

Regulations

ADMINISTRATIVE RULES AND REGULATIONS OF SHOAL CREEK FARMS

Adopted by the Board on January 8, 2006

General Regulations

Definitions: In Shoal Creek Farms (SCF) Administrative Rules and Regulations,

Declaration means the Declaration of Covenants and Restrictions, as recorded in the Superior Court of Clarke County and amended from time to time.

Bylaws mean the Bylaws of the Shoal Creek Farms Homeowner's Association.

In all cases where the Declaration specifies written notice, request, or approval, email qualifies.

These Administrative Rules and Regulations are promulgated under the authority of Bylaws section 4.02. They may be amended, augmented, revoked, or otherwise changed by the Board of Directors of Shoal Creek Farms Homeowner's Association.

Codified Regulations

[Regulation designations correspond to Article and section designations in the Declaration.]

Regulation I

All tracts in the original 315-acre SCF development are approved for development; hence the Declaration and Bylaws apply to all units in the development. Owners of units or tracts may request permission to build homes and other structures as provided for in the Declaration and Bylaws. Such requests should be made to the Architectural Review Committee (ARC) by contacting the President of the Association.

Regulation II

(Reserved)

Regulation III

(Reserved)

Regulation IV Building Requirements

(A-C) (Reserved)

(D) Parking. Motor homes, trailers, motor-powered recreational vehicles, or large boats must be parked in the rear of the unit, on a designated parking area, and screened with evergreen vegetation.

(E) Specific Building Requirements (a) – (f) (Reserved)

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(g) The ARC generally grants permission to cut, prune, mutilate, or destroy trees, shrubs, or other vegetation exceeding six (6) inches in diameter if the unit owner presents reasons for the desired action that are satisfactory to the ARC. Such permission is solely within the discretion of the ARC.

(h) (See Regulation V(E)) (F) (Reserved)

(G) Violations. The ARC may, upon request, approve or disapprove past violations. Any unit owner who does not request approval for past violations runs the risk of being asked to remove the violation at his own expense or having the Association remove the violation, at the Unit owners' expense, in accordance with procedures set out in the Bylaws and Declaration.

(H) (Reserved)

Regulation V Use Restrictions

(A) Residential Use. Any Unit owner contemplating business use of their property must request approval in writing from the Board of Directors. The written request should specify the nature of the proposed business activity, the extent to which it may involve visits to the Unit by suppliers, independent contractors, customers, workers, or employees, the portion of the Unit in which business is anticipated, and any modifications to the Unit anticipated in connection with the proposed business use.

The Board may, at its discretion, grant or reject approval of business activity. Generally, the Board will not approve proposed business activities that anticipate regular visits from customers, contractors, suppliers, or employees, or that may pose special safety or liability issues, or that, in the ARC's sole discretion, impair, lessen or degrade important attributes of SCFs, such as, but not limited to, its rural, quiet, residential character.

(B) Signs. The ARC hereby permits "For Sale" signs to be placed or maintained on any Unit, provided the sign is for the sale of the Unit and not for the sale of used automobiles, home crafts, or other items of personal or real property or services. If in the judgment of the ARC, a "For Sale" sign is unattractive, not properly maintained, or otherwise

detracts from the character and quality of the Community, the ARC may revoke this general permit in individual cases. If the ARC so revokes any Unit owner's permit, the ARC must specify what the Unit owner must do to improve the sign for inclusion within the general permit herein granted.

(C)—(D) (Reserved)

(E) PROHIBITED STRUCTURES: Article V(E) and Article IV(E)(h) of the Declaration prohibit a variety of structures, including mobile homes, boats, recreational vehicles, house trailers, manufacturer homes, modular homes, tents, shacks, barns, or other outbuildings or other structures, Article IV(E)(h) is specifically made subservient to Article IV(B)

Article IV(B) requires approval of plans (by ARC) for buildings, fences, walls, roads, driveways, parking areas, tennis courts, swimming pools, barns, sheds or structures. It includes provisions for alterations, modifications, and reconstructions. It says that Unit owners may erect such things provided the ARC approves them.

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Read together, the two provisions prohibit various structures unless they are permitted by the ARC under the authority of Article IV(B). Furthermore, structures are contemplated for the care, housing, or confinement of pets (see Article V (F)).

(F) ANIMALS AND PETS. (Reserved)

(G) PARKING. See Regulation IV(D). (H)—(I) (Reserved)

Regulation VI (Reserved)

Regulation VII

(A) (Reserved)

(B) (Reserved)

(C) (1) The Association may establish annual or user fee assessments by majority vote and a duly called meeting. The Declaration also grants the Architectural Review Committee, whose members are also members of the Board of Directors of the Association, the power to set, collect, and disburse fees. (Article III (A)) The Bylaws, section 4.032, also grant the Board the duty to establish and collect assessments. Neither the Unit owners nor the

Board has an exclusive power to establish assessments. Either may do it.

(2) Electing Suspension of Voting Rights and Limitation of Association Remedies. Section 2.02 of the Bylaws provides for the suspension of voting rights when Unit owners are in default of any regular or special assessment. Many Unit owners in SCFs have expressed a desire to allow owners of Units without homes on them to forego paying their annual assessment if they agree to relinquish the vote of those Units. The following elective procedure is provided for owners of Units without homes:

- a. All Unit owners will be sent notice of assessment according to the regular procedures specified in the Bylaws and used by the Board of Directors.
- b. Owners of Units without homes may return their annual assessment notice and sign the provision included thereon waiving their rights to notice and hearing and agreeing to a suspension of their voting rights for the applicable year. The suspension of voting rights applies to all issues, elections, meetings or other opportunities for Association voting, including votes to amend the Declaration or to amend the Bylaws. The suspension of voting rights will not apply to voting for the renewal of the Declaration.
- c. The Board, in turn, agrees to pursue no other remedies for nonpayment of dues, other than the agreed to suspension of voting rights, against the owners of Units without homes for the year in which the owners elect to not pay dues under this section.
- d. This election, once made by the Owners and received by the Treasurer of the Association, applies only for one year and is irrevocable for the year in question.
- e. Any owner of a Unit without a home who votes that Unit on any issue, election, meeting, or other voting opportunity, including votes to amend the Declaration or to Regs-1.doc311/30/06 amend the Bylaws before paying their annual assessment, waives the right to elect this special procedure. For example, assume the annual assessment notice is sent in January, and there is an Association meeting in early February. If an owner of a Unit without a home votes his or her unit without a home at the meeting, either in person or by proxy, then that owner may not elect the procedure provided herein for the suspension of voting rights and the limitation of Association remedies for that

- year and that Unit. In such a case, the annual assessment is due, and the Association may pursue any and all remedies provided for in the Bylaws and Declaration to collect the assessment.
- f. The elective suspension of voting rights and limitation of remedies described herein applies only to annual assessments. It does not apply to special assessments unless specifically so declared by the Board at the time any special assessment is levied. For example, if the Board decided to levy a special assessment for the construction of a building on Association property, the owners of Units without homes would be required to pay the special assessment, and failure to pay would open such owners to the range of rights and remedies provided for in the Bylaws and Declaration.
 - g. This election and limitation of remedies is automatically revoked
 1. In any year in which any real property interest in any Unit without a home is sold, granted, given, or transferred to any person not already an owner of such Unit.
 2. In any year in which any Unit without a home is subdivided.
 3. In any year in which construction or development for a home begins, the election provided herein is automatically revoked and the annual assessment is automatically due on the date construction or development for a home begins, and the owners are automatically in default one day past such beginning of construction or development, unless such annual assessment has already been paid. The Board or Officers need not notify the owner(s) in any special way of the violation. The revocation, due assessment, and default are automatic against the owner(s).

(D)-(J) (Reserved)

Regulation VIII (Reserved)

ADMINISTRATIVE REGULATIONS CONCERNING BYLAWS OF SCF HOMEOWNER'S ASSOCIATION

Regulation I – VI (Reserved)

Regulation VII Enforcement.

Enforcement Policy: the Board has the right to prioritize its enforcement activity and deciding which violations it will enforce. No Unit owner has the right to demand that the Board pursue

enforcement of a particular restriction against a particular owner(s).
Covenant enforcement is at the discretion of the Board.

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Both the Declaration and the Bylaws grant individual Unit owners the right to pursue enforcement in both law and equity. (Declaration Article VIII(C) and Bylaws Article VII).

The Secretary shall keep a cumulative record of the enforcement activities of the Board of Directors or the Architectural Review Committee.

Regulation VIII (Reserved)

End.

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