

“Assessment” shall mean a sum or sums of money payable to the Association, or other Common Area, or to recreational facilities and other properties serving the Subdivision by the Owners of one or more Lots as authorized in the governing documents, which if not paid by the Owner of a Lot, can result in a lien against the Lot.

“Association” or “HOA” shall mean PRESERVE AT CEDAR LAKES HOMEOWNERS ASSOCIATION, INC., a Georgia nonprofit corporation.

“Association Documents” shall mean, collectively, this Declaration and all duly adopted and recorded amendments, supplements, and recorded exhibits thereto, Articles of Incorporation and any duly adopted amendments, Bylaws and any duly adopted amendments, and rules and regulations adopted under the authority of Declaration, Articles of Incorporation, or Bylaws.

“Architectural Review Committee” or “ARC” shall mean and refer to the body also known as PRESERVE AT CEDAR LAKES ARCHITECTURAL REVIEW COMMITTEE.

“Area of Common Responsibility” shall mean and refer to the Common Area together with those areas and improvements, if any, upon a Lot, the maintenance, repair or replacement of which is the responsibility of the Association. All Common Area, together with easements over Lots and any lease property shall be Areas of Common Responsibility, provided, however, that the Association shall not be responsible for planting or maintaining grass or shrubs within any easement which crosses a Lot.

“Articles” or “Articles of Incorporation” shall mean the document filed with the Georgia Secretary of State which incorporates the Association under the laws of Georgia, as amended.

“Board of Directors” or “Board” shall mean the appointed or elected governing body of the Association, as applicable, having its normal meaning under applicable law.

“Bylaws” shall refer to the code adopted by the Association for regulating and managing the affairs of the Association.

“Builder” shall mean ADAMS HOMES AEC, LLC, a South Carolina limited liability company, its successors and assigns. Builder shall have the right to assign any and/or all of its interest as Builder in whole or in part on an exclusive or non-exclusive basis. Such assignment shall be in writing and recorded in the official records of the county in which the Property is located and shall state the specific right or interest being assigned. Builder shall not take or assume any obligations, responsibilities, and/or liabilities related to the actual development of the Subdivision and the term “developer” is a distinct term of art that shall not be construed to place any obligations, responsibilities, and/or liabilities on Builder, unless Builder specifically accepts such obligations, responsibilities, and/or liabilities in writing.

“Common Area” shall mean all real and personal property, and easements and other interests therein, now or hereafter owned by the Association for the common use and enjoyment

of the Owners and all areas within the Subdivision, which are or have been dedicated or deeded to the Association or as designated on the Plat as Common Area.

“Common Expenses” shall mean the expenses incurred by or financial liabilities of the Association, together with any allocations to reserves, if applicable, for the common benefit of Members. Common Expenses shall be shared by all Lot Owners equally as provided in Article VII hereof and may include, but are not limited to, the following: (a) costs to maintain the Subdivision entry features, including any expenses for landscaping, electricity and/or irrigation associated therewith; (b) costs to maintain the Stormwater Management Systems; (c) contributions to the reserve fund; (d) property taxes for the Common Area; (e) insurance premiums; (f) landscape maintenance to the Common Area; (g) legal fees and property management fees; (h) expenses for any services or utilities provided to all Lots by the Association, if any; and (i) expenses and liabilities incurred as provided herein, the Articles of Incorporation and the Bylaws for the indemnification of officers and directors and in connection with the enforcement rights and duties of the Association against Owners and others.

“Declarant” shall mean Preserve at Cedar Lake Holdings, LLC, a Georgia limited liability company, its successors and assigns. The Declarant specifically reserves the right to assign any or all of its interest as Declarant in whole or in part on an exclusive or non-exclusive basis. Such assignment shall be in writing and recorded in the official records of the county in which the Property is located and shall state the specific right or interest being assigned. Declarant shall not take or assume any obligations, responsibilities, and/or liabilities related to the actual development of the Subdivision and the term “developer” is a distinct term of art that shall not be construed to place any obligations, responsibilities, and/or liabilities on Declarant, unless Declarant specifically accepts such obligations, responsibilities, and/or liabilities in writing.

“Design Guidelines” shall mean those certain design standards and guidelines which may be adopted and/or amended by the ARC from time to time.

“Lot” shall mean and include each parcel of land intended or designed for the construction thereon of a single private residential dwelling unit, regardless of whether any Structure is located thereon. The ownership of each Lot shall include, and there shall pass with the title to each Lot as an appurtenance thereto, whether or not separately described, all of the rights and interests of an Owner in and to the Common Area, as herein provided, together with membership in the Association.

“Member(s)” or “Membership” shall mean Owner and Declarant(s) who hold ownership in the Association.

“Officer” shall mean a natural person appointed or elected by the Association’s Board of Directors.

“Owner” shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title or beneficial use of any Lot situated within the Subdivision but

shall not include mortgagees unless the mortgagee has acquired title by foreclosure or deed in lieu of foreclosure.

“Plat” shall mean that certain Final Subdivision Plat of Preserve at Cedar Lake recorded on May 5, 2006 in Book 99, Pages 127 and 128 of the Superior Court of Walton County, Georgia, as may be amended, supplemented or revised from time to time, and such additional Plats as may be Recorded.

“Property” shall mean all of the real Property described on Exhibit “A”, and any such additional Property as may be added by annexation subject to the terms hereof.

“Recorded” shall mean filed for record in the public records of the county in which the Property is located, or such other place as from time to time is designated by law for providing constructive notice of matters affecting title of the Property in the county in which the Property is located.

“Rules” shall mean the rules and regulations promulgated from time to time by the Board of Directors in accordance with the Association Documents.

“Stormwater Management System” means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quality and quantity of discharges from the system, as permitted pursuant to applicable law, as amended.

Specifically, included as Common Area are all Stormwater Management Systems located within the Subdivision that includes, Pond “B” as depicted on the Plat. All Stormwater Management Systems are owned by the Association. The Association is responsible for maintaining the Stormwater Management System according to that certain Stormwater Best Management Practices Maintenance Agreement recorded in Book _____, Page _____ of the Superior Court of Walton County, Georgia. No construction activities may be conducted within any portion of the Stormwater Management System. Prohibited activities include, but are not limited to: digging or excavation, depositing fill, debris or any other material or item, constructing or altering any water control structure, or any other construction to modify the Stormwater Management System. The Association may seek injunctive relief and other damages due to any act by an Owner that causes the stormwater facilities to not operate properly or as designed.

“Structure” shall mean anything or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse, bathhouse, covered or uncovered patio, playhouse, treehouse, swimming pool, fence, recreational equipment, curbing, paving, wall, sign, signboard, onsite sanitary system, dock, gazebo, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Lot, and

any excavation, grading, fill, ditch, diversion, dam, or other thing or device which affects or alters the flow of any waters from, upon or across any Lot. The term Structure shall not include any item, object or improvement placed on a Lot on a temporary basis used in connection with the construction of the initial residential dwelling located thereon.

“Subdivision” shall mean all Property within the areas shown on the Plat.

“Supplemental Declaration” means a supplement to this Declaration which subjects additional property to the provisions of the Declaration and jurisdiction of the Association in accordance with Section 8.10 hereof.

ARTICLE II PROPERTY OWNER’S RIGHTS

2.1 General Rights. Each Owner shall have all rights and title of a fee simple owner of real property with respect to any Lot owned and may exercise full proprietary interest therein subject only to the covenants contained in this Declaration and to any other conditions voluntarily contracted. All easements, including easements shown on the Plat, reciprocal easement agreements, amendments and supplements to the Declaration, as well as provisions of the Association’s Articles of Incorporation and Bylaws, shall be construed to be “other conditions voluntarily contracted”.

2.2 Common Area Rights. Upon Declarant conveying such Common Area, made up of real and/or personal property, to the Association, every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot; provided, however, that no Owner shall do any act which interferes with the use and enjoyment of the Common Area by all other Owners, subject to the following provisions:

(a) The right of the Association to charge reasonable fees for the use of any recreation facility situated upon the Common Area and to impose reasonable limits upon the number of guests who may use these facilities, hours of use, and any additional restrictions or limitations of use that may be contained in the Rules adopted by the Association.

(b) The right of the Association to suspend the right to the use of the Common Area by an Owner for any period during which any Assessment against his Lot remains unpaid, and for a period not to exceed 60 days for any other infraction of the Association Documents or the Rules, provided that such suspension shall not interfere with such Owner’s access to such Owner’s Lot.

(c) The right of the Association, without a vote of the Members, but with the consent of the Declarant, to grant easements, licenses, permits and rights-of-way over, under, in and to the Common Area.

(d) The right of the Association to borrow money for the purpose of improving the Common Area or acquiring additional Common Area property; provided, however, the Common Area cannot be mortgaged without the consent of the Owners entitled to cast two-thirds (2/3) of the total eligible votes present and voting, in person or by proxy, at a duly called meeting at which a quorum is present.

(e) The rights of the Association to dedicate, transfer and convey title to all or any part of its right, title and interest in all or any portion of the Common Area; provided, however, all or a portion of the Common Area cannot be conveyed, dedicated or conveyed without the consent of the Owners entitled to cast two-thirds (2/3) of the total eligible votes present and voting, in person or by proxy, at a duly called meeting at which a quorum is present.

(f) Access afforded to police, fire and other public and emergency vehicles.

(g) All encumbrances, including, without limitation, easements and zoning conditions, and other matters shown by the public records as affecting title to the Common Area.

2.3 Access. Each Owner shall have the right to ingress and egress over and across the Common Area and private rights-of-way, if any, as necessary for access to the Owner's Lot and shall have the right to lateral support for the Owner's Lot.

2.4 Guests and Invitees. Each Owner, subject to the restrictions of the Association Bylaws, may delegate the Owner's right to use and enjoy the Common Area facilities to family members, tenants, social and business invitees, subject to Rules promulgated by the Association.

2.5 Limitation Upon Use of Common Area. No Owner may plant, garden or erect or maintain fences, hedges, walls, Structures or other improvements upon the Common Area except those improvements installed by the Declarant in connection with the development of the Property or as approved by the ARC. The Association's Board of Directors or Officers may establish reasonable rules and regulations concerning the use of the Common Area facilities. These regulations shall be binding upon each Owner and the Association may impose reasonable monetary fines and other sanctions for violation of the rules in accordance with the provisions of this Declaration.

2.6 Existing Property. The real Property which is and shall be held, conveyed and occupied subject to this Declaration, is located in Spalding County, Georgia, and is more particularly described in Exhibit "A", attached hereto and made a part hereof, and incorporated by reference.

ARTICLE III PROPERTY OWNER'S ASSOCIATION

3.1 Ownership. It shall be mandatory that any Owner shall be a Member of the Association and entitled to the beneficial enjoyment thereof. Ownership of the Lot shall be sole qualification for Membership in the Association and Membership shall not run to persons who

hold an interest in a Lot merely as security for performance of an obligation. When any Lot is owned of record in joint or multiple tenancy, the multiple Owners shall designate, by written notice to the Association, a representative to be the Owner/Member entitled to vote. If no representative is designated by the Owners, the Board of Directors of the Association may select one of the Owners of record or person exercising beneficial use of the Lot to be the representative for the Lot until one is designated by the Owners, unless the Owners of the Lot cannot agree, in which case, no vote may be cast for that Lot until selected by the owners.

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

(a) Class "A". Class "A" Members shall be all Owners, with the exception of Class "B" Members, if any. Class "A" Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for Ownership by Section 3.1 hereof; there shall be only one (1) vote per Lot;

(b) Class "B". Class "B" Members shall be the Declarant as well as any successor of Declarant who takes title for the purpose of development and sale, and who is designated as such in a recorded instrument executed by Declarant and Builder. The Class "B" Member shall be entitled to ten (10) votes per Lot owned; provided, however, that the Class "B" membership shall cease and convert to Class "A" membership on the happening of any of the following events, whichever shall first occur:

i. Declarant no longer owns a Lot or any additional property that may be annexed to the Subdivision pursuant to Section 8.10 herein; or

ii. Declarant, in its sole and absolute discretion, elects to terminate its Class "B" membership by written notice of such election delivered to the Association (whereupon the Class "A" Members shall be obligated to elect the Board and assume control of the Association) and filing a document to such effect in the Spalding County, Georgia land records.

Notwithstanding that there shall be two (2) classes of voting membership in the Association, voting shall be based upon the votes cast by the membership as a whole; not on votes cast by or within each class of voting membership.

From and after the happening of these events, whichever occurs earlier, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one (1) vote for each Lot in which it holds the interest required for Ownership under Section 3.1. hereof.

3.3 Powers. The Association shall have such general powers as are necessary to perform the obligations and duties set out in this Declaration, including but not limited to: buy and convey real property, conduct social activities, enter into contracts, install and maintain irrigation in Common Area, hire a management company, make capital improvements, indemnify Officers and Directors, adopt rules and regulations for the general well-being of the Subdivision, levy fines against delinquent Owners and their Lot, obtain and maintain such

policies of insurance as required by the Declaration and such other policies as the Board deems necessary and desirable for the protection of the Association and its Owners. The Association may maintain a working capital and contingency fund and pay taxes and other obligations of the Association and may segregate funds to maintain reserve, trust, or escrow accounts for the Owners to accumulate and preserve funds for anticipated improvements.

ARTICLE IV RIGHTS & OBLIGATIONS OF THE ASSOCIATION

4.1 Maintenance. The Association shall maintain and keep in good repair the Common Area and the Area of Common Responsibility and for this purpose may levy the Assessment described hereinafter. The Association shall keep and maintain the Common Area and Areas of Common Responsibility as originally improved by the Declarant or as modified with the consent of ARC and shall keep all common facilities in good repair, in a safe, attractive and orderly condition.

The streets in the Subdivision are publicly maintained by Walton County.

4.2 Enforcement. The Association, the Declarant, and any Owner may enforce the provisions of this Declaration by appropriate means, including but without limitation the employment of legal counsel and the commencement of legal actions. The Association may promulgate rules for fines against Owners violating the Declaration and/or Rules of the Association in accordance with law. Obligations of the Association are legally enforceable by any Owner and also the Declarant. Failure to enforce any of the covenants, conditions, restrictions, easements contained herein does not waive the Association's, Declarant's or Owner's right to insist on compliance in the future. In any action to enforce the provisions of this Declaration, the Association shall be entitled to recover reasonable attorney's fees actually incurred and court costs.

4.3 Utilities. The Association may contract, as a Common Expense, for any or all cable or satellite television distribution, Internet, electricity, water, electric services and refuse collection for the Lots or the Common Area and Areas of Common Responsibility, but has no obligation to do so, where the price savings on a bulk basis is of such a magnitude that it benefits the membership as a whole. In such event, the Association shall provide at least thirty (30) days written notice (or such other period of time as may be reasonably necessary) to all Owners in the Subdivision.

4.4 Easements. The Association or Declarant may grant easements when necessary for utilities over the Common Area and any portion thereof to serve the Subdivision and any portion thereof. An easement is hereby granted to the Association and retained by Declarant, without any obligation to do so, for the purposes of accomplishing the repairs, maintenance, replacements or any other work necessary to enforce the provision of this section.

4.5 Damage to Common Area and Owner's Maintenance of Lot. In the event the Board of Directors or Officers of the Association determines that any Owner has failed or

refused to discharge properly his obligations with respect to the maintenance, repair or replacement of any items for which an Owner is responsible or finds that any Owner, or agent of an Owner or independent contractor of an Owner, is responsible for damage to the Common Area or Area of Common Responsibility, the Association shall give the Owner written notice of the Association's intent to provide the necessary maintenance, repair or replacement at the Owner's sole cost and expense which notice shall set forth with particularity the maintenance, repairs, and replacement deemed necessary. The Owner shall have fifteen (15) days from the date of mailing the notice by certified United States mail to complete the maintenance, repair or replacement or appear before the Board of Directors to contest its determination. If the Owner fails in this obligation, the Association may provide such maintenance, repair and replacement at the Owner's sole cost and expense and the cost shall be added to and become part of the Assessment for which the Owner is responsible and shall become a lien against the Lot of the Owner enforceable by the Association plus all costs of collection including reasonable attorney fees actually incurred. Each Owner hereby grants to the Association an easement for the purposes of accomplishing the repairs, maintenance, replacement or any other work necessary to enforce the provisions of this section.

4.6 Enforcement of Duties. Notwithstanding any other provision of this Declaration, the duties of the Association with respect to levying Assessments sufficient to perform its duties and the duty of the Association to provide maintenance of the Common Area and Areas of Common Responsibility and to enforce the provisions of this Declaration and of its Articles of Incorporation and Bylaws and to enforce any other duties imposed upon it by law or contract, are mandatory contractual duties which shall be specifically enforceable by injunction and by other remedies in legal proceedings which may be brought by any Owner or by Declarant. Further, in the event Declarant should perform certain of the obligations of the Association, this shall not constitute a waiver with respect to the Association's obligation to perform such duties and with respect to the right of Declarant and Owners to bring legal proceedings to compel the Association to perform its duties and reimburse Declarant for cost expended by Declarant in expending such duties. Furthermore, the Association may not diminish or eliminate any obligation of the Association by amendment to its Articles of Incorporation or its Bylaws, or by any other method, without Declarant's written consent thereto, so long as Declarant owns any Property or additional lands annexed thereto.

4.7 Fines. In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, tenants, or contractors to comply with any covenant, restriction, Rule, regulation contained herein, or Rules or regulations promulgated under the Articles of Incorporation, Bylaws of the Association, or by the Board of Directors, provided the following procedures are adhered to:

(a) Notice: Written notice shall be delivered to the member by first-class or certified mail sent to the address of the member shown on the Association's records, specifying:

(i) the nature of the violation, the fine to be imposed and the date, not less than ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, that the fine will take effect;

(ii) that the violator may, within ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, request a hearing in writing regarding the fine imposed;

(iii) the name, address and telephone number of a person to contact to challenge the fine;

(iv) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(v) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, of the date of the notice.

(b) **Hearing:** If a hearing is requested within the requisite time provided above, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine shall be imposed prior to the date that is five (5) days or, in the event of an unapproved sign, twenty-four (24) hours, after the date of the hearing, as applicable.

(c) **Reoccurrence of Violation.** Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the violation recurs, the Board may, upon notice stating the nature of the violation and delivered to the member by first class or certified mail sent to the address of the member shown on the Association's records, impose a fine.

(d) **Nonexclusive Remedy:** These fines shall not be construed to be the exclusive remedy and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any fine paid by the offending Owner shall be deducted from or offset against any damages that the Association may otherwise be entitled to recover by law from such Owner.

4.8 **Special Enforcement Rights.** Violation of any conditions or restrictions or breach of any covenant herein contained shall also give the Declarant, its successors and assigns, and/or the Association and its authorized agent or representative, in addition to all other remedies and upon ten days written notice to the violating Owner (during which time the Owner may correct the violation without penalty), the right to enter upon the land on which such violation or breach exists and summarily to abate and remove, at the expense of the Owner of said land, any construction or other violation that may be or exist thereon contrary to the intent and provision hereof; and the Declarant, its successors and assigns and/or the Association and its authorized agents shall not thereby become liable in any manner for trespass, abatement or removal. All costs incurred by the Declarant and/or the Association shall be a specific Assessment against the Lot the Declarant and/or the Association may impose liens upon the Lot of an Owner for

amounts incurred for such abatement and removal which the Owner fails to pay upon written request.

4.9 Common Area. There will be Common Area for use by all residents and their guests. The Association shall be responsible for the ownership, operation and maintenance of said area.

4.10 Variances. The Board of Directors shall have the right to grant any variances on any action or proposed action that may conflict with this Declaration, so long as, such is not in violation of application laws. The granting of any such a variance shall be on a case by case basis and solely at the discretion of the Board of Directors. Additionally, the granting of a variance by the Board of Directors shall have no bearing whatsoever on any future variance requests.

4.11 Wall, Fence, and Landscaping. If a wall and/or fence, entry feature and/or gate and landscaping exists around parts of the Subdivision, the Association shall have the responsibility for maintaining this wall, fence, entry feature and/or gate and/or landscaping, regardless of whether the same is located on a Lot or Common Area. As shown on the Plat or separate easement, the Association is hereby granted easements for access to the walls, fences and landscaping for maintenance purposes. On those Lots which border the walls, the Association shall be responsible for repainting and maintaining the wall, and an easement for access for maintenance, replacement, and repair thereto is hereby reserved to the Association for this purpose. As may be required by the county in which the Property is located, any landscaping buffer required as shown on the Plat may be installed by the Declarant, and maintained and replaced, as needed, by the Association, as a Common Expense.

ARTICLE V RESTRICTIONS UPON INDIVIDUAL USE FOR THE COMMON GOOD

5.1 Single Family Residential Use. No building, Structure, or improvement shall be constructed, erected, altered, placed or permitted to remain on any of the Lots within the Subdivision other than single family dwellings and appurtenances. This provision shall not be construed to prohibit Declarant or Builder from maintaining sales trailers and construction trailers within the Subdivision.

5.2 Lawful Use. No part of the Subdivision may be used for any purpose tending to injure its reputation, nor to disturb the neighborhood, nor occupants of adjoining property within the Subdivision, nor to constitute a nuisance, nor in violation of any public law, ordinance or regulation in any way applicable thereto.

5.3 Commercial Use. None of the Lots shall be used in any way directly or indirectly for any business, commercial, manufacturing, mercantile, storing, vending, or any other purpose incompatible with single family residential use, except that an Owner or occupant residing at the Lot may conduct business activities within the residential dwelling located thereon so long as the business activity: (a) does not otherwise violate the provisions of the Declaration, Bylaws or any rules and regulations of the Association; (b) is not apparent or detectable by sight, sound or smell

from the exterior of the Lot; (c) does not unduly increase traffic flow or parking congestion; (d) conforms to all zoning requirements for the Subdivision; (e) does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (f) is consistent with the residential character of the Subdivision; (g) does not constitute a nuisance or a hazardous or offensive use; and (h) does not threaten the security or safety of other residents of the Subdivision, all as may be determined in each case in the sole discretion of the Board of Directors Nothing in this section shall be construed to restrict Declarant's or Builder's use of a model home or sales office.

5.4 Maintenance. All buildings and other Structures within the Subdivision and each portion thereof shall at all times be properly and well maintained in good condition and repaired by the Owner thereof. All landscaping of every kind and character, including shrubs, trees, grass and other plants, shall be neatly trimmed, properly cultivated and maintained continuously by the Owner thereof, in a neat and orderly condition and in a manner to enhance its appearance.

5.5 Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other tasteful window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an Owner or tenant first moves into a home or when permanent window treatments are being cleaned or repaired. No security bars shall be placed on the windows of any home without prior written approval of the ARC. No awnings, canopies or shutters shall be affixed to the exterior of a home without the prior written approval of the ARC. No reflective tinting or mirror finishes on windows shall be permitted unless approved by the ARC.

5.6 Subdivision of Lot. No Lot shall be expanded or divided to accommodate more than one dwelling site per full Lot.

5.7 Roofs. Antennas. Solar Heating. Except as may be allowed by law, no projections of any type shall be placed or permitted to remain above the roof of the building with the exception of one or more chimneys, skylights or vent stacks. No outside television or radio pole or antenna or other electronic device, or solar heating device, shall be constructed, erected or maintained on any building nor on any Property within the Subdivision or connected in such a manner as to be visible from the outside of any building, except as may be allowed by law and approved in writing by the ARC. Over the air reception devices may be installed as allowed by the Federal Communications Commission. The ARC may, in its sole discretion, grant waivers from the provisions of this paragraph.

5.8 Temporary Buildings and Building Materials.

(a) No shed, tent or temporary Structure and/or building shall be erected, maintained or used on any Property within the Subdivision; provided however, that temporary buildings used for a reasonable time only for purposes incidental to the initial construction of dwellings on any Property may be erected, maintained and used, provided that such erection, maintenance and use has been approved by ARC and provided further that said temporary buildings shall be promptly removed upon the completion of such construction work.

(b) No lumber, brick, stone, cinder block, concrete or other building materials, scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any Lot, except for the purpose of construction on such Lot and shall not be stored on such Lot for longer than the length of time reasonably necessary for the construction to complete the improvement in which same is to be used.

5.9 Garages. All residences shall have a minimum of a two (2) car garage, capable of holding two (2) autos, and Owners may not reduce the size of such garage to any size that would encroach on such dimensions. When garages are not in use by persons, garage doors shall be closed.

5.10 Signs. No advertising signs or billboards shall be erected on any Lot or displayed to the public on any Lot except a sign of not more than six (6) square feet in area which may be used solely to advertise the Lot for sale or rent, or standard size street number identification signs. All supports for such signs shall be made of wire or 4"x4" posts, and no electrical or mechanical devices may power such signs. All other signs installed on a Lot must be approved by the ARC or installed in compliance with applicable Design Guidelines. This restriction shall not apply to signs used to identify and advertise the Subdivision as a whole, nor signs for selling Lots and/or houses during the development and construction period, provided such signs are approved by the ARC.

5.11 Rubbish. No weeds, rubbish, debris, objects or materials of any kind shall be placed or permitted to accumulate upon any Lot or Common Area within the Subdivision if it renders the Property unsanitary, unsightly, offensive or detrimental to any other Property in the Subdivision. Trash, garbage, rubbish and other waste shall be kept only in sanitary containers. All service areas and sanitary containers within the Subdivision shall be enclosed in such a manner that the yards, areas, containers and such are not visible from any neighboring property or street. Sanitary containers and bundled trash may be set out for a reasonable period of time before and after scheduled trash pick-up times.

5.12 Clotheslines. Clotheslines are not permitted unless they are completely hidden from view of the Common Area, street, and any neighboring property, and except as permitted in writing by the ARC.

5.13 Oil Tanks. Bottle Tanks. Water-Softening Tanks. Wells & Pumps. Condensers. Wood Piles and Central Air Conditioning Units. All ancillary equipment shall be suitably screened so as to be concealed from view of the Common Area, street, and any neighboring property. No window and/or wall air conditioning units shall be permitted. All propane gas tanks larger than standard barbecue size must be buried.

5.14 New or Damaged Structures. The erection of a new dwelling or Structure, or the repair of any dwelling or Structure damaged by fire or otherwise, on any Lot shall be completed without unreasonable delay. Should the Owner leave a dwelling or Structure in an incomplete condition for a period of more than 120 days or should the erection of a new dwelling remain

incomplete after a period of 270 days from the date of the first construction related inspection by the appropriate governmental authority, the Association after reasonable notice to the Owner by registered mail, giving the Owner the opportunity to be heard, may remove the Structure from the premises or complete and repair it in a manner deemed appropriate by the Association's ARC, and/or assess a reasonable fine of \$ per day for every day the repair or erection of the dwelling or Structure remains incomplete after the aforesaid time limits have been reached, unless the Owner can show a defense to the ARC that would support an impossibility defense under Georgia law, and which delay is approved in writing by the ARC. In either event, the expense so incurred shall be a lien against the Lot enforceable in the same manner as other liens. The dwelling or Structure shall not be considered to be complete until, in the opinion of the Board of Directors, both the construction and landscape elements are in compliance with the approved building and landscape plans.

5.15 Hedges and Landscaping. All fences, hedges, and landscaping plans must receive prior written approval from ARC before implementation or be installed in accordance with applicable Design Guidelines. Fencing of the rear and specified portions of the side yards will be allowed on Lots only upon approval of ARC. In connection with the development of any Lot for residential purposes the construction of improvements thereon, reasonable care shall be used to preserve and retain as many trees as is reasonably possible. No excavation, fill or clear cutting of trees shall be performed in violation of law, or of this Declaration. The Board of Directors may designate certain individuals with authority to enter upon the Property or Lot of an Owner in order to repair and maintain certain items after at least ten days' written notice is given to said Owner and Owner fails to comply. In the event that the Board of Directors takes the action to repair and/or maintain certain items on an Owner's Lot, said Owner shall be assessed the cost of such repair and/or maintenance, which costs shall be a specific assessment against the Lot.

5.16 Electrical Installations. All service lateral entrance installations, or that portion thereof served by said underground electrical distribution system, shall be installed underground and maintained in accordance with the specifications of the appropriate governing entity(ies) for such installation.

5.17 Common Area. Nothing herein shall be interpreted as to limit in any way the Declarant's or Builder's right to use the Common Area and its related facilities for the sales and promotion of properties.

5.18 Swimming Pools. Spas. Basketball Backboards. Trampolines. Above ground swimming pools are not permitted; provided, however, portable or inflatable wading pools designed for use by small children shall be permitted so long as they are properly maintained and stored out of view from neighboring property and public streets when not in use. All pools and spas must have the written approval of ARC prior to installation. No basketball backboards, permanent or portable, or trampolines are permitted in any location unless approved in writing by ARC. No trampolines are permitted in any location unless approved in writing by ARC.

5.19 **Hardship Waiver.** ARC is authorized, but not required, to grant hardship waivers to Owners in the event in the ARC's absolute discretion, the strict application of these restrictions presents a bona fide hardship that is not self-imposed.

5.20 **Minimum Square Footage of Improvements.** Any home on any Lot described herein shall contain, at a minimum 2,200 square feet of living area. Living area does not include: garages, porches (open or screened), terraces, or patios.

5.21 **Trailers. Trucks. School Buses. Boats. Boat Trailers.** No house trailers, motor homes, mobile homes, school buses, trucks or commercial vehicles, recreational vehicles, off-road vehicles, tandem axle vehicles, motorcycles, campers, habitable motor vehicles of any kind, boats, or boat and other trailers, shall be kept, stored or parked overnight either on any street or on any Lot, except within garages and the garage door closed (if applicable). The foregoing will not be interpreted, construed, or applied to prevent the temporary non-recurrent parking of any vehicle, boat or trailer for a period not to exceed forty-eight (48) hours upon any Lot, driveway or street. Notwithstanding the foregoing, passenger automobiles (including SUVs and light trucks without commercial markings) may be parked in driveways, but shall not encroach onto any public street or any grassy or landscaped area. There shall be no major or extended repair or overhaul performed on any vehicle, boats, or trailers on the Lots. All vehicles, boats and trailers shall have current license plates. If any vehicle, boat, or trailer is in violation of this provision, the Association shall have the immediate right to have the offending vehicle, boat, or trailer towed away at the expense of the Owner thereof, subject to compliance with applicable law, including any notice required thereby. The notice may be a general notice by signage or may be placed on the vehicle, if and as allowed under applicable law, as the case may be., and an easement to enter the Lot is reserved in favor of the Association for this purpose. This section shall be liberally interpreted to permit the Association or any other party having the right to enforce these restrictions to keep the streets within the Subdivision free from congestion and from the parking, repair, or storage of unsightly or oversize vehicles and other rolling stock which may detract from the character of the Subdivision. If a vehicle is towed or booted in accordance with this subparagraph and applicable law, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing or booting activity.

5.22 **Livestock and Pets.** No animals, livestock, poultry, or pets of any kind shall be raised, bred, or kept on any Lot, except that not more than three (3) household pets per Lot may be kept provided, however, that no more than two (2) of such pets may be dogs, and provided further that they are not kept, bred, or maintained for any commercial purposes. Such household pets must not constitute a nuisance or cause unsanitary conditions. For the purposes of this paragraph, pets shall be deemed to constitute a nuisance if they create excessive or disturbing noises, whether by barking or otherwise, or if the pet has shown any violent or aggressive behavior or otherwise poses a danger to the health, safety, or welfare of any person. Animals which have attacked or bitten any person or another person's pet shall constitute a nuisance and shall not be kept on any Lot. All pets must be kept on leashes or within secure enclosures when out of doors. For purposes of this paragraph, invisible electronic fences are not deemed to be fences in compliance herewith. The foregoing expression of specific behaviors that shall

constitute a nuisance shall in no way limit the determination that other behaviors also constitute a nuisance. Any pet in violation of this section shall be brought into compliance within twenty-four (24) hours of notice by the Association, including but not limited to, the removal of the pet from the Subdivision if the pet has attacked or bitten a person or other person's pet. In the event that an Owner fails to remove a pet as provided herein, the Association shall have the right, but not the obligation, to institute legal action to have the animal removed and all costs associated therewith, including, without limitation, reasonable attorneys' fees actually incurred, shall be a specific assessment against the Lot of such Owner.

Maintenance and keeping of pets on the Property and in any residence may be otherwise regulated in any manner, consistent herewith, by the Rules as may from time to time be established by the Board of Directors.

5.23 **Offensive Activities.** No noxious, offensive, or illegal activities shall be carried on or upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owners of other Lots in the Subdivision. No nuisance shall be caused, or permitted to exist, by any Owner on, about or in the vicinity of his Lot or elsewhere in the Subdivision, nor shall there be any use or practice which is the source of annoyance to residents, or which interferes in any way with the peaceful possession and proper use by the residents of the Subdivision Property or any part thereof. No substance, thing or material be kept upon any Lot that will emit foul or obnoxious odors, noise or other conditions that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of the surrounding property. All parts of the Subdivision, including each Lot, shall be kept in a neat, clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed by any Owner or by anyone to accumulate, nor shall any fire hazard be allowed to exist. No improper, offensive, or unlawful use shall be made of any Lot, or any part thereof, and all valid laws, zoning ordinances and regulation of all governmental bodies having jurisdiction thereof, and all regulations of the Association, shall be observed.

5.24 **Drainage.** No Owner shall permit any blockage, construction, or landscaping to impede the flow of drainage upon any drainage easement or drainage swale. If a drainage swale is on an Owner's Lot, such Owner is required to maintain any portion of the drainage swale that is on the Owner's Lot.

5.25 **Declarant and Builder Exemption.** Declarant and Builder are exempt from any and all requirements contained in Article V of this Declaration.

5.26 **Short-Term Rentals.** Notwithstanding anything herein to the contrary, under no circumstances shall a Lot be leased, rented or used for short-term transient or hotel purposes or rented through short-term internet rental services, including, without limitation, VRBO, Airbnb, HomeAway, or such other similar rental services.

ARTICLE VI DESIGN REVIEW

6.1 Design Approval. No building, Structure, architectural feature or improvement, including but not limited to Structures, irrigation systems, landscaping, fencing, or hedges, whether for new construction or a modification or addition to existing improvements, shall be erected, constructed, placed or altered on any Lot until the Owner of the Lot shall submit in duplicate, complete plans and specifications for such building, Structure, and/or improvement and a detailed site plan showing its proposed location, and the plan specifications and detailed site plan have been approved in writing by ARC. The ARC may charge a fee to review plans. The ARC will have thirty (30) days to approve or disapprove plans. Failure of the ARC to act within thirty (30) days from receipt of definitive plans of the proposed improvement shall result in the plans being deemed approved. The approval of said plans and specifications may be withheld not only because of noncompliance with any of the specific easements, covenants, conditions, and restrictions of this Declaration, but also by reason of the reasonable dissatisfaction with the landscaping or grading plan, the proposed location of the Structure with respect to topography and finished grade elevation, the nature of workmanship and materials, the type or use of materials, the color scheme, finished design, proportions, architecture, style, shape, height, size, style or appropriateness of external design with the existing or proposed buildings, Structures or improvements located or to be located upon the Property, including the heights, kind and appearances of fences, walls, any excavation or fill, change in drainage or terrain, planting, utility installation, and any other physical change or improvement to any Lot, the size, location and materials to be used in the construction of the walks and driveways, and the sizes and species of landscaping materials, all of which are included within the definition of "improvements" as such word is used herein. One set of plans and specifications and a detailed site plan as finally approved may be retained by the Declarant or ARC.

Upon completion of any buildings, Structure or improvement in accordance with approved plans and specifications and detailed site plan, no changes, alterations, additions, reconstruction or attachments of any nature whatsoever shall be made to the exterior of the building, Structure and/or improvement or to the Lot, including that portion thereof not actually occupied by the improvements thereon, unless the same are identical to the original work, without prior written approval in the manner above provided.

ARC's approval, disapproval or conditional approval shall be endorsed upon the plans and specifications submitted by the Owner and shall be further evidenced by a written instrument executed and acknowledged by ARC. Such written instrument shall be returned to the Owner.

ARC shall not obviate any reviews or approvals required by government and does not constitute a structural review or review for compliance with building codes or any purpose other than design compatibility with the Subdivision, surrounding structures and terrain.

6.2 Exculpation of Declarant and ARC. Declarant and/or ARC shall not be held responsible for any loss or damages to any person arising out of the approval or disapproval of plans, designs or construction errors nor shall the Declarant and/or ARC be held responsible for loss or damages to any person arising out of noncompliance with governmental land use and building regulations or any other laws and ordinances relating to the construction in the Subdivision. Declarant and/or ARC also shall not be held responsible for any structural fault in

design or construction. Neither the Association, ARC, Declarant, or any agent, officer or employee of the Association, ARC, or Declarant shall be liable to any Owner or other for any damages or costs arising in any way out of the approval or disapproval of any plans or applications.

6.3 Common Area Design Approval by Declarant. Until Declarant conveys the last Lot in the Subdivision, Declarant reserves the right to maintain exclusive architectural control for new construction in all Common Area, entrance and recreation areas and.

6.4 Variance. Declarant or Builder shall have the power and authority, in its sole discretion, to grant variances in compliance with the Declaration provided, however, that such variances shall be reasonably consistent with the purpose of the Declaration and shall not materially and adversely affect existing improvements. Whenever, in the exercise of its discretion, Declarant grants a variance, each Owner of a Lot hereby acknowledges that such variance shall constitute a waiver of any conflicting provisions of the Declaration. Each Owner of a Lot appoints Declarant as its true and lawful attorney-in-fact for the limited purpose of consenting to and granting variances.

6.5 Declarant's and Builder's Right to Appoint. Declarant or Builder shall have the right to appoint members of the ARC until the Class "B" membership terminates. The ARC shall consist of not less than two (2) nor more than five (5) members. Once the right of the Declarant to appoint and remove the members of the ARC expires, the members of the Board of Directors shall constitute the ARC.

ARTICLE VII PROPERTY OWNERS' ASSESSMENTS

7.1 Purpose. Assessments for Common Expenses provided for herein shall be used for the general purpose of promoting recreation, safety, health, value, and common benefit and enjoyment of the Owners. These general purposes include, but not limited to: maintaining Areas of Common Responsibility and Common Area, and funding expenses of general operation of the Association in the fashion that may be specifically authorized from time to time by the Board of Directors.

7.2 Establishing a Budget.

Not less than thirty (30) days prior to the beginning of each fiscal year, the Board shall adopt a budget for such fiscal year which shall estimate all of the Common Expenses to be incurred by the Association during the fiscal year and covering the estimated cost of operating the Association during the coming year. The budget may include a capital contribution or reserve in accordance with the current year's budget. The budget and the annual Assessment shall become effective unless disapproved at the annual meeting by a vote of at least fifty-one percent (51%) of the Association's Members or without a majority vote of the Board. In the event the Board fails to adopt a budget and Assessment as provided herein, the annual Assessment for the current year shall be continued in full force and effect for the succeeding year.

7.3 **Working Capital Contribution:** Upon each and every transfer or conveyance of title to a Lot after it has been improved with a dwelling for which a certificate of occupancy has been issued, a working capital contribution in the amount of \$200.00, which amount may be increased or decreased from time to time by the Board in its sole discretion, shall be collected from the new Owner at the closing of such transaction and disbursed to the Association; or if not collected at closing, shall be paid immediately upon demand to the Association.

The working capital contribution shall constitute a specific Assessment against the Lot, shall be in addition to, not in lieu of, the annual Assessment and shall not be considered an advance payment of such assessment. The working capital contribution may be used by the Association for any purpose which provides a direct benefit to the Subdivision, including, without limitation, for the payment of operating expenses of the Association and other expenses incurred by the Association pursuant to the provisions of this Declaration. Notwithstanding the foregoing, the working capital contribution shall not apply to the holder of any first mortgage on a Lot who becomes the Owner of a Lot through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage, but shall apply to the Owner acquiring title to the Lot from the foreclosing mortgagee.

7.4 **Creation of Lien and Personal Obligation.** Each Owner of any Lot by acceptance of a deed whether or not it is expressed in the deed, covenants and agrees to pay to the Association:

- (a) Annual Assessments for Common Expenses;
- (b) Special Assessments to be established and collected as hereinafter provided; and
- (c) Specific Assessments.

All assessments, together with late charges (in an amount equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the amount of the assessment or installment not paid when due), interest (at a rate of ten percent (10%) per annum on the principal amount due) and costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, shall, from the time the sums become due and payable, be a charge on the land and a continuing lien in favor of the Association on the Lot against which each assessment is made. As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall include costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-11(a)(2).

(d) **Creation of the Lien.** The recording of this Declaration shall constitute record notice of the existence of the lien and no further recordation of any claim of lien shall be required. Each Assessment together with interest, late fees, and a reasonable attorney fees actually incurred shall also be the personal obligation of each person who is the Owner of the Lot at the time the Assessment is levied. Each Owner shall be liable for his or her portion of each Assessment and his or her grantee shall be jointly and severally liable for any portion that may

be due at the time of conveyance. Assessments shall be paid in the manner and upon the date specified by the Board of Directors and unless otherwise provided by the Board, shall be paid in monthly installments or in one annual payment. Each Lot shall be assessed equally for annual Assessments and special Assessments.

(e) No Exemption from Assessments. No Owner may waive or otherwise be exempt from liability for the Assessments provided for herein for any reason, including, by way of illustration and not limitation, the following: (i) abandonment of the Lot; (ii) nonuse of the Common Area; (iii) the Association's failure to perform its obligations required under the Declaration; or (iv) inconvenience or discomfort arising out of the Association's performance of its duties. No diminution or abatement of any assessment shall be claimed or allowed by reason of any failure of the Association to take some action or perform some function required to be taken or performed by the Association, the obligation to pay assessments being a separate and independent covenant on the part of each Owner. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

7.5 Annual Assessments. The Annual Assessment shall be divided among all Lot Owners which are subject to assessments equally and shall be each Owner's pro-rata share of the Common Expenses. Notwithstanding the foregoing, each Lot without a Structure located thereon shall be obligated to pay one-fourth (1/4) of the amount of the annual Assessment paid by Owners of Lots containing a Structure.

7.6 Special Assessments. In addition to the annual Assessments for Common Expenses authorized above, the Board may levy in an assessment year, a special Assessment for unanticipated expenses not included within the budget and not reserves or expenses in excess of those budgeted, as long as the Declarant is exercising its rights under the provisions hereof, not to pay assessments. So long as the total amount of special Assessments allocated to each Lot in a fiscal year does not exceed the amount of the annual Assessment in such fiscal year, the Board may impose the special assessment without a vote of the Owners. Any special assessment which would cause the total amount of the special Assessments allocated to a Lot in a fiscal year to exceed the amount of the annual Assessment year must be approved by two-thirds (2/3) of the total eligible Association vote and the Declarant in order to be effective. Special assessments shall be paid as determined by the Board. The Board may permit a special assessment to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

7.7 Specific Assessments. The Board shall have the power to levy specific assessments as provided herein. The failure of the Board to exercise its authority under this section shall not be grounds for any action against the Association and shall not constitute a waiver of the Board's right to exercise its authority under this section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this section. By way of explanation, and not limitation, the following shall constitute specific Assessments: (a) fines levied pursuant to this Declaration; (b) the working capital contribution as provided in Section 7.4 hereof; and (c) the cost of maintenance performed by the Association for which an Owner is responsible.

In addition to the foregoing, the Board of Directors may also specifically assess Owners for Association expenses as follows: (a) expenses of the Association which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; (b) expenses of the Association which benefit all Lots, but do not provide an equal benefit to all Lots, may be specifically assessed equitably among all Lots according to the benefit received; and (c) expenses of the Association which are attributable to or incurred as a result of the conduct of an Owner or the occupants, guests, tenants, invitees or licensees of the Owner may be specifically assessed against the Lot of such Owner.

7.8 Remedies of the Association to Enforce Assessments. Any Assessments which are not paid when due shall be delinquent. Any Assessment delinquent for a period of more than ten (10) days shall incur a late charge (in an amount equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the amount of the assessment or installment not paid when due) and interest (at a rate of ten percent (10%) per annum on the principal amount due) In the event that the assessment remains unpaid after sixty (60) days, the Association may commence legal action to collect the Assessments or to foreclose its lien. The Association may file a claim of lien with the Office of the Clerk of Superior Court of Gwinnett County, Georgia, but no such claim of lien shall be required to establish or perfect the lien for unpaid assessments. Each Owner by his or her acceptance of a deed to a Lot, vests in the Association or its agents the right and power to bring all actions against it personally for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as liens for mortgages on real Property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all Owners.

The Association may also suspend: (a) the membership rights of the delinquent Owner, including the right to vote; (b) the right of an Owner to use and enjoy the Common Area; and (c) the right of an Owner to receive and enjoy such services and other benefits as may then be provided by the Association, if any. Any suspension shall not affect an Owner's obligation to pay assessments coming due during the period of such suspension and shall not affect the permanent lien on such Lot in favor of the Association.

7.9 Date of Commencement of Annual Assessments. Annual Assessments shall commence upon conveyance of the Lot to a Member, other than Declarant or Builder. The annual assessment shall be payable in the manner and on the schedule the Board of Directors may provide, and if not stated in the budget, shall be on the first of the month.

7.10 Budget Deficits During Declarant Control. For so long as the Declarant or Builder has the authority to appoint and remove the directors and officers of the Association, Declarant or Builder may, but shall have no obligation to: (a) advance funds or contributions of services or materials or a combination of services and materials, rather than money (herein collectively called and "in kind contribution"), or a combination of these, to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves), and the sum of the general, special and specific Assessments collected by the Association in any fiscal year (such advances shall be evidenced by promissory notes from the Association in favor of the Declarant or

Builder); or (b) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for similar loans in the local area of the Subdivision; provided, however, no mortgage secured by the Common Area or any of the structures or improvements maintained by the Association shall be given in connection with such loan, unless the loan has been approved as provided in Section 2.2(d) hereof.

7.11 Exempt Property. The Assessments, charges, and liens created under this Article shall not apply to the Common Area nor shall the Assessments apply to land or easements dedicated to and accepted by local public authority or any land used by a utility company.

7.12 Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

7.13 Estoppel Letter. 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 or its managing agent setting forth the amount of assessments past due and unpaid, including any late charges, interest, fines, or other charges against that Lot. Such request shall be delivered to the registered office of the Association, and shall state an address to which the statement is to be directed. The Association shall, within five (5) business days after receiving a written request therefor, certify to the amount of any unpaid assessments constituting a lien on a specified Lot. The Association may charge a reasonable fee as may be permitted by law as a prerequisite to the issuance of such statement. A certification letter signed by an officer of the Association or the Association's managing agent, if any, as to the amount of assessments due with respect to a Lot shall be binding upon the Association. It is the intent of this provision to comply with O.C.G.A. Section 44-14-15(c), as amended.

ARTICLE VIII GENERAL PROVISIONS

8.1 This Declaration is to run with the land and shall be binding on all parties and persons claiming under it for a period of thirty (30) years from the date it is recorded after which time it shall be extended automatically for successive periods of ten (10) years, unless an instrument signed by two-thirds of the Owners of the Lots agree to change the covenants in whole or in part and is Recorded.

8.2 Amendments. The covenants and restrictions of this Declaration may be amended by an instrument signed by the Board of Directors of the Association with an attached certification that the amendments have been approved by the required voting percentage at a properly noticed meeting of the Association where the required quorum was present in person or

by proxy or with an attached joinder signed by Owners and Declarant with the required voting interest to approve such amendment.

(a) By Members. This Declaration may be amended upon the affirmative vote, written consent or any combination thereof by members of the Association holding at least two-thirds (2/3) of the total eligible Association vote and the consent of the Declarant.

(b) By Declarant. The Declarant retains the right to unilaterally amend the Declaration until it no longer owns any property in the Subdivision or has the right to annex additional property to: (i) comply with any governmental requirement or request; (ii) correct errors; (iii) comply with any requirement by an institutional lender which commits to make mortgage loans for homes in the Subdivision; or (iv) for any other purpose without the consent of the membership; provided, however, that no such amendment shall prejudice or otherwise impair the security, rights and priorities of any mortgagee of record as to any of the Lots or materially adversely affect the substantive rights of an Owner hereunder. Such amendment by the Declarant shall not prejudice the Ownership or diminish the property rights of Owners, nor shall they transfer any of the Declarant's obligations to the Association or to the Owners.

In addition to the foregoing, Declarant shall have the right to amend the Declaration to remove any portion of the Subdivision then owned by Declarant or the Association, as the case may be, from the coverage of this Declaration and the jurisdiction of the Association, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Subdivision, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Subdivision. Any withdrawal shall be accomplished by filing for record an amendment to this Declaration in the Spalding County, Georgia land records which describes the property to be removed and is executed by the Declarant and the Owner(s) of the property being removed, if not the Declarant. Any withdrawal shall be effective upon filing for record of such amendment in the Spalding County, Georgia land records, unless a later effective date is provided therein. Such amendment shall be executed by the Declarant and the Owner(s) of the property being removed and shall not require the vote or consent of any other Lot Owners in the Subdivision.

(c) By the Board. The Board, with the consent of Declarant and without a vote of the Members, shall have the power to amend this Declaration to: (i) bring any provisions herein into compliance with any governmental or quasi-governmental statute, rule, regulation, or requirement, or judicial ruling; or (ii) elect to be governed by and thereafter comply with the provisions of the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220 *et seq.*. To the extent legally required, each Owner shall be deemed to have granted to the Association an irrevocable power of attorney, coupled with an interest, for this purpose.

8.3 Indemnification. The Association shall indemnify every Officer, director and Owner on ARC and all other members of the ARC, as well as Declarant, against any and all expenses, including reasonable attorney fees actually incurred by or imposed upon any Officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which he may be made a party by reason

of being or having been an officer or director or member of the ARC, at the time such expenses are incurred. The officers, directors and members of the ARC shall not be liable for any mistake of judgment, negligence, or otherwise, except for his or her own individual willful misconduct or nonfeasance. The officers, directors, and members of the ARC shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such Officers, directors and members of the ARC may also be Owners of the Association) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein, shall not be exclusive of any other rights to which any officer, director, or committee member, or former Officer, director, or members of the ARC may be entitled. The Association may as a common expense, maintain adequate general liability and Officers' and directors' liability insurance to fund this obligation.

8.4 Eminent Domain. In the event of a threatened taking of all or a portion of the Common Area, the Association shall have a power to take all action with respect to such taking. The Board may act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association. In the event of taking of less than all the Common Area, the rules as to restoration, replacement of any Common Area and the improvement thereon shall apply as in the case of destruction of improvements upon the Common Area.

8.5 Insurance. The Association shall obtain, to the extent reasonably available and at a reasonable cost, insurance it deems necessary which may include, but not limited to, the following policies of insurance:

(a) fire and extended coverage insurance on all improvements upon the Common Area and Areas of Common Responsibility in the amount of 100% of the full insurance replacement cost value of the improvements;

(b) general comprehensive public liability insurance against liability to and claims of the public, an Owner of the Association and any other person with respect to liability occurring upon the Common Area or the Areas of Common Responsibility based upon or arising out of the Association's ownership or use of the Common Area or Areas of Common Responsibility. The minimum combined single limits of liability shall not be less than \$1,000,000 per occurrence and \$1,000,000 aggregate. The liability insurance shall name, as separately protected insured, the Declarant, the Association, the Board, the ARC (if economically feasible) and their respective Owners, employees, officers, agents and representatives.

The Association shall furnish the insurance contemplated and any judgment by the Association as to the amount and type of insurance shall be reasonable and shall be made after due deliberation in good faith and based on institutionalized lender's loan guidelines.

8.6 **Contracts with Declarant or Third Parties.** The Association and Declarant are authorized to enter into mutual contracts for any services the Declarant is capable of providing to the Association. The contract shall be an arm's length transaction subject to such terms and conditions as the parties may agree. Any third-party contract must be capable of being terminated with thirty (30) days' notice. Agreements with any Association management company shall clearly state any estoppel fees due to the management company for a change of title of a Lot.

8.7 **Headings.** It is further declared that the headings or titles inserted in the Declaration and any subsequent amendments are inserted solely for the convenience of reference and shall not constitute a part of this agreement nor shall they affect its meaning, construction or effect.

8.9 **Perpetual Easement.** Notwithstanding any provisions of this Declaration or any amendments thereto, no easements in the Common Area for ingress and egress may be terminated, said easements being intended to be perpetual; this will apply regardless of the termination of the restrictive covenants contained in this Declaration and regardless of the termination of the Declaration itself. Furthermore, notwithstanding the termination of this Declaration, the Association's power to make Assessments and its duties to maintain the Common Area and Areas of Common Responsibility shall survive the termination of this Declaration unless the instrument of termination specifically provides otherwise.

8.10 **Supplemental Declarations and Additions to Existing Property.** Declarant, by its sole and absolute discretion, may file such supplemental declarations as it deems appropriate from time to time, and the same will be amended from time to time as additional phases of the Subdivision are developed, without the necessity of any joinder by the Association or by any Owners in the Subdivision; there is reserved in the Declarant the unrestricted right to grant easements in all roads and Common Area throughout the Property to all Owners of Lots in the Subdivision (including phases to be developed by use of a supplemental declaration). The right of the Declarant to extend all of the benefits of easements, as development proceeds in phases, to all Owners of Lots in the Subdivision, over roads and over other Common Area throughout the existing properties and future additions thereto is absolute and may be exercised at any time and from time to time without the joinder and without the consent of the Association or of any Owner or mortgagee whomsoever. It is likewise intended that notwithstanding the provisions of Section 2.2 (e) or of any other provision of the Declaration, neither the Association's consent nor that of its Owners shall be necessary for Declarant to grant utility easements to public utility companies and to governmental units, so long as the easements are over Common Area, Areas of Common Responsibility or over portions of Lots then owned by the Declarant.

As additional phases are developed, they shall be additional properties within the jurisdiction of the Association entitled to the easements granted herein and subject to the restrictions and assessments set out herein. The additions shall be made by filing of record – one or more Supplemental Declarations with describing the properties to be subject to this Declaration. Each supplemental declaration may contain complementary additions and modifications of this Declaration to reflect the different character, if any, of the added properties;

provided, however, that such supplemental declaration shall not revoke or otherwise amend this Declaration as it applies to the existing Property.

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

8.12 Declarant's and Builder's Rights. The provisions of this Declaration shall not be applicable to prevent or hinder the activities of Declarant or Builder in developing, marketing, and operating the Subdivision. Additionally and notwithstanding any other provision of this Declaration, Declarant and its designees and Builder may employ such methods of marketing including signage, parking facilities for models, and operation of sales and construction offices, as deemed appropriate in Declarant's and Builder's sole discretion, and for ingress and egress over the Common Area for this purpose. In accordance therewith, Declarant reserves an easement across the Subdivision to maintain and carry on, upon such portion of the Subdivision as it may reasonably deem necessary, such facilities and activities as in its sole opinion may be required or convenient for its development, construction and sales activities related to property hereby and hereafter subjected to this Declaration or any other property being developed by Declarant

8.13 Covenants Running with the Land. ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING AND WITHOUT LIMITING THE GENERALITY (AND SUBJECT TO THE LIMITATIONS) OF OTHER APPLICABLE SECTIONS HEREOF, IT IS THE INTENTION OF ALL PARTIES AFFECTED HEREBY AND THEIR RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS THAT THESE COVENANTS AND RESTRICTIONS SHALL RUN WITH THE LAND AND WITH TITLE TO THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF ANY OTHER SECTION HEREOF, IF ANY PROVISION OR APPLICATION OF THIS DECLARATION WOULD PREVENT THIS DECLARATION FROM RUNNING WITH THE LAND AS AFORESAID, SUCH PROVISION AND/OR APPLICATION SHALL BE JUDICIALLY MODIFIED, IF AT ALL POSSIBLE, TO COME AS CLOSE AS POSSIBLE TO THE INTENT OF SUCH PROVISION OR APPLICATION AND THEN BE ENFORCED IN A MANNER WHICH WILL ALLOW THESE COVENANTS AND RESTRICTIONS TO SO RUN WITH THE LAND; BUT IF SUCH PROVISION AND/OR APPLICATION CANNOT BE SO MODIFIED, SUCH PROVISION AND/OR APPLICATION SHALL BE UNENFORCEABLE AND CONSIDERED NULL AND VOID IN ORDER THAT THE PARAMOUNT GOAL OF THE PARTIES AFFECTED HEREBY (THAT THESE COVENANTS AND RESTRICTIONS RUN WITH THE LAND AS AFORESAID) BE ACHIEVED.

8.14 Conflicts. If there is any conflict between this Declaration, Bylaws, and/or Articles of Incorporation for the Association, this Declaration shall govern.

8.15 DISCLAIMER OF REPRESENTATIONS OR WARRANTIES. EXCEPT AS EXPRESSLY PROVIDED IN THIS DECLARATION, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR

MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF. IF ANY SUCH WARRANTY CANNOT BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

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

8.17 Security. ALL OWNERS, OCCUPANTS, GUESTS, LICENSEES, AND INVITEES, AS APPLICABLE, ACKNOWLEDGE THAT DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS, AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, DO NOT REPRESENT OR WARRANT THAT ANY SAFETY OR SECURITY MEASURES WILL BE IMPLEMENTED IN THE SUBDIVISION OR, IF IMPLEMENTED, THAT SUCH SAFETY OR SECURITY MEASURES MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR THAT ANY SUCH SAFETY OR SECURITY MEASURES WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THEY ARE DESIGNED. EACH OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, ARE NOT INSURERS OR PROVIDERS OF SAFETY OR SECURITY AND SHALL HAVE NO DUTY TO PROVIDE ANY SAFETY OR SECURITY ON THE COMMON AREA OR ANY OTHER PORTION OF THE SUBDIVISION; AND THAT EACH OWNER, OCCUPANT, GUEST, LICENSEE, AND INVITEE ASSUMES ALL RISKS OF PERSONAL INJURY AND PROPERTY DAMAGE AND FURTHER ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS, AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SAFETY OR SECURITY MEASURES IMPLEMENTED OR APPROVED.

8.18 Occupants Bound. All provisions of the Declaration, Bylaws, rules and regulations, use restrictions and Design Guidelines which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants and the guests and invitees of Owners and occupants. The Owner shall be responsible for insuring that the occupants, the guests, invitees and licensees of the Owner and occupant strictly comply with all provisions of the Declaration, Bylaws, rules and regulations, use restrictions and Design

Guidelines. Fines may be levied against Owners or occupants. If a fine is first levied against an occupant and is not timely paid, the fine may then be levied against the Owner.

ARTICLE IX.
DISCLAIMER OF LIABILITY OF ASSOCIATION

9.1 Notwithstanding anything contained herein or in the Association Documents neither the Association nor the Declarant nor any Officer or employee thereof shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Subdivision including, without limitation, residents and their families, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:

(a) it is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern or regulate the uses of the Subdivision have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof;

(b) the Association is not empowered, and has not been created, to act as an entity which enforces or ensures the compliance with the laws of the United States, State of Georgia, Spalding County and /or any other jurisdiction or the preventions of illegal activity;

(c) any provisions of the Association Documents setting forth the uses of Assessments which are related to health, safety, security and/or welfare shall be interpreted and applied only as limitations of the uses of Assessment funds and not as creating a duty of the Association to protect or further the health, safety, security or welfare of any person(s), even if Assessment funds are chosen to be used for any such reason;

Each Owner (by virtue of Owner's acceptance of title to their Lot) and each other person or entity having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such uses) shall be bound by this Article and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed in this article.

The Common Area and easements contain wetlands, roads and water areas which may present hazards to persons and which may contain wildlife and other organisms of danger to children and other persons. All Owners, on behalf of themselves, their families, guests, and invitees, hereby agree that the Association shall have no liability for any activities undertaken by any person on Association lands or Common Area and easements which result in injury from such natural elements. All Owners, families, invitees and guests agree that any person using such lands does so at his own risk. All Owners shall undertake to warn others of such hazards when appropriate.

As used in Article IX, "Association" shall include within its meaning all of the Association's directors, officers, committee and board members, employees, agents, contractors (including management companies), subcontractors, successors and assigns. The provisions of this Article shall also inure to the benefit of the Declarant, which shall be fully protected hereby.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the first party has caused these presents to be duly executed in its name and by its manager, on the 20th day of November, 2019.

Executed and declared in the presence of:

Preserve at Cedar Lake Holdings, LLC, a Georgia limited liability company.

~~Print Name~~

~~Print Name~~



By: Edd Price, Sole Member

Signed, sealed, and delivered in the presence of:

Katy Nelson
WITNESS

Kristy A. Calhoun
NOTARY PUBLIC

My Commission Expires 12/1/21
KRISTY A. CALHOUN
NOTARY PUBLIC
[NOTARY SEAL] County
State of Georgia
My Comm. Expires _____

EXHIBIT "A"
LEGAL DESCRIPTION

All that tract or parcel of land lying and being in Land Lots 254 and 266 of the 4th District, Walton County, Georgia, being Lots 7-17, 23-26 and 36-60, of Sterling Oaks Subdivision, Phase 1, as per plat thereof recorded in Plat Book 99, Pages 127-128, Walton County, Georgia Records, which recorded plat is incorporated herein by reference and made a part of this description.

And

All that tract or parcel of land lying and being in Land Lots 254 and 266 of the 4th District, Walton County, Georgia, being Lots 1-6, 27-35 and 18-22, of Sterling Oaks Subdivision, Phase 1, as per plat thereof recorded in Plat Book 99, Pages 127-128, Walton County, Georgia Records, which recorded plat is incorporated herein by reference and made a part of this description.

TOGETHER WITH:

All of the stormwater management facilities, including the stormwater detention pond denoted as Pond B and all stormwater lines, inlets, outlets and drains, together with perpetual easements for maintenance, replacement and operation of such stormwater management facilities, such facilities being located within the Preserve at Cedar Lake Subdivision f/k/a Sterling Oaks Phase 1 Subdivision, as shown on that certain plat of survey entitled "Final Plat of Sterling Oaks Phase 1," prepared by Blue Ridge Mapping, Inc., certified by D. Evan Castle, Georgia Registered Land Surveyor No. 2657, dated April 11, 2006, last revised June 24, 2006, which plat is recorded at Plat Book 99, Pages 127-128, Walton County, Georgia Plat Records and which plat is incorporated herein by reference.

The entrance landscaping and entrance monument signs for Preserve at Cedar Lake Subdivision.