may be necessary to protect their business assets, business continuity and business interests on their Lots. The Association is not obligated to obtain any insurance coverage for any Owner's or Occupant's business activity.

The term "business," as used in this provision, shall include, without limitation, any occupation, work or activity that involves the provision of goods or services to persons other than the provider's family for a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore

B. Number of Occupants

Unless more restrictive limitations are imposed or authorized by any applicable governmental authority, no more than two Occupants per bedroom are permitted in the dwelling, as such bedrooms are depicted on the plans for such dwelling approved by the applicable governmental agency. This occupancy restriction shall not apply to require the removal of any person lawfully occupying a dwelling on the Effective Date hereof. Upon written application, the Board of Directors shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988.

If an Owner is a corporation, limited liability company, partnership, trust or other legal entity not being a natural person, the Owner shall designate in writing to the Board the name(s) of the person(s) who will occupy the dwelling on the Lot. The designated person(s) to occupy the dwelling may not be changed more frequently than once every 12 months without the Board's written consent.

C. Subdivision of Lots

No Lot may be subdivided into a smaller Lot without the prior written approval of the Board of Directors.

D. Use of Common Property

There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on or removed from any part of the Common Property without the express written consent of the Board of Directors. The Association may remove and either discard or store any unauthorized personal property left or kept on the Common Property and the Association shall have no obligation to return, replace or reimburse the owner for such property. The Association is not liable to any Person for any loss of, theft of, or damage to any personal property.

If the Board allows an Owner or Occupant to temporarily reserve portions of the Common Property, such Owner or Occupant, on behalf of himself or herself and his or her guests and family, assumes all risks associated with such use of the Common Property and all liability for any damage or injury to any person or property as a result of such use. The Association shall not be liable for any damage or injury resulting from such use.

E. Prohibition of Damage and Illegal Conduct

Without prior written consent of the Board of Directors, nothing shall be done or kept in the Community which would increase the Common Expenses, damage the Common Property, or be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. Noxious, destructive, offensive, hazardous, or unsanitary activity shall not be carried on in the Community, as such activity or conduct may be defined in the Association's rules and regulations.

F. Firearms

The display or discharge of firearms on the Common Property is prohibited, except: (1) by law enforcement officers; and (2) to transport lawful firearms across the Common Property to or from a Lot. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types.'

G. Pets

No Owner or Occupant may keep any animals other than as permitted by the Dekalb County, Georgia pet ordinance. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose in the Community. Pets may not be left unattended outdoors. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors in areas that are not fully enclosed by a fence. The Board may prohibit invisible or electronic fences as a means to confine an unattended dog. Feces left by pets on the Common Property or on any Lot must be removed promptly by the owner of the pet or the person responsible for the pet.

No potbellied pigs are permitted in the Community. No animals that the Board determines to be dangerous may be brought onto or kept in the Community. If the Board determines that an Owner's or Occupant's pet endangers any person or other pet or creates a nuisance or unreasonable disturbance in the Community, the Board may require that the pet be permanently removed from the Community upon seven days' written notice to such Owner or Occupant. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet and/or obtain a court order requiring the Owner or Occupant to do so. Notwithstanding the above, the Board may remove any pet without prior notice to the pet's owner if, in the Board's sole discretion, the pet presents an immediate danger to health, safety or property in the Community.

Any Owner or Occupant who keeps or maintains any pet in the Community agrees to indemnify and hereby holds harmless the Association, its Directors, Officers, and agents, from any loss, damage, claim or liability of any kind or character whatsoever related to such pet. The Board may establish additional rules regarding pets in the Community, which may include restrictions on the breeds, number and/or size of permitted pets.

H. Parking

No Owner or Occupant may keep or bring into the Community more than a reasonable number of vehicles per Lot, as determined in the sole discretion of the Board of Directors. Vehicles only may be parked in garages, driveways on Lots, designated parking spaces, or other areas authorized in writing by the Board. Vehicles may not be parked on any grass or landscaped areas on Lots.

Disabled and stored vehicles are prohibited from being parked in the Community, except in garages. For purposes of this subparagraph, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains in the Community, other than in a garage, for 14 consecutive days or longer without prior written consent of the Board.

Boats, jet-skis, trailers, buses, taxis, hearses, limousines, recreational vehicles, motor homes, campers, panel trucks, trucks with a cargo-load capacity of one ton or more, full-size vans (excluding vans used by handicapped persons, mini-vans or sport utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), vehicles containing visible evidence of commercial use (such as tool boxes, tool racks, ladders, ladder racks or tow winches), and vehicles with commercial writings on their exteriors (except for law enforcement vehicles marked as such) are also prohibited from being parked in the Community, except: (1) in garages or as otherwise approved by the Board; or (2), in the case of service vehicles, on a temporary basis during daytime business hours or during emergencies for the purpose of serving a Lot. The Board may establish additional rules regarding vehicles and parking in the Community, which may include restrictions on the number of vehicles which may be parked in the Community.

If any vehicle is parked in the Community in violation of this Paragraph or the Association's rules, the Board or agent of the Association may tow or boot the vehicle after 24 hours written notice. Such notice shall: (1) be placed on the vehicle; (2) specify the nature of the violation; (3) warn of possible towing or booting; and (4) state the name and telephone number of a person to contact regarding the violation. If 24 hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six months of such notice, the Board or agent of the Association may have the vehicle towed or booted in accordance with the original notice and without further notice. If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or Occupant's Lot or dwelling, is obstructing the flow of traffic, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed or booted immediately.

The Association has no liability for any towing or booting in accordance with this subparagraph. Each Owner and Occupant hereby releases and holds harmless the Association, its Directors, Officers, agents and representatives, for any claim or damage from any such towing or booting. The Association's right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines.

I. Signs

Except as may be provided for herein or as may be required by legal proceedings or any governmental construction permitting process, no signs, advertising posters, political placards or billboards of any kind shall be erected, placed, or permitted to remain in the Community without the prior written consent of the Board of Directors or ACC, other than: (1) two professional security signs not to exceed six inches by six inches each in size displayed on a Lot; (2) one professionally lettered "For Sale" or "For Lease" sign not to exceed six square feet in size displayed on a Lot being offered for sale or lease; and (3) two professionally lettered political candidate endorsement placards not to exceed 24" by 30" in size displayed on a Lot during such time period as authorized by the Board. The Board may establish rules permitting temporary signs on Lots announcing open houses or similar events for limited periods of time. The Board shall have the right to erect signs on the Common Property.

J. Accessory Structures

With written approval of the Architectural Control Committee hereunder, the following detached accessory structures may be placed or installed on a Lot: a playhouse, a swimming pool, a tennis court, a tool shed, a dog house, a mailbox, or a garage. A garage may also be an attached accessory structure. Such accessory structures shall not exceed 20 feet in height and shall conform in exterior design and quality to the dwelling on such Lot and to the Community-Wide Standard established by the Board of Directors. With the exception of a garage that is attached to a dwelling, an accessory structure shall be located only behind the dwelling on the Lot, as such dwelling fronts on the street abutting such Lot. Such accessory structures also shall be located within such side and rear setback lines as may be required by the Board and by applicable zoning laws. There shall be no lighting for tennis courts or any other outside lighting except as approved by the ACC.

Entry signs, fences, walls and landscaping installed by Redwood Development, Inc., in connection with development of the Community may not be removed except with written approval of the Board of Directors.

K. Rubbish and Trash

Owners and Occupants shall regularly remove all rubbish and trash from the Lot. No rubbish or trash shall be placed on the Common Property, except as provided herein. Rubbish and trash shall be disposed of in appropriate sealed bags and placed in proper receptacles for collection. The Board may establish additional rules regarding placement of trash cans for pick-up and/or storage, including requiring trash removal in the Community from a single vendor and establishing schedules for trash can placement and trash pickup.

L. Unightly or Unkempt Conditions

Owners and Occupants are prohibited from engaging in activities which cause disorderly, unsightly or unkempt conditions on the Common Property or outside of a dwelling in the Community, such as the assembly and disassembly of motor vehicles and other mechanical devices. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the dwelling. Only appropriate outdoor items, such as neatly stacked firewood, potted plants, patio furniture and grills may be kept outside the dwelling on any Lot. Owners and Occupants shall maintain such items in a neat and attractive condition, as determined in the Board's sole discretion.

M. Drainage

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. Each Owner and Occupant shall ensure that any drainage grating and/or headwalls on the Owner's Lot are clear of obstruction and debris. Furthermore, no Owner or Occupant may obstruct or rechannel the drainage flows across the Owner's Lot.

N. Erosion Control; Contamination

No Owner or Occupant shall engage in any activity which creates erosion or siltation problems or causes contamination of or damage to any stream, water course or any other Lot in the Community. Each Owner and Occupant shall be liable for all damages and restoration costs resulting from such unauthorized activity.

O. Impairment of Easements

No Owner or Occupant shall impair any easement existing in the Community, or do any act or allow any condition to exist which will adversely affect the other Lots or their Owners or Occupants.

P. Sight Distance at Intersections

All property located at street intersections shall be landscaped and kept so as to permit safe sight across the street corners. No vehicle, fence, wall, hedge, shrub, tree or other landscaping shall be placed or permitted to remain where it would create a traffic or sight problem.

Q. Mailboxes

Only one mailbox may be located on each Lot. The Owner shall replace or restore any destroyed or damaged mailbox on the Lot. The Board may establish mailbox standards and require reasonable modifications or upgrades to mailboxes and mailbox posts to meet revised Community standards.

R. Yard Sales

No yard sale, garage sale, flea market or similar activity shall be conducted in the Community without the prior written consent of the Board of Directors and subject to all reasonable conditions that the Board may impose. However, Owners and Occupants may conduct estate sales or similar sales entirely within their dwellings not more than once in any 12 month period.

S. Garages

If garage space is available, Owners and Occupants should park their cars and other motor vehicles in the garage before parking in the driveway. Garage doors also should remain closed when not in use for ingress, egress or garage use, or when the Owner or Occupant is not outside on the Lot. Garage conversions are prohibited; provided, however, that all garage conversions in existence on the Effective Date, and made in compliance with all of the terms of the Original Declaration, shall not constitute a violation of this requirement. The Board may establish additional rules regarding garages.

T. Window Treatments

Unless otherwise approved in writing by the Board of Directors, all windows on a dwelling on a Lot which are exposed to a street or another dwelling shall have customary and appropriate window treatments. The Board may establish additional rules regarding window treatments, such as requirements for the location, type and exterior color of window treatments.

U. Antennas and Satellite Dishes

Except as provided below or otherwise approved by the Board of Directors, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors in any portion of the Community. Direct broadcast satellite ("DBS") antennas and multi-channel multi-point distribution services ("MMDS") one meter or less in diameter and television broadcast service antennas may be installed in accordance with rules and regulations of the Federal Communication Commission ("FCC") and the Association. Any such devices shall be installed in the least conspicuous location available on the Lot that permits reception of an acceptable quality signal.

10. LEASING AND OCCUPANCY

In order to protect the equity of the individual Owners in the Community and to carry out the purpose for which the Community was formed by preserving the character of the Community as a residential Community of owner-occupied homes, leasing of Lots shall be governed by the restrictions imposed by this Paragraph. **Except as provided herein, leasing of Lots is prohibited. The intent of this provision is to give Owners a fair opportunity to lease and to provide flexibility to allow leasing of Lots in certain undue hardship situations while balancing the interest in maintaining a predominantly owner-occupied Community.**

A. Definitions

(i) "Leasing" means the occupancy of a Lot by any person(s) other than:

(a) the Lot Owner;

(b) a trustee or beneficiary of an Owner that is a trust, provided that no rent or other consideration is paid or provided to the Owner in connection with that occupancy;

(c) an officer, director, shareholder, member or employee of an Owner that is a corporation; a manager or member of an Owner that is a limited liability company; a partner of an Owner that is a partnership; or a trustee or beneficiary of an Owner that is a trust (collectively "Authorized Corporate Occupant"); provided the Owner receives no rent or other consideration for such occupancy. The name of each Authorized Corporate Occupant shall be designated in writing to the Board and may not be changed more frequently than once every 12 months without the Board's written consent. A person's designation as an Authorized Corporate Occupant shall terminate automatically upon the termination of such person's relationship with the entity holding record title to the Lot; or

(d) a roommate of any of the above who also occupies the Lot as his or her primary residence.

A Lot may be considered to be leased hereunder even if no rent is paid to the Owner. For the purpose of this provision, any lease purchase arrangements, or lease with an option to purchase, shall be considered a lease as defined hereunder and shall be subject to the provisions herein.

(ii) "Leasing Cap" means the maximum total number of outstanding leasing permits that are permitted before additional leasing permits may be issued hereunder. Except as provided herein, the Leasing Cap shall be 10% of the total number of Lots. Hardship leasing permits shall not be included in the Leasing Cap.

B. Authorized Leasing

Owners may lease their Lots only if: (1) the Owner is a Grandfathered Owner; (2) the Owner is not a Grandfathered Owner but has received a leasing permit from the Board as provided below; (3) the Owner is not a Grandfathered Owner but has received a hardship leasing permit from the Board as provided below; or (4) the Owner or Lessee is the Association. The leasing permit and hardship leasing permit are not intended as a way for the Association to approve or disapprove a particular tenant or Occupant, but a method to ensure that all leasing of Lots is strictly in compliance with the conditions and requirements specified in this Paragraph. These conditions and requirements are of utmost importance in maintaining the high quality of the Community.

C. Leasing Permits

Owner requests for leasing permits must be in writing, providing such information as the Board may reasonably require. The Board of Directors may approve an Owner's request for a leasing permit if these conditions are met:

(i) the Owner has resided in the Lot for at least 24 consecutive months at any point of time prior to requesting a leasing permit;

(ii) the total number of current, outstanding leasing permits, less and except Grandfathered Lots and those Lots with hardship permits is less than the Leasing Cap.

Notwithstanding the above or anything to the contrary herein, the Board may deny a leasing permit to any Owner if the Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge or if the Owner or any Lot occupant is otherwise in violation of the Declaration, Bylaws, or any Association rules and regulations or any applicable laws or ordinances.

If the number of current leasing permits issued exceeds the Leasing Cap, then no additional leasing permits shall be issued (except for hardship leasing permits) until that number falls below the applicable Leasing Cap. Any Owner who has been denied a leasing permit because the Leasing Cap is satisfied shall be placed on a waiting list to

be issued such a permit, if the Owner so desires, when the above conditions have been satisfied. The issuance of a hardship leasing permit to an Owner shall not cause the Owner to be removed from the waiting list for a leasing permit.

D. Hardship Leasing Permits

Owners who want to lease their Lots but who are not able to obtain a leasing permit hereunder, and not eligible to lease as a Grandfathered Owner may still lease their Lots if they apply to the Board of Directors in writing for, and obtain, a written "hardship leasing permit" from the Board.

The hardship leasing permit will allow an Owner to lease his or her Lot, provided that such leasing is in strict accordance with the terms of the permit and this Paragraph. The Board of Directors shall have the authority to establish conditions as to the duration and use of such permits consistent with this Paragraph. All hardship leasing permits are valid only as to a specific Owner and Lot and are not transferable between either Lots or Owners (including a subsequent Owner of a Lot where a permit was issued to the Owner's predecessor in title).

If an Owner who is not eligible to lease believes that the failure to lease will result in an undue hardship to the Owner, then the Owner may apply in writing to the Board of Directors for a hardship leasing permit. The Board shall have the authority to issue or deny requests for hardship leasing permits in its discretion after considering the following factors: (1) the nature, degree, and likely duration of the hardship; (2) the harm, if any, which will result to the Community if the permit is approved; (3) the number of hardship leasing permits which have been issued to other Owners; (4) the Owner's ability to cure the hardship; and (5) whether previous hardship leasing permits have been issued to the Owner. The Board has sole discretion whether to grant a hardship leasing permit, and the existence of a hardship does not guaranty that an Owner is entitled to or will receive a hardship leasing permit; such permit is discretionary.

The Board shall have broad discretion in determining what constitutes an undue hardship.

Hardship leasing permits shall be valid for a term not to exceed one year, unless approved in writing by the Board. Owners may apply for additional hardship leasing permits at the expiration of a hardship leasing permit, if the circumstances warrant.

E. Expiration and Revocation of Leasing Permits and Hardship Leasing Permits

Leasing permits and hardship leasing permits are automatically revoked upon the sale or transfer of the Lot to a third party (excluding sales or transfers to an Owner's spouse). Leasing permits also automatically expire:

- (i) three years from the date issued; or

(ii) if the Lot is not subject to an authorized and approved lease for more than 90 consecutive days.

The Board also may revoke any leasing permit or hardship leasing permit if the Owner is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or if the Owner is in violation of the Declaration, Bylaws, any Association rules and regulations, or any applicable laws or ordinances. If a Leasing Permit expires or is revoked, the Owner may request another Leasing Permit or, if such Leasing Permit is not available because the Leasing Cap is satisfied, the Owner may request to be placed on the leasing waiting list.

F. Leasing Administration Fee

In addition to annual assessments, special assessments, and other charges provided for under this Declaration or the Bylaws, an Owner who leases a Lot shall be required to pay to the Association a Leasing Administration Fee in an amount established by the Board of Directors, but not to exceed \$250.00 or such higher amount as may be approved by a majority of the eligible Association members voting in person or by proxy at a duly called meeting, or by written consent or ballot in lieu of a meeting as provided in the Bylaws. The Leasing Administration Fee shall be non-prorated and non-refundable, and shall be due within 30 days of the date the Lease Permit is issued.

G. Leasing Provisions

When leasing is permitted under this Paragraph, it shall be governed by the following provisions:

(i) General Leasing Provisions.

Except for roommates of an Owner as provided above, Lots may be leased only in their entirety pursuant to a single lease. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. There shall be no subleasing of Lots or assignment of leases without prior written Board approval. All leases must be for an initial term of one year, except with written Board approval.

At least seven days before entering into a lease of any Lot, the Owner shall provide the Board of Directors with written notice of the Owner's intention to lease his or her Lot and verification that the Owner either has obtained a leasing permit or hardship leasing permit or is authorized to lease as a Grandfathered Owner. The notice shall include: (1) a copy of the proposed lease, which must include the Lease Terms Exhibit attached hereto; (2) the names, phone numbers, email addresses, work locations and work phone numbers of all of the proposed occupants of the Lot; (3) the Owner's Lot address, and the Owner's phone number, email address, work location, work phone number and physical street address to be occupied by the Owner when the Lot is leased; (4) the number and type of all pets to be kept in the Lot and vehicles to be parked at the Community; (5) confirmation of the Tenant Screening required hereunder; and (6) such other information required by the Board.

The Owner of a leased Lot shall provide the Board with a copy of the executed lease within 10 days after executing a lease for the Lot and within 10 days of request by the Board during the lease term. If any of the information regarding the occupant required above, or other information regarding occupancy of the Lot, changes during the term of any leasing of the Lot, the Owner and Occupant shall update and notify the Board in writing of such changes within 30 days of the date of such change.

The Board may require a lease addendum, on a form approved by the Board, to the lease of any Lot executed, modified, renewed or extended after the Effective Date of this Amendment, whether or not expressly stated therein, and into the terms of any tenancy or occupancy of a Lot even if no written lease or agreement exists between the Owner and the Occupant. If an Owner fails to provide the Association a copy of the lease, addendum, and notice of leasing as provided herein, or an Owner otherwise leases a Lot in violation of this Paragraph, the Association may fine the Owner an initial fine of up to \$500.00, plus additional daily fines for continued violation of these provisions, in addition to all other remedies provided in the Declaration, Bylaws or Georgia law.

The Board is not required to allow any person to enter the Community unless the person is an Owner or authorized and confirmed Occupant; provided nothing herein shall create any obligation on the Board to monitor, supervise or control access onto the Community, and the Association, Board and its agents shall have no liability therefor. The Owner transfers and assigns to the Occupant, for the term of the lease, all rights and privileges the Owner has to use any recreational facilities on the Common Property.

(ii) **Tenant Screening.**

Any Owner who is seeking to lease his or her Lot must engage a Tenant Screening Service prior to entering into a lease agreement and must provide the Association with a receipt or other written documentation evidencing that the Owner has performed the Tenant Screening required hereunder; provided, however, this subparagraph shall not apply where the tenant is a parent, child or sibling of the Owner. An Owner seeking exemption from Tenant Screening must provide written certification of the relationship to the Board. The Tenant Screening Service must, at a minimum, take the following steps:

- (a) Obtain a consumer credit report on the prospective tenant(s);
- (b) Verify the prospective tenant's employment for the last two years;
- (c) Check the prospective tenant's rental history in its database and with all landlords during the last two years, either as reported by the prospective tenant or disclosed by the Service's investigation;
- (d) Check the public records in DeKalb County for bankruptcy and unlawful detainer actions involving the prospective tenant; and

(e) Report such information as is disclosed by its investigation to the Lot Owner.

If any of (a) through (d) above is not a part of the screening report, the Owner will separately verify this information and include it with the screening report to Board. The Owner is not required to provide the Board with the results of the Tenant Screening, but the Owner must provide the Board with a receipt or other documentation evidencing that the Owner has performed the Tenant Screening required hereunder, which must include the name, address and telephone number of the Tenant Screening Service and the prospective tenant's name.

The Board will not evaluate the information or make any determination or recommendation as to the suitability of any prospective tenant. The selection of a suitable and appropriate tenant shall be the sole responsibility of the Lot Owner. The Lot Owner shall treat all information received in accordance with the requirements of the Federal Fair Credit Reporting Act and any other applicable state or federal laws and not disclose the contents of any report to the Association, the prospective tenant or any other person not permitted access to such information provided by the Service.

(II) Tenant or Renter's Insurance.

During all times that a Lot is leased, as provided in this Paragraph, the Occupant or Owner shall purchase and maintain customary renter's insurance, or similar insurance, in amounts sufficient to cover all personal property kept in or brought into the Lot. The Owner or Occupant shall provide the Association with a certificate of such coverage upon request.

(III) Compliance.

Each Owner and Occupant shall comply with the Declaration, Bylaws, Association rules and regulations, and all applicable laws and ordinances. Owners and Occupants shall control the conduct of all other occupants and guests of the leased Lot in order to ensure such compliance and shall indemnify and hold the Association harmless for their and their occupants' and guests' failure to comply. The Owner shall cause all Occupants of his or her Lot to comply with the Declaration, Bylaws and Association rules, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants are fully liable and may be sanctioned for any such violation.

Any violation of any provision of the Declaration, Bylaws, Association rules or applicable law or ordinance by an Owner, Occupant, or any guest of an Owner or Occupant, shall constitute a default under the lease and authorizes the Association to declare the lease in default and to terminate the lease for any such violation. The Association may bring an action against the Owner and/or Occupant(s) for damages and/or injunctive relief, or may impose fines and/or other sanctions under the Declaration, Bylaws or Georgia law, including all remedies available to a landlord upon breach or default of a lease (including eviction of the occupant(s)), for violations of the Declaration, Bylaws, Association rules, applicable laws or ordinances, or the lease.

The Owner delegates and assigns to the Association, at the Board's discretion, the power to evict the occupant(s) on behalf of the Owner. If the Association proceeds to evict the Occupant(s), any costs associated therewith, including all attorneys' fees actually incurred and court costs, shall be specially assessed against Owner's Lot and shall be a personal obligation of the Owner, being deemed as an expense which benefits the leased Lot and Owner. If any Occupant, or any guest, invitee, licensee or family member of the Occupant violates the Declaration, Bylaws or rules and regulations, for which a fine is imposed, such fine may be assessed against the Occupant and/or Owner, as provided in the Declaration and Bylaws. When an Owner who is leasing his or her Lot fails to pay an assessment or any other charge to the Association when due, the delinquent Owner hereby consents to the assignment of any rent received from the Occupant during the period of the delinquency. In such case, upon request by the Board, the Occupant shall pay to the Association all unpaid assessments and other charges payable during and prior to the term of the lease and any other period of occupancy. However, the Occupant need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by the Occupant shall reduce, by the same amount, the Occupant's obligation to make monthly rental payments to the Owner. If the Occupant fails to comply with the Board's request to pay assessments or other charges, such failure shall be deemed a violation of the Declaration and, in addition to all other enforcement rights, the Occupant shall pay to the Association all amounts authorized under the Declaration as if the Occupant were the Owner of the Lot.

H. Applicability of this Paragraph

This Paragraph shall not apply to any leasing transaction entered into by the Association.

11. SALE OF LOTS

An Owner intending to transfer or sell a Lot or any interest in a Lot shall give the Board of Directors written notice of such intention within seven days after executing the transfer or sales documents. As part of the notice, the current Owner shall furnish the Board the name and address of the intended grantee and such other information required by the Board. This Paragraph shall not be construed to create a right of first refusal in the Association or in any third party. Within seven days after receiving title to a Lot, the purchaser or grantee of the Lot shall give the Board written notice of his or her ownership of the Lot. As part of the notice, the new Owner shall furnish the Owner's name, mailing address and such other information required by the Board.

12. INSURANCE

A. Hazard Insurance on Common Property

The Board of Directors shall obtain hazard insurance for all insurable improvements on the Common Property. This insurance shall include, at a minimum, coverage for fire, wind, storm, hail, vandalism, malicious mischief and civil commotion and shall be in an amount sufficient to cover the full replacement cost of such insurable improvements. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

B. Association Liability Insurance

The Board shall obtain a public liability policy applicable to the Common Property 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, in their capacities as such, with a combined single limit of at least \$1,000,000.00.

C. Directors' and Officers' Liability Insurance

The Board shall obtain a Directors' and Officers' liability insurance policy with a limit of at least \$1,000,000.00.

D. Fidelity Insurance

The Board shall obtain a fidelity bond or dishonesty insurance on Directors, Officers, employees, and other persons handling or responsible for the Association's funds, regardless of whether they are compensated by the Association. If reasonably available, the fidelity bond or dishonesty insurance shall cover at least one-quarter of the annual assessments from all members plus the reserve funds in the custody of the Association at any time during the term of the bond or policy. The bond or policy must provide that it may not be canceled, substantially modified or subject to non-renewal without at least 30-days prior written notice to the Association.

E. Additional Association Insurance

The Board may obtain such additional insurance as it deems appropriate.

F. Premiums and Deductibles on Association Policies

Premiums for all Association insurance shall be a Common Expense. The policies may contain reasonable deductibles. Deductibles shall not be subtracted from the face amount of the policies in determining whether the insurance equals the full replacement cost of the insurable improvements.

G. General Insurance Provisions

In addition to any other terms the Board deems appropriate, all Association insurance shall be governed by the following provisions:

- (i) All policies shall be written with a company licensed to do business in Georgia;
- (ii) All policies on the Common Property shall be in the name of the Association for the benefit of itself and its members;
- (iii) The Board shall have exclusive authority to adjust losses under all Association insurance policies;
- (iv) The insurance carried by the Association shall be primary and shall not be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees;
- (v) All hazard insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if reasonably available; and
- (vi) A qualified person who is in the real estate industry and familiar with construction in the county where the Community is located shall review the Association's hazard insurance policy at least bi-annually to evaluate the sufficiency of such coverage.

H. Individual Lot Owner Insurance

Each Owner shall carry hazard insurance on the Owner's Lot and the structures thereon meeting the same requirements as set forth in subparagraphs (A), (F), (G)(1) and (G)(5) of this Paragraph for insurance on the Common Property.

13. REPAIR AND RECONSTRUCTION AFTER CASUALTY DAMAGE

A. Common Property

In the event of damage to or destruction of any structure on the Common Property, the Board of Directors shall arrange for and supervise the prompt repair or reconstruction of such structure, with such improvements or modifications it deems appropriate, unless 80% of the Owners vote not to do so.

B. Construction Fund

Any insurance proceeds collected on a claim against any Association hazard policy and any special assessments collected pursuant to subparagraph (2) below shall constitute a construction fund to be used by the Board for repair or restoration pursuant to this Paragraph.

Proceeds

If the proceeds of insurance are not sufficient to defray the Board's estimated or actual costs of repair or reconstruction, including, but not limited to, any professional fees and premiums for construction bonds the Board deems necessary, the Board may levy a special assessment against all Owners without the necessity of a membership vote or compliance with any other requirements for approval of special assessments in this Declaration. Any surplus funds remaining after the repair or reconstruction is completed shall be common funds of the Association to be used as determined by the Board.

C. Lots

In the event of damage to or destruction of any structure on a Lot, the Owner shall either: (1) within 180 days, repair or reconstruct such structure in accordance with plans and specifications approved by the ACC; or (2) within 60 days, clear the Lot of all debris and sod or landscape all portions of the Lot as approved by the ACC.

14. EMINENT DOMAIN

Whenever any Common Property is taken by, or conveyed in lieu of condemnation to, any authority having condemnation or eminent domain power, the Board of Directors shall give notice thereof to each Owner. If any structure on the Common Property is so taken or conveyed, the Board shall arrange for and supervise the prompt reconstruction of such structure, to the extent sufficient Common Property is available, with such improvements or modifications it deems appropriate, unless 80% of the Owners vote not to do so.

If proceeds from the condemning authority are not sufficient to defray the Board's estimated or actual costs of reconstruction, including, but not limited to, any professional fees and premiums for construction bonds the Board deems necessary, the Board may levy a special assessment against all Owners without the necessity of a membership vote or compliance with any other requirements for

approval of special assessments in this Declaration. Any surplus funds remaining after the reconstruction is completed shall be common funds of the Association to be used as determined by the Board.

15. EASEMENTS

A. Easements for Use and Enjoyment

Every Owner shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to his or her Lot, subject to the Association's right to:

- (i) charge reasonable admission and other fees for the use of any portion of the Common Property;
- (ii) limit the number of Owners' guests who may use the Common Property;
- (iii) provide for the exclusive use and enjoyment of specific portions of the Common Property at certain designated times by an Owner;
- (iv) suspend Owners' rights to use the Common Property as set forth in this Declaration;
- (v) borrow money as provided in the Bylaws, subject to the rights, interests, easements and privileges of the Owners set forth in this Declaration;
- (vi) grant permits, licenses or easements across the Common Property; and
- (vii) dedicate or transfer all or any portion of the Common Property as provided in the Bylaws.

The Owners' rights and easements granted in this Paragraph are subject to: (1) all other rights of the Association and other Owners set forth in this Declaration, the Bylaws or the Articles of Incorporation; and (2) all encumbrances and other matters of public record affecting title to the Common Property.

B. Easements for Utilities

There is hereby reserved to the Association, or its designee, blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repair, replacement, and maintenance of: (a) gas, water, sanitary sewer and electricity services and all other utilities serving any portion of the Community; (b) any water runoff and storm drainage systems; and (c) any other services such as, but not limited to, any telephone and telecommunication systems, master television antenna system, cable television system or security system serving the Community. The Board of Directors has the right to grant a specific license or easement by separate recordable document to any party furnishing such utilities or services.

C. Easement for Entry

There is hereby reserved to the Association and its designee, an easement and right, but not the obligation, to enter onto any Lot for emergency, life-safety, security and safety. The right may be

exercised by the Association's Board of Directors, Officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner or Occupant. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event that an Owner fails or refuses to cure the condition upon request by the Board. No one exercising the easement and rights granted in this Paragraph shall be liable for trespass, damages, or in any other manner by virtue of exercising such rights. The failure to exercise the rights herein or to exercise said rights in a timely manner shall not create liability to any of the above-referenced parties, it being agreed that no duty to enter a Lot shall exist.

D. Easement for Association Maintenance and Enforcement

There is hereby reserved to the Association and its designee, an easement and right across all portions of the Community, to allow the Association to fulfill the maintenance and enforcement obligations and powers described in this Declaration. This easement shall be exercised with a minimum of interference to the quiet enjoyment of the Owner's property, reasonable steps shall be taken to protect the Owner's property, and any Person causing damage to the Owner's property shall repair the damage at its sole expense.

E. Easement for Entry Monuments, Landscaping and Street Signs

There is hereby reserved to the Association and its designee, an easement and right across all portions of the Community for ingress to, egress from, installation, construction, landscaping and maintenance of entry monuments, related landscaping and street signs for the Community, as may be reflected on the Plats. This easement right shall include, but not be limited to, the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around all entry monuments and street signs. Owners shall not alter, remove or add improvements to any entry features or street signs on any Lot, or any part of any easement area associated therewith without the prior written consent of the Board of Directors.

F. Public in General

The easements and rights created in this Paragraph do not, are not intended to, and shall not be construed to create any easements or rights in or for the benefit of the general public; provided, however, nothing set forth herein shall in any way limit or restrict any easements or rights already granted to the public as such easements or rights are previously recorded in the DeKalb County, Georgia land records. The Board of Directors hereby reserves the right to close temporarily, all or any portion of the Community that, in the reasonable opinion of the Board, may be legally necessary to prevent a dedication of such property, or the accrual of any rights to such property, to the general public or to any Person other than the Persons for which such easements are expressly created in this Declaration.

16. AUTHORITY AND ENFORCEMENT

A. Compliance with Association Legal Instruments

All Owners, Occupants and their guests shall comply with the Association Legal Instruments. The Association, and in an appropriate case, one or more aggrieved Owners, may take action to enforce the terms of the Association Legal Instruments directly against all Violators. However, if an

Owner's family member, guest or Occupant violates the Association Legal Instruments, the Association, in its sole discretion, is permitted to enforce the terms of the Association Legal Instruments against: (1) only the Owner; (2) only the violating family member, guest or Occupant; or (3) both the Owner and the violating family member, guest or Occupant. Notwithstanding anything herein to the contrary, the Owner of the Lot is always ultimately responsible for his or her own actions and the actions of all family members, Occupants and guests of such Lot.

Nothing herein shall be construed to affect the rights of an aggrieved Owner or Occupant to proceed independently for relief from interference with his or her personal or property rights against a Person violating the Association Legal Instruments. The Board of Directors may, in its discretion, require the aggrieved Owner or Occupant to independently pursue all available remedies under Georgia law against the Violator before the Association intervenes and commences enforcement action against such Violator.

B. Types of Enforcement Actions

In the event of a violation of the Association Legal Instruments, the Association shall have the power to take any or all of the following actions separately or simultaneously; provided, however, all suspensions and fines shall comply with the procedures described below and nothing herein shall authorize the Association or the Board to deny ingress and egress to or from a Lot:

- (i) Suspend all Violators' rights to use the Common Property;
- (ii) Suspend the voting rights of a violating Owner;
- (iii) Impose reasonable fines against all Violators, which shall constitute a lien on the violating Owner's Lot;
- (iv) Use self-help to remedy the violation;
- (v) Bring an action for permanent injunction, temporary injunction and/or specific performance to compel the Violator to cease and/or correct the violation; and
- (vi) Record in the DeKalb County land records a notice of violation identifying any uncured violation of the Association Legal Instruments regarding the Lot.

C. Suspension and Fining Procedure

Except as provided below, before imposing fines or suspending right to use the Common Property or the right to vote, the Association shall give a written violation notice to the Violator as provided below.

(i) Violation Notice

The written violation notice to the Violator shall:

- a) Identify the violation, suspension(s) and/or fine(s) being imposed; and
- b) Advise the Violator of the right to request a violation hearing before the Board of Directors to contest the violation or request reconsideration suspension(s) or the fine(s).

Notwithstanding the Violator's right to request a violation hearing, suspension(s) and/or fine(s) shall commence on the date of the written violation notice, unless a later date is specified in such notice.

(ii) Violation Hearing

If the Violator submits a written request for a violation hearing within 10 days of the date of the violation notice described above, then the Board of Directors shall schedule and hold, in executive session, a violation hearing. If a Violator fails to timely request a violation hearing, such Violator loses the right to contest the violation and request reconsideration of the suspension(s) and/or the fine(s). If a Violator timely requests a violation hearing, the Violator shall have a reasonable opportunity to address the Board regarding the violation; provided, however, the Board may establish rules of conduct for the violation hearing, including but not limited to, limits on the amount of time one person can speak and limits on the number of participants who may be present at one time. The minutes of the violation hearing shall contain a written statement of the results of such hearing.

(iii) No Violation Notice and Hearing Required

No violation notice or violation hearing shall be required to:

- a) impose late charges on delinquent assessments;
- b) suspend a violating Owner's voting rights if the Violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the violating Owner's right to vote shall be automatic and shall continue until the violation no longer exists or the Board of Directors otherwise reinstates such rights in writing;
- c) suspend a Violator's right to use the Common Property if the Violator's Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, in which case suspension of the Violator's right to use the Common Property shall be automatic (which shall allow the Association to tow and/or boot a Violator's vehicle located on the Common Property without complying with the Suspension and Fining Procedures described above);
- d) Engage in self-help in an emergency;
- e) Impose fines for each day of a continuing violation, in which case, each day the violation continues or occurs again constitutes a separate violation and fine(s) may be imposed on a per diem basis without any further notice to the Violator; or
- f) Impose fines if the same violation occurs again on the same Lot, in which case fine(s) may be imposed on a per diem basis without any further notice to the Violator.

D. Self-Help

In addition to all other enforcement rights granted herein, the Board of Directors may elect to enforce any provision of the Association Legal Instruments by self-help without the necessity for compliance with the Suspension and Fining Procedures described above.

By way of example and not limitation, the Association or its duly authorized agent shall have the authority to tow vehicles that are in violation of parking regulations and enter a Lot or any portion of the Common Property to abate or remove any structure, thing or condition that violates the Association Legal Instruments. Unless an emergency exists, before exercising self-help, the Association shall give the Violator at least two days prior written notice. Such notice shall request that the Violator remove and abate the violation and restore the Lot to substantially the same condition that existed prior to the structure, thing or condition being placed on the Lot and causing the violation. Such removal, abatement and restoration shall be accomplished at the Violator's sole cost and expense. If the same violation occurs again on the same Lot, the Association may exercise self-help without any further notice to the Violator.

E. Injunctions and Other Suits at Law or in Equity

All Owners agree and acknowledge that there may not be adequate remedies at law to enforce the Association Legal Instruments. Therefore, in addition to all other enforcement rights granted herein, the Association is hereby entitled to bring an action for permanent injunction, temporary injunction and/or specific performance to compel a Violator to cease and desist and/or correct any violation.

F. Costs and Attorneys' Fees for Enforcement Actions

In any action taken by the Association to enforce the Association Legal Instruments, the Association shall be entitled to recover from the Violator, any and all costs incurred by the Association, including but not limited to attorneys' fees actually incurred, all of which shall constitute a lien against the violating Owner's Lot.

G. Failure to Enforce

The Board of Directors has the sole discretion to decide which, if any, enforcement action to pursue against each Violator. The failure of the Board to enforce any provision of the Association Legal Instruments shall not be deemed a waiver of the right of the Board to do so thereafter. No right of action shall exist against the Association for failure to enforce if the Board of Directors determines that:

- (i) the Association's position is not strong enough to justify taking enforcement action;
- (ii) a particular violation is not of such a material nature as to be objectionable to a reasonable person;
- (iii) a particular violation is not of such a material nature to justify the expense and resources to pursue or continue to pursue enforcement action;
- (iv) the aggrieved Owner or Occupant asserting a failure of enforcement has not independently pursued all available individual remedies under Georgia law; or
- (v) the Association enforces only against an Owner for the violation of the Owner's family member, guest or Occupant or the Association does not enforce against the Owner and enforces only against the violating family member, guest or Occupant.

17. AMENDMENTS

A. Member Approval Procedure

Except where a higher vote is required for action under any other provisions of this Declaration, the Bylaws or by the Act, this Declaration may be amended with the approval of Owners holding 2/3 of the total eligible Association vote. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the DeKalb County, Georgia land records.

B. Eligible Mortgage Holder Approval

In addition to approval by the Owners as provided above, material amendments to this Declaration and the Bylaws must be approved by Eligible Mortgage Holders who represent at least 51% of the votes of Lots that are subject to Mortgages held by Eligible Mortgage Holders. Notwithstanding the above, the approval of any proposed amendment by an Eligible Mortgage Holder shall be deemed implied and consented to if the Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within 30 days after the Eligible Mortgage Holder receives notice of the proposed amendment sent by certified or registered mail, return receipt requested.

C. Amendments to Comply with Law or Conform Documents

Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the Owners, may amend this Declaration and the Bylaws to comply with any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA"), or to resolve conflicts between this Declaration, the Bylaws, the Articles, and applicable laws.

D. Validity of Amendments

No Person shall be permitted to bring any legal action to challenge the validity of an amendment to this Declaration or the Bylaws more than one year after the recording thereof in the DeKalb County, Georgia land records.

18. GENERAL PROVISIONS

A. Security

The Association may, but shall not be required to, provide measures or take actions which directly or indirectly improve security in the Community. Each Owner, for himself or herself and his or her Occupants, tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security. The Association has no duty to provide security in the Community. Furthermore, the Association does not guarantee that Owners, Occupants and other people will not commit criminal acts in the Community or that unauthorized people will not gain access to the Community. It shall be the responsibility of each Owner to protect his or her person and property, and all responsibility to provide such security shall lie solely with each Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of measures undertaken.

B. Dispute Resolution

Before filing any lawsuit or administrative proceeding against the Association, the Board of Directors, any Officer or Director, or the Association's property manager, an Owner or Occupant request in writing and attend a meeting with the Board to discuss an amicable resolution of any dispute. The Owner or Occupant shall, in such request and at the meeting, make a good faith effort to explain the grievance and resolve the dispute. Upon receiving a request for a meeting, the Board shall give notice of the date, time and place of the meeting to the person requesting the meeting. The Board shall schedule this meeting for a date not less than seven or more than 30 days from the date of receipt of the meeting request, except with the approval of the Owner or Occupant. After the meeting, the Board shall have a reasonable opportunity to address the Owner's or Occupant's grievance before a suit is filed.

C. No Discrimination

No action shall be taken by the Association or the Board of Directors which would unlawfully discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or handicap.

D. Implied Rights

In addition to express rights, the Association may exercise any right or privilege implied from the existence of any express right or privilege or reasonably necessary to effectuate any such right or privilege.

E. Electronic Records, Notices and Signatures

Notwithstanding any other portion of this Declaration, records, signatures and notices shall not be denied validity or effectiveness hereunder solely on the grounds that they are transmitted, stored, made or presented electronically. The relevant provisions of the Bylaws shall govern the giving of all notices required by this Declaration.

F. Use of Words "Stonebreeze Subdivision"

"Stonebreeze Subdivision" is a service mark of the Association. No person shall use the term "Stonebreeze Subdivision" or any derivative in any printed or promotional material without the Association's prior written consent. However, Owners may use the terms "Stonebreeze Subdivision" in printed or promotional matter where such term is used solely to specify that particular property is located within the Community. Any use of the name "Richmond Glen" shall be in a manner in which proprietary rights to such name are protected.

G. Preamble

The preambles and recitals of this Declaration are by reference made a part of this document as if fully stated herein in their entirety.

H. Duration

The covenants and restrictions of this Declaration shall run with and bind the real property in the Community perpetually to the extent provided in the Act.

I. Severability

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

19. PREPARER

This Declaration was prepared by Jessica L. MacAllister, Esq., Lazega & Johanson LLC, 3520 Piedmont Road, suite 415, Atlanta, Georgia 30305.

IN WITNESS WHEREOF, the undersigned Officers of Stonebreeze Homeowners Association, Inc., hereby certify that the above amendment to the Original Declaration and the following amendment to the Original Bylaws were duly adopted by the required majority of the Association and its membership, with any required notices duly given.

This 29th day of April, 2014.

Sworn to and subscribed before me this
29th day of April, 2014.

Tamara N. Carter
Notary Public
My Commission Expires:

Witness



**STONEBREEZE HOMEOWNERS
ASSOCIATION, INC.**

By: [Signature] (Seal)
President Donna Rice

Attest: [Signature] (Seal)
Secretary Yvette D. Martin
[Corporate Seal]

EXHIBIT A-1
(Original Declaration)

TRACT NO. 1

ALL THAT TRACT or parcel of land lying and being in Land Lot 160 of the 16th District of DeKalb County, Georgia, and being more particularly described as follows:

BEGINNING at an iron pin set at the intersection of the westerly side of Dashon Road (having a 70 foot right of way) with the northerly right of way of Stephenson Road, and running thence northwesterly along the northerly side of Stephenson Road and following the curvature thereof a distance of 1143.34 feet to an iron pin found; running thence North 10°05'35" West a distance of 298.38 feet to an iron pin found; running thence North 37°27'32" East a distance of 306.66 feet to an iron pin found; running thence North 37°23'42" East a distance of 278.77 feet to an iron pin found; running thence South 89°57'38" East a distance of 164.80 feet to an iron pin placed on the westerly side of Dashon Road; running thence southerly along the westerly side of Dashon Road and following the curvature thereof a distance of 1386.32 feet to the iron pin set at the POINT OF BEGINNING, containing 16.713 acres, as shown on Boundary Survey for Leon Auerbach, by Hayes, James & Associates, Engineers, dated November 12, 1983.

TRACT NO. 2

ALL THAT TRACT or parcel of land lying and being in Land Lot 160 of the 16th District of DeKalb County, Georgia, and being more particularly described as follows:

BEGINNING at an iron pin found on the westerly right of way of Dashon Road (having a 70 foot right of way), 389.1 feet southerly from an iron pin found at the intersection of northeast corner of Land Lot 160 of the 16th District of DeKalb County with the south line of the 18th Land District of DeKalb County, Georgia, and following the curvature of Dashon Road; running thence southerly along the westerly line of Dashon Road and following the curvature thereof a distance of 499.70 feet to an iron pin found; running thence South 82°00'27" West a distance of 389.21 feet to an iron pin found; running thence South 08°38'38" East a distance of 770.12 feet to an iron pin found; running thence South 37°27'32" West a distance of 306.66 feet to an iron pin found; running thence North 18°33'38" West a distance of 91.63 feet to an iron pin found; running thence North 16°30'20" West a distance of 182.37 feet to an iron pin found; running thence North 10°00'34" West a distance of 139.32 feet to an iron pin found; running thence North 70°33'48" West a distance of 122.93 feet to an iron pin found; running thence North 40°04'31" West a distance of 142.69 feet to an iron pin found, which iron pin is also located on the west line of Land Lot 160; running thence North 01°28'00" West along said Land Lot line a distance of 840.98 feet to an iron pin found; running thence North 87°49'01" East a distance of 1120.89 feet to the iron pin found at the POINT OF BEGINNING, containing 27.294 acres, according to Boundary Survey for Leon Auerbach made by Hayes, James & Associates, Engineers, dated November 12, 1983.

EXHIBIT "B"

SWORN STATEMENT OF PRESIDENT OF
STONEBREEZE HOMEOWNERS ASSOCIATION, INC.STATE OF GEORGIA
COUNTY OF DEKALB

Personally appeared before me, the undersigned deponent who, being duly sworn, deposed and said on oath that:

1. Deponent is the President of Stonebreeze Homeowners Association, Inc.
2. Deponent is duly qualified and authorized to make this Affidavit and knows the facts contained herein of his own personal knowledge.
3. The foregoing Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Stonebreeze Subdivision was agreed to by the required majority of two-thirds (2/3) of the members of the Association as provided by law and the Declaration.
4. Deponent makes this Affidavit pursuant to Official Code of Georgia Annotated §44-2-20 and the Declaration.

This the 29th day of April 2014.

Sworn to and subscribed before me this
29th day of April, 2014.

Tamara N. Carter
Notary Public

My Commission Expires:

Witness



By:

[Signature]
Deponent

(Seal)

Donna Rice
Print Name

(Seal)

EXHIBIT A-2
(Third Amendment)

All that tract or parcel of land lying and being in Land Lots 129 and 160, of the 16th District, DeKalb County, Georgia, containing 31.070 acres, being Tract A, as shown on a Boundary Survey prepared for Stone Breeze Tracts A & B, prepared by Civil Design, Inc., dated May 23, 1988, and being more particularly described as follows:

Beginning at an iron pin set at the common north corner of Land Lots 129 and 160 (said common corner also being located on the south line of Land Lot 25, said iron pin set being the TRUE POINT OF BEGINNING of said Tract A, herein described as follows:

Thence south 01 degrees 26 minutes 00 seconds east along the common land lot line between Land Lot 129 and 160 a distance of 1230.16 feet to an iron pin set on said common land lot line; thence south 40 degrees 04 minutes 07 seconds east leaving said land lot line a distance of 308.93 feet to a 1/2" rebar found; thence south 01 degrees 16 minutes 18 seconds west a distance of 542.74 feet to a 1" open-top found; thence north 81 degrees 44 minutes 48 seconds west a distance of 261.98 feet to a 1/2" rebar found; thence north 07 degrees 34 minutes 04 seconds west a distance of 75.03 feet to a 1" open-top found; thence north 88 degrees 26 minutes 39 seconds west a distance of 145.50 feet to a 3/4 inch crimp-top found; thence north 52 degrees 15 minutes 42 seconds west a distance of 792.99 feet to a point; thence north 26 degrees 07 minutes 39 seconds east a distance of 370.84 feet to an iron pin set; thence north 04 degrees 37 minutes 39 seconds east a distance of 660.00 feet to an iron pin set; thence north 01 degrees 03 minutes 48 seconds west a distance of 200.00 feet to an iron pin set; thence north 23 degrees 19 minutes 55 seconds west a distance of 120.98 feet to a 40 inch knotty tree; thence north 89 degrees 26 minutes 21 seconds west a distance of 46.68 feet to an iron pin set on the common land lot line of Land Lots 129 and 25; thence north 87 degrees 34 minutes 00 seconds east along said common land lot line a distance of 675.00 feet to an iron pin set at the common north corner of Land Lots 129 and 160 (said common corner also being located on the south line of Land Lot 25), said iron pin set also being the TRUE POINT OF BEGINNING of said Tract A.

EXHIBIT "C"

BYLAWS OF STONEBREEZE HOMEOWNERS ASSOCIATION, INC.

Prepared by:
Stacy W. Hanley, Esq.
Lazega & Johanson LLC
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Atlanta, Georgia 30305
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stacyh@ljlaw.com
www.ljlaw.com

**Lazega
Johanson**

These Bylaws may be used only in connection with the ownership and sale of property at Stonebreeze Subdivision and the operation of the Stonebreeze Homeowners Association, Inc.

1. GENERAL PROVISIONS

A. Applicability.

These Bylaws provide for the self-government of Stonebreeze Homeowners Association, Inc. in accordance with the Articles of Incorporation filed with the Secretary of State of Georgia, and the Declaration of Covenants, Restrictions and Easements for Stonebreeze Subdivision, recorded in the DeKalb County, Georgia land records ("Declaration").

B. Name.

The name of the corporation is Stonebreeze Homeowners Association, Inc. ("Association").

C. Definitions.

The terms used herein shall have their generally accepted meanings or the meanings specified in the Declaration.

D. Membership.

An Owner of a Lot shall automatically become a member of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership. An Owner's spouse may exercise any of the membership powers and privileges of the Owner. If more than one Person holds title to a Lot, the membership shall be shared in the same proportion as the title, but there shall be only one membership and one vote per Lot. Membership does not 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. Membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of the Lot. Membership may be transferred only in connection with the transfer of the Lot.

E. Entity Members.

If an Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director or other designated agent of such corporation, manager or member of such limited liability company, partner of such partnership, beneficiary or other designated agent of such trust, or representative of such other legal entity shall be eligible to represent such entity in the affairs of the Association, including, without limitation, serving on the Association's Board of Directors. Such person's relationship with the Association, and any office or directorship held, shall terminate automatically upon the termination of such person's relationship with the entity that is the Owner of the Lot. Termination of the person's relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy may be filled in accordance with these Bylaws.

F. Voting.

Each Lot shall be entitled to one vote, which vote may be cast by the Owner. When more than one Person owns a Lot, the vote for such Lot shall be exercised as they determine between or among themselves. In no event shall more than one vote be cast with respect to any Lot. If only one co-Owner or only an Owner's spouse attempts to cast the vote for a Lot, it shall be conclusively presumed that such vote is authorized for the Lot. If the co-Owners or an Owner and his or her spouse disagree about how to cast the Lot's vote, and two or more of them attempt to cast the Lot's vote, such Persons shall not be recognized and such votes shall not be counted.

If a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, if any Owner or Occupant of the Lot is in violation of the Association Legal Documents, or if the voting rights for such Lot have been suspended, the Owner of such Lot shall not be eligible to: (1) vote, either in person or by proxy; (2) act as proxy for any other Owner; (3) issue a written ballot or written consent; (4) be elected to the Board of Directors; or (5) vote as a Director (if serving on the Board of Directors). In establishing the total number of eligible votes for a quorum, a majority, or any other purposes, such Lot shall not be counted as an eligible vote.

G. Electronic Communications.**(1) Records and Signatures.**

Whenever the Association Legal Documents require that a document, record or instrument be "written" or "in writing," the requirement is deemed satisfied by an electronic record if the Board of Directors has affirmatively published regulations permitting an electronic record or document as a substitute for a written item.

Whenever the Association Legal Documents require a signature on a document, record or instrument, an electronic signature satisfies that requirement only if: (a) the Board of Directors has affirmatively published regulations permitting an electronic signature as a substitute for a written signature; and (b) the electronic signature is easily recognizable as a secure electronic signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (c) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

(2) Verification and Liability for Falsification.

The Board of Directors may require reasonable verification of any electronic signature, document, record or instrument. Absent or pending verification, the Board may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not clearly authentic. Neither the Board of Directors nor the Association shall be liable to any Owner or any other Person for accepting or acting in reliance upon an electronic signature or electronic record that the Board reasonably believes to be authentic, or rejecting any such item which the Board reasonably believes not to be authentic. Any Owner or Person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic

signature shall fully indemnify the Association for actual damages, reasonable attorneys' fees actually incurred and expenses incurred as a result of such acts.

2. MEMBERSHIP MEETINGS AND ACTIONS

A. Annual Meetings.

The regular annual meeting of the members shall be held no later than thirty (30) days after the end of each calendar year with the date, hour, and place to be set by the Board of Directors. No annual meeting of the Association shall be set on a legal holiday.

B. Special Meetings.

Special membership meetings may be called for any proper and lawful purposes at any time by the Board of Directors or upon written petition of 25% of the Owners. Any such written petition by the Owners must identify the special meeting purpose on each page of the petition and must be for a purpose on which the Association membership is authorized to act under these Bylaws or the Declaration. The petition, with original signatures, must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of Owners have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special membership meeting for all lawful purposes stated in the petition, at a date, time and location selected by the President. The Secretary shall send notice of such special membership meeting in accordance with these Bylaws within 30 days of the date of delivery of the petition to the Secretary. Except as provided herein, no business may be conducted at a special membership meeting unless notice thereof is included in the meeting notice.

C. Notice of Meetings.

The Secretary shall give notice of each annual or special membership meeting to the record Owner or Owners of each Lot, or to the Lot address, at least 21 days prior to each annual membership meeting and at least 10 days prior to each special membership meeting. The notice shall state the date, time and location of the meeting, and for any special meeting, the purpose of the meeting. Giving notice as provided in these Bylaws shall be considered proper service of notice.

D. Waiver of Notice.

Waiver of notice of a membership meeting shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any membership meeting, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of improper notice of the date, time, and location thereof and of any specific business being conducted at such meeting, unless such Owner specifically objects to improper notice at the time the meeting is called to order or the Owner objects to improper notice of the specific business before the business is put to a vote.

E. Quorum.

The presence, in person or by proxy at the beginning of the meeting, of Owners entitled to cast 20% of the eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. In establishing the total number of eligible votes for a quorum, if a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or if the voting rights for a Lot have been suspended, that Lot shall not be counted as an eligible vote.

F. Adjourned and Reconvened Meetings.

Any membership meeting may be adjourned, to be reconvened at a later date or time, by vote of the Owners holding a majority of the vote represented at such meeting, regardless of whether a quorum is present. Any business that could have been transacted properly at the original session of the meeting may be transacted at the reconvened session. No additional notice of such reconvened session shall be required if the original session is adjourned for a period not exceeding 10 days.

G. Proxies.

Any Owner entitled to vote may do so by written proxy. To be valid, a proxy must be signed, dated, and presented to the Board of Directors at or before registration at the membership meeting for which it is to be used. The Board may accept proxies by whatever means it deems acceptable. A proxy is revoked only if: (1) the Owner giving the proxy attends the meeting in person and requests the proxy back during registration for the meeting (attendance alone does not invalidate the proxy); (2) the Owner giving the proxy signs and delivers to the Board a written statement revoking the proxy or substituting another person as proxy; or (3) before the proxy is exercised, the Board receives notice of the death or incapacity of the Owner giving the proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

H. Action Taken Without A Meeting.

In the Board's discretion, any action that may be taken by the Owners at any annual or special membership meeting may be taken without a meeting by written ballot or written consent as provided below.

(1) Written Ballot.

A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the vote cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the vote of approval equals or exceeds that which would be required to approve the matter at a meeting at which the total vote cast was the same as the vote cast by ballot.

All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter, other than election of Directors; and (c) specify the time by which such ballot must be received by the Board of Directors in order to be counted. A ballot may not be revoked. The Association shall maintain such ballots in its file for at least three years.

Except for amendments to recorded Association Legal Documents that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written ballot shall be effective upon the receipt of the affirmative vote necessary to take such action.

(2) Written Consent.

Approval by written consent shall be valid only when the affirmative written consents received equals or exceeds the vote that would be required to approve the matter at a meeting. Consents shall be filed with the minutes of the membership meetings. Except for amendments to recorded Association Legal Documents that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written consent shall be effective 10 days after sending the notice of approval described below.

(3) Notice to Members of Approval.

If an action of the Association membership is approved by written ballot or written consent, the Board of Directors shall issue notice of such approval to all Owners.

I. Order and Conduct of Business.

The President shall establish the agenda for, and preside at, and the Secretary shall keep the minutes of, all membership meetings. The Board of Directors may establish rules of conduct and the order of business for all membership meetings. When not in conflict with the Declaration, these Bylaws, the Articles of Incorporation or meeting procedures adopted by the Board of Directors, Robert's Rules of Order (latest edition) shall govern all membership meetings. The Board may order the removal of anyone attending a membership meeting who, in the opinion of the Board, disrupts the conduct of business at such meeting.

3. BOARD OF DIRECTORS

A. Composition and Selection.

(1) Board of Directors Composition.

The affairs of the Association shall be governed by a Board of Directors. Directors shall be Owners or spouses of Owners. No Owner and his or her spouse or co-Owner may serve on the Board at the same time. If, at the time of an election, a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for a Lot have been suspended, no person representing such Lot shall be eligible for election to the Board.

(2) Number of Directors.

The Board shall be composed of a minimum of three (3) but no more than seven (7) members.

(3) Term of Office.

Each director elected by the members shall hold office for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors have been elected by the Association.

(4) Removal of Directors.

(a) Removal by the Owners. At any duly called membership meeting, for which the notice given called for a vote to remove any Director(s), such Director(s) may be removed with or without cause by Owners holding two-thirds (2/3) of the total Association vote. A successor may then and there be elected to fill the vacancy created. Any Director whose removal has been proposed by the Association membership shall be given an opportunity to be heard at the meeting. To ensure a Director has a chance to present a statement to the membership, the Owners' vote to remove a Director cannot be accomplished by written ballot or written consent. For the purpose of this Paragraph, no Owner may vote more than his or her own vote and the vote of four (4) proxies. However, a Director may vote any number of proxies.

(b) Removal by the Board of Directors. Any Director may be removed by the vote of the other Association Directors if: (1) he or she is absent from 3 or more meetings of the Board of Directors in any fiscal year; (2) his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge; (3) the voting rights for his or her Lot have been suspended; (4) he or she was appointed by the other Directors to fill a vacancy; or (5) he or she files any legal action, counterclaim or administrative action against the Association, any Director or Officer, in his or her capacity as such, or the Association's managing agent.

(5) Vacancies.

Vacancies in the Board of Directors caused by any reason, except the removal of a Director by vote of the Association membership, shall be filled by a vote of the remaining Directors. Unless earlier removed, the successor so selected shall hold office for the remainder of the term of the Director position being filled.

(6) Compensation.

Directors shall not be compensated for services performed within the scope of their duties as Association Directors unless authorized by a vote of the Association membership. However, Directors may be compensated for performing maintenance or other services as set forth in Paragraph 3(A)(7) below. Compensation, as may be authorized herein, can include payment but shall not include a waiver of assessments or other Association charges. Directors also may be reimbursed for the expenses incurred in carrying out their duties as Association Directors upon the approval of such expenses by the Board of Directors. The Association may give the Directors nominal gifts or tokens of appreciation for recognition of services performed by them. For purposes hereof, reasonable food and beverages purchased for meetings of the Board shall not be considered compensation.

(7) Director Conflicts of Interest.

Nothing herein shall prohibit a Director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as Director, provided that the Director's interest is disclosed to the Board of Directors and the non-interested voting Directors approve such contract. The interested Director shall not count for purposes of establishing a quorum of the Board and, if present at a meeting (if any), must leave the room during the discussion on such matter. Notwithstanding anything to the contrary herein, the directors, during the period of Declarant control, shall be authorized on behalf of the Association to enter into contracts with the Declarant and its affiliates.

(8) Nomination.

Nomination for election to the Board of Directors shall be made from the floor at the meeting, or, if elections are conducted by mail-in ballot or electronically in lieu of a meeting, by the method and date prescribed by the Board. The Board also may appoint a nominating committee to make nominations prior to the meeting. Each nominee shall be given a reasonable opportunity to communicate his or her qualifications to the membership prior to the election.

(9) Elections.

After the initial election of director by members at a special or annual Association meeting, Directors elected by the members shall be elected at the annual membership meeting or by mail-in or electronic ballot in lieu of such meeting. If elections are held at the annual membership meeting, voting shall be by written ballot, unless dispensed with by unanimous consent or unless a slate of candidates is unopposed and is accepted by acclamation. The nominees receiving the most votes shall fill the directorships for which elections are held. There shall be no cumulative voting.

B. Meetings.**(1) Regular Meetings.**

Regular meetings of the Board of Directors shall be held at least every three months, at such time and place as determined by the Board.

(2) Special Meetings.

The President is authorized to call a special Board of Directors meeting. In addition, the President is required to call a special Board meeting at the request of at least a majority of the Directors.

(3) Notice of Meetings.

Except as provided in this Paragraph, the President or Secretary shall give each Director at least two days notice of any Board of Directors meeting. A newly elected Board may meet immediately following their election without notice. Regularly scheduled Board meetings may be held without notice, but the schedule for such meetings is announced to the Directors.

(4) Waiver of Notice.

Waiver of notice of a Board of Directors meeting shall be deemed the equivalent of proper notice. Any Director may, in writing, waive notice of any Board meeting, either before or after such meeting. A Director's attendance at a Board meeting shall be deemed waiver by such Director of improper notice, unless such Director objects to improper notice at the time the meeting is called to order. If all Directors are present at any Board meeting, no notice shall be required, and any business may be transacted at such meeting.

(5) Quorum and Voting.

The presence of Directors entitled to cast one half of the eligible votes of the Board of Directors shall constitute a quorum for the transaction of business. One or more Directors who participate in a Board meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, if all persons participating in such meeting can hear each other. Directors may not participate in Board meetings by proxy.

Unless otherwise provided herein, all decisions of the Board of Directors shall be by majority vote. No Director shall participate in any vote of the Board if, at the time of the vote, his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for such Lot have been suspended.

(6) Conduct of Meetings.

The President shall establish the agenda for, and preside at, and the Secretary shall keep the minutes of, all Board of Directors meetings. The President may establish rules of conduct and the order of business for all Board meetings.

If the Board of Directors allows Owners to attend Board meetings, then except as expressly authorized by the Board, only Directors may participate in discussions or deliberations at the Board meeting. Notwithstanding the above, the Directors may adjourn any Board meeting and reconvene in executive session, with only the Directors and other people authorized by the Board present. In executive session, the Board may discuss and vote upon personnel matters, litigation in which the Association is or may become involved, delinquent accounts, violations of the Declaration, Bylaws and/or Association rules, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

The Board of Directors may order the removal of any meeting guest who, in opinion of a majority of the Directors present at the meeting, either disrupts the conduct of business at the Board meeting or fails to leave such meeting upon request after an announcement that the Board will reconvene in executive session.

(7) Action Without a Meeting.

The Board of Directors can take action outside of a properly called meeting if a majority of the eligible Directors consent in writing to such action. Such signed, written consents must describe the action taken outside a meeting and be filed with the minutes of the Board meetings.

C. Authority.

(1) Powers and Duties.

The Board of Directors shall manage the affairs of the Association and have every right, power and privilege authorized or implied herein and under Georgia law to effectuate such responsibilities. Unless otherwise required by the Declaration or the Georgia Nonprofit Corporation Code, the Board may perform all of its responsibilities without a vote of the Association membership. The Board may delegate any and all of its functions, in whole or in part, to any other entity. In addition to the duties imposed by these Bylaws, the Board shall have the power to do the following (by way of explanation and not limitation):

- (a) control, manage, operate, maintain, repair, replace, and improve all portions of the Area of Common Responsibility as defined in the Declaration;
- (b) grant and accept permits, licenses, utility easements, leases, and other easements;
- (c) acquire, hold and dispose of tangible and intangible personal property and real property;
- (d) make, delete and amend reasonable rules and regulations governing the use of the Property;
- (e) enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations as provided in the Declaration;

(f) bring or defend any actions or proceedings which may be instituted on behalf of or against the Owners concerning the Association or the Area of Common Responsibility;

(g) prepare and adopt an annual budget and establish the contribution from each Owner to the Common Expenses;

(h) establish the means and methods of collecting assessments as provided in the Declaration;

(i) deposit Association funds in a financial depository or institution that the Board of Directors shall approve, or otherwise invest the proceeds in accordance with any limitations set forth in O.C.G.A. Section 14-3-302, and use such funds to administer the Association;

(j) designate the signatories of all Association bank and other financial accounts;

(k) obtain and carry insurance against casualties and liabilities as provided in the Declaration and pay the premium cost thereof;

(l) make or contract for the making of repairs, additions and improvements to, or alterations of, the Area of Common Responsibility after damage or destruction by fire or other casualty, in accordance with the other provisions of the Declaration and these Bylaws;

(m) designate, hire, dismiss and contract with the personnel necessary to operate the Association and the personnel necessary to maintain, repair, replace and improve the Area of Common Responsibility and, where appropriate, compensate such personnel; and

(n) purchase equipment, supplies and material to be used by Association personnel in the performance of their duties.

(2) Management Agent.

The Association may, but shall not be required to, hire a professional management agent or agents, to be compensated as established by the Board of Directors, and to perform such duties and services as the Board shall authorize. The Board shall use reasonable efforts to provide for termination of any such management contract with or without cause and without penalty, upon no more than 30 days written notice, and for a term not in excess of one year.

(3) Borrowing.

The Board of Directors, on behalf of the Association, shall have the power to borrow money to maintain, repair, restore or replace the Area of Common Responsibility without the approval of the Association membership. The Board, on behalf of the Association, also shall

have the power to borrow money for other purposes with the approval of Owners holding at least a majority of the vote cast at a duly called membership meeting, or by ballot or written consent.

(4) Committees.

(a) **Nominating Committee.** The Board of Directors may appoint a nominating committee to nominate candidates for election to the Board.

(b) **Architectural Review Board.** Subject to the right of the Declarant to appoint members thereof during the Class "B" Control Period, the Board of Directors may establish an Architectural Review Board to administer the architectural controls as provided in the Declaration.

(c) **Other Committees.** The Board may establish such other committees as it shall determine, with the powers and duties that the Board of Directors shall authorize.

(d) **Service on Committees.** Unless otherwise provided by the Board of Directors, the Board of Directors in its discretion may appoint and remove the members and chairpersons of each committee.

D. Liability and Indemnification.

The Association shall indemnify every Director, officer and committee member against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon such Director, officer or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been a Director, officer, or committee member, whether or not such person is a Director, officer or committee member at the time such expenses are incurred, as more particularly provided in the Declaration.

4. OFFICERS

A. Designation and Qualification.

The principal officers of the Association shall be the President, Secretary, and Treasurer. In addition, the Board may elect to fill an office of Vice President. The President, Secretary and Treasurer must be Directors, but the Vice President need not be a Director. No person may hold more than one office simultaneously.

B. Election and Terms of Offices.

The Board of Directors shall elect the Association officers annually at the first Board meeting following each annual membership meeting. The Association officers shall serve until a successor is elected, the Board of Directors removes the officer, or the officer resigns.

C. Removal of Officers.

The Board of Directors may remove any officer with or without cause.

D. Vacancies.

The Board of Directors may fill any vacancy in any office arising because of death, resignation, removal, or otherwise. Unless earlier removed, the successor so selected shall hold office for the remainder of the term of the officer position being filled.

E. President.

The President shall be the chief executive officer of the Association and shall establish the agenda for and preside at all meetings of the membership and the Board of Directors. The President shall have all the general powers and duties that are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code.

F. Vice President.

The Vice President, if the office is filled, shall act in the President's absence and shall have the same powers, duties, and responsibilities as the President when so acting.

G. Secretary.

The Secretary shall keep the minutes of all meetings of the membership and the Board of Directors. The Secretary also shall keep all Association books and records and perform all duties incident to the office of the secretary of a corporation organized under the Georgia Nonprofit Corporation Code.

H. Treasurer.

The Treasurer shall have the responsibility for the Association's funds and securities. The Treasurer shall keep full and accurate financial records and books of account showing all receipts and disbursements of the Association, prepare all required financial statements and tax returns, deposit all Association funds in such depositories as may be designated by the Board of Directors, and prepare the budget as provided in the Declaration. The Treasurer may delegate all or a part of the above responsibilities to a management agent.

I. Other Officers.

The Board of Directors may appoint one or more assistant treasurers, assistant secretaries, or other officers or subordinate officers with such titles and duties as defined by the Board. Any assistant, subordinate or other officers shall not be required to be Directors.

J. Agreements, Contracts, Deeds, Leases, Etc.

At least two officers of the Association (or such other person(s) as may be designated by resolution of the Board of Directors) shall execute all agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Association.

K. Standard of Conduct

Officers shall discharge their duties and their conduct shall be evaluated in accordance with the business judgment rule described in O.C.G.A. Section 14-3-842.

5. MISCELLANEOUS

A. Notices.

(1) Method of Giving Notices.

Unless otherwise prohibited by these Bylaws or the Declaration, all notices and other communications required by these Bylaws or the Declaration shall be in writing and shall be given by:

- (a) Personal delivery;
- (b) United States mail, first class, postage prepaid;
- (c) Statutory overnight delivery;
- (d) Electronic mail;
- (e) Facsimile; or
- (f) A secure web site, provided that notice shall be deemed given via web site only upon proof that the addressee has retrieved the message.

(2) Address For Notices.

Notices given by one of the methods described above shall be given:

- (a) If to a Lot Owner, to the address, electronic mail address or facsimile number that the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such Owner;
- (b) If to an Occupant, to the address, electronic mail address or facsimile number that the Occupant has designated in writing with the Secretary or, if no such address has been designated, at the address of the Lot occupied; or
- (c) If to the Association, the Board of Directors or the managing agent, to the postal address, facsimile or electronic mail address of the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in

writing and filed with the Secretary. The Secretary shall promptly provide notice to all Owners of any such change in address.

B. Fiscal Year.

The fiscal year of the Association shall be the calendar year unless otherwise set by resolution of the Board of Directors.

C. Financial Statements.

Financial statements shall be prepared annually in the manner provided by the Board of Directors. Financial statements must be made available to Owners and to the holder, insurer or guarantor of any first mortgage on a Lot within 120 days of the end of the Association's fiscal year.

D. Financial Review.

A financial review of the Association's accounts shall be performed annually in the manner provided by the Board of Directors. The Board shall give a financial report to the Owners at the annual membership meeting. Thereafter, a majority of the total Association membership may require that an independent accountant audit the Association's accounts, as a Common Expense. The audit, if applicable, shall be made available to the holder, insurer, or guarantor of any first mortgage on a Lot upon submission of a written request therefor.

E. Amendment.

These Bylaws may be amended in the same manner as applicable to amendments to the Declaration under the Declaration. No Person shall be permitted to bring any legal action to challenge the validity of an amendment to the Declaration or these Bylaws more than one year after the recording thereof in the DeKalb County, Georgia land records.

F. Books and Records.

To the extent provided in O.C.G.A. Section 14-3-1602, and upon written request received at least five business days before the date requested for an inspection, all Association Owners and any Eligible Mortgage Holder shall be entitled to inspect the Association's books and records at a reasonable time and location specified by the Association. The Association can limit the length of time of each inspection, but such time limit shall not be less than two hours per inspection. The Association may impose a reasonable charge, covering the cost of labor, materials and copies of any documents, including but not limited to the customary copy charge and hourly fee of the Association's agent supervising such inspection. To prevent abuse of an Owner's inspection rights, records previously inspected by an Owner are not subject to inspection again by the same Owner more than once per year.

Notwithstanding anything to the contrary, the Board may limit or preclude the inspection of confidential or privileged documents, including but not limited to, attorney/client privileged communication, executive session meeting minutes, and financial records or accounts of other

Owners. Minutes of all meetings of the membership and the Board become official Association records when approved by the membership or the Board, as applicable.

G. Conflicts.

The duties and powers of the Association shall be those set forth in the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation, and these Bylaws, together with those reasonably implied to affect the purposes of the Association. If there is a conflict or inconsistency between the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation or these Bylaws, such laws and documents, in that order, shall prevail.

H. No Discrimination.

No action shall be taken by the Association or the Board of Directors that would unlawfully discriminate against any person on the basis of race, creed, color, religion, sex, national origin, familial status or handicap.

I. Captions.

The captions herein are inserted only as a matter of convenience and for reference. They in no way define, limit, or describe the scope or intent of these Bylaws.

J. Gender and Grammar.

The use of the masculine or feminine gender in these Bylaws shall be deemed to include the opposite gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

K. Severability.

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws or the Declaration.