

NOTE: DISCLAIMER - this document is an abridged version of the Declaration of Covenants, Conditions, and Restrictions for Hampton Ridge Subdivision and the 4th and 5th Amendments thereto. While it was the preparers' attempt to take all due care and maintain the greatest accuracy possible, the primary reasons for this effort were to transfer the documents into electronic media to facilitate future additions/modifications and to provide a more readable and easy to follow version by combining the original Declaration and the most pertinent amendments into one document. Therefore this document's accuracy cannot be guaranteed and no guarantees are given or implied. To insure complete accuracy, the user should consult the original documents filed in the Cobb County, Georgia records.

**DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR HAMPTON RIDGE SUBDIVISION**

THIS DECLARATION is made on the date hereinafter put forth by SALEM VENTURE, INC., a Georgia corporation (hereinafter referred to as "Declarant").

Salem Venture, Inc., a Georgia corporation, recorded a Declaration of Covenants, Conditions and Restrictions for Hampton Ridge Subdivision on August 26, 1985 in Deed Book 3619, Page 48, et seg, in the Cobb County, Georgia records (Hereinafter referred to as the "Declaration").

The Declaration has been amended by amendments recorded in the Cobb County, Georgia Records as follows:

<u>Recording Date</u>	<u>Deed Book/Page</u>
11/22/85	3734/287 et seg
01/18/88	4781/009 et seg
01/22/91	5990/176 et seg
02/10/97	10158/100 et seg
(~04/13/01)	13499/672 et seg

The Development is a residential property owner's development which hereby submits to the Georgia Property Owners' Association Act, O.C.G.A, §44-3-220, et seg. (Michie, 1982).

ARTICLE I

DEFINITIONS

The following words, when used in this Declaration of Covenants, Conditions and Restrictions, shall have the following meanings:

1.01 ADDITIONAL PROPERTY. "Additional Property" means the additional property which may be added to the Property and made subject to this Declaration pursuant to Article X hereof. A description of the Additional Property is set forth on Exhibit "B" attached hereto and made a part hereof.

1.02 ASSOCIATION. "Association" means Hampton Ridge Homeowners Association, Inc. (a non-profit corporation organized under the Georgia Nonprofit Corporation Code), its successors and assigns.

1.03 BOARD. "Board" means the Board of Directors of the Association.

1.04 BY-LAWS. "By-laws" means the By-Laws of the Association.

1.05 COMMON PROPERTY. "Common Property" means all real property (together with any and all improvements now or hereafter located thereon) owned by the Association or in certain instances over which the Association has been granted permanent easements, for the common use and enjoyment of the Owners.

1.06 DECLARANT. "Declarant" means Salem Venture, Inc., a Georgia Corporation, its successors and assigns, including, but not limited to, any person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, which acquires all or substantially all of the Development then owned by Declarant (or subsequent successors in interest), together with its rights hereunder, by conveyance or assignment from Declarant, or judicial or non-judicial foreclosure, for the purpose of development and/or construction on the Property.

1.07 LOT. "Lot" means any numbered parcel of land shown upon the plat of survey prepared by Land Development Engineers, Inc. dated December 12, 1984, recorded in Plat Book 97, Page 25, Cobb County records, or as similarly shown on supplemental surveys of such tract or such additional tracts as may be added to the Property from time to time, as provided herein; provided, however, that no portion of the Common Property shall ever be a lot except as provided for in Section 2.04.

1.08 MEMBER. "Member" means any member of the Association.

1.09 OWNER. "Owner" means the record owner whether one or more persons or entities, of a fee simple title to any Lot, provided, however, that where fee simple title has been transferred and is being held merely as security for repayment of a loan, the person or entity who would own the Lot in fee simple if such loan were paid in full shall be considered the Owner.

1.10 PROPERTY. "Property" means that certain real property (other than Common Property) hereinabove described and subject to the provisions of this Declaration of Covenants, Conditions and Restrictions in accordance with the provisions of Article X hereof.

1.11 RESTRICTIONS. "Restrictions" means all covenants, restrictions, easements, charges, liens and other obligations created or imposed by this Declaration.

1.12 STRUCTURE. "Structure" means:

(a) any thing 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 or bathhouse, coop or cage, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, tree, shrub, sign, signboard, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Lot;

(b) any excavation, grading, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across any Lot; and

(c) any change in the grade at any point on a Lot of more than six (6) inches, whether or not subsection (b) of this Section 1.12 applies to such change.

1.13. ACT. "Act" shall mean the Georgia Property Owners' Association Act, O.C.G.A. §44-3-220, et seq. (Michie, 1982), as such Act may be amended from time to time.

ARTICLE II

COMMON PROPERTY

2.01 RESERVED.

2.02 RIGHT of ENJOYMENT. Every Owner shall have a right and easement to use and enjoy the Common Property, which right shall be appurtenant to and shall pass with the title to every Lot upon transfer; provided, however, that no Owner shall do any act which interferes with the free use and enjoyment of the Common Property by all other Owners. The Association may permit persons who are not Owners to use and enjoy any part or all of the Common Property subject to such limitations, and upon such terms and conditions, as it may from time to time establish. The right and easement of enjoyment granted or permitted by this Section 2.02 is subject to suspension by the Association as provided in Section 3.06.

2.03 RIGHTS OF THE ASSOCIATION. The rights and privileges conferred by Section 2.02 hereof shall be subject to the right of the Association acting through the Board to:

- a) promulgate rules and regulations relating to the use, operation and maintenance of the Common Property;
- b) charge reasonable fees in connection with the admission to and use of facilities or services; provided that in setting any such fee, the Board may establish reasonable classifications which shall be uniform within each such class but need not be uniform between such classes;
- c) suspend, pursuant to Section 3.06, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.02;
- d) grant easements or rights of way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency or to any utility company or cable television system;
- e) enforce all applicable provisions of valid agreements of the Association relating to the Common Property or any part thereof;
- (f) borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed to secure debt, mortgage or other security interest, any or all of the Association's property, including Common Property and revenues from assessments, user fees and other sources;
- (g) dedicate or transfer all or any part of the Common Property or interests therein to any municipality or other governmental body, agency or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the Association and such grantee, including a provision that such property or interest shall cease to be subject to this Declaration or all or any part of the Restrictions while held by any such municipality or other governmental body, agency or authority;
- (h) to sell, lease or otherwise convey all or any part of its properties and interest therein provided, however, that the Association shall not sell, encumber by security interest, convey, dedicate or transfer any Common Property or interest therein without the approval of two-thirds (2/3) of each class of Members.

2.04 TYPES OF COMMON PROPERTY.

- (a) RESERVED.

(b) ENCROACHMENT EASEMENTS. If any buildings or other improvements initially constructed on any of the Lots, including without limitation any eaves, roof overhangs, balconies, siding, porches, or other structures which may be attached to the walls and roof of such buildings, and which may encroach onto or over or extend into the air space of any portion of the Common Property, or, conversely, if any such improvements initially constructed on the Common Property encroach onto or over portions of any Lot, a valid easement for the encroachment and for the maintenance, repair and replacement thereof, shall exist so long as the encroachment exists.

2.05 DELEGATION OF USE. Any Owner may delegate to the members of his family or his tenants who reside on a Lot, in accordance with the By-Laws, his right to use and enjoy the Common Property.

ARTICLE III

THE HOMEOWNER'S ASSOCIATION

3.01 PURPOSES, POWERS AND DUTIES OF THE ASSOCIATION. The Association shall be formed as a non-profit civic organization for the sole purpose of performing certain functions for the common good and general welfare of the people of the Development. The Association shall have no power or duty to do or perform any act or thing other than those acts and things which will promote in some way the common good and general welfare of the people of the Development. To the extent, and only to the extent, necessary to carry out such purpose, the Association (a) shall have all of the powers of a corporation organized under the Georgia Nonprofit Corporation Code and (b) shall have the power and duty to exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in this Declaration.

3.02 MEMBERSHIP IN THE ASSOCIATION. Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in this Declaration of Covenants, Conditions and Restrictions.

3.03 VOTING RIGHTS. Subject to the following provisions of this Section 3.03, the Association shall have the following classes of voting membership: Class A.

(a) CLASS A. Every person who is an Owner, except as otherwise set forth herein, shall be a Class A member and shall be entitled to one vote for each Lot owned. When more than one person is a Class A member by virtue of an ownership interest in the same Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event of disagreement among such persons and an attempt by two or more of them to cast the vote of such Lot, such persons shall not be recognized and the vote of such Lot shall not be counted. The membership

of Class A members shall automatically terminate upon the member's sale of his Lot. However, no termination of Class A membership shall affect such member's obligation to pay assessments, as hereinafter provided for, due and payable for any period prior to the date of such termination, and there will be no refund for assessments paid for periods falling after the date of such termination.

3.04 BOARD OF DIRECTORS AND OFFICERS.

(a) BOARD. The affairs of the Association shall be managed by a Board of Directors. The number of Directors and the method of election of Directors shall be as set forth in this Declaration and in the By-Laws of the Association. Except to the extent otherwise expressly required or authorized by the Georgia nonprofit Corporation Code or this Declaration, the Association's By-Laws or Articles of Incorporation, the powers inherent in or expressly granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Members.

(b) OFFICERS. The number of officers and the method of election of officers shall be as set forth in this Declaration and the By-Laws of the Association. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-laws of the Association, officers of the Association shall be appointed by the Board.

(c) CASTING OF VOTES. The votes of the members shall be cast under such rules and procedures as may be prescribed in this Declaration or in the By-Laws of the Association, as amended from time to time, or by law.

3.05 BOARD OF DIRECTORS. The affairs of the Association shall be managed by a Board of Directors. The number of Directors and the method of election of Directors shall be as set forth in this Declaration and the By-Laws of the Association.

3.06 SUSPENSION OF MEMBERSHIP. The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property (including, but not limited to, use of the swimming pool and tennis courts) of any person who:

(a) shall be subject to the Right of Abatement, as defined in Section 8.02 by reason of having failed to take the reasonable steps to remedy a violation or breach of either the Restrictions or the Design Standards of the ACC (as herein defined) within thirty (30) days after having received notice of the same pursuant to the provisions of Section 5.02, 6.14 or 8.02 hereof;

(b) shall be delinquent in the payment of any assessment levied by the Association pursuant to the provisions of Article IV hereof; or

(c) shall be in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property;

(d) any suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 3.06, the suspension may be for a period not to exceed 60 days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

3.07 VOTING PROCEDURES. The procedures for the election of Directors of the Association and the resolution of such other issues as may be brought before the membership of the Association shall be governed by this Declaration, the Georgia Nonprofit Corporation Code, the Articles of Incorporation of the Association, and the By-Laws of the Association, as each shall from time to time be in force and effect.

3.08 CONTROL BY DECLARANT AND APPOINTMENT OF THE BOARD. Until such time as Declarant no longer has the right to appoint members to the Board, the Board of the Association shall consist of three (3) members. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-Laws of the Association, the Declarant hereby retains the right to appoint said three (3) members to the Board. The right of Declarant to appoint members of the Board also includes the right to remove and replace his appointees until such time as his right to appoint members to the Board ceases. Declarant shall retain the right to appoint and remove his members of the Board until such time as the first of the following events shall occur: (a) the expiration of five (5) years from the date of the recording of this Declaration; (b) the date upon which three-fourths (3/4) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed, by either Declarant or by a builder who purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy; or (e) the surrender by Declarant of the authority to appoint and replace Directors by an express amendment to this Declaration executed and recorded by Declarant. Upon the final expiration of all rights of Declarant to appoint and replace Directors of the Association a special meeting of the Association shall be called. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the board, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association, and any agreements or contracts executed by or on behalf of the Association during such period which Declarant has in his possession. Each Owner by acceptance of a deed to or other conveyances of a Lot vests in Declarant such authority to appoint and replace Directors and Officers of the Association as provided in this Section. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IV

ASSESSMENTS AND MAINTENANCE CHARGES

4.01 COVENANTS FOR ASSESSMENTS AND CREATION OF LIEN AND PERSONAL OBLIGATIONS. The Declarant, to the extent that Declarant is an Owner, hereby covenants and agrees, and each Owner, jointly and severally, for himself, his heirs, distributees, legal representatives, successors and assigns, by acceptance of a deed for a Lot, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:

(a) To pay to the Association the annual assessments which may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him;

(b) to pay to the Association any special assessments for capital improvements and other charges which may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him;

(c) that there is hereby created a continuing charge and lien upon all Lots owned by him against which all such assessments are made to secure payment of such assessments and any interest thereon as provided in Section 4.07 hereof and costs of collection including reasonable attorney's fees;

(d) The lien provided for herein shall have priority as provided for in the Act. The grantee in a conveyance of a Lot shall be jointly and severally liable with the grantor thereof for all unpaid assessments against the latter up to the time of the conveyance without prejudice to the grantee's right to receive from the grantor the amounts paid by the grantee; however, that if the grantor or grantee shall request a statement from the Association as provided in subsection (d) of Code Section 44-3-232, such grantee and his or her successors, successors-in-title, and assigns shall not be liable for nor shall the property owners association Lot conveyed be subject to the lien for any unpaid assessments against such grantor in excess of any amount set forth in the statement.

(e) That no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Lot or Lots from liability for any assessment thereafter assessed;

4.02 PURPOSE OF ASSESSMENT. The assessments levied by the Association shall be used exclusively for the purpose of providing for the common good and general welfare of the people of the Development, including, but not limited to, and in addition to other purposes set forth in this Declaration, security, the acquisition, construction, improvement, maintenance and equipping of Common Property, the enforcement of the Restrictions contained in this Declaration, the enforcement of the Design Standards of the ACC, the payment of operating costs and expenses of the Association and the payment of all principal and interest when due on all debts owed by the Association. Notwithstanding the foregoing, any and all dues, fees and assessments levied by the Association may also be used by the Association to make any and all payments due to SunTrust Bank, Atlanta (or its successors or assigns) pursuant to that certain promissory note dated March 27, 1996 in the principal amount of \$125,000.00 ("SunTrust Loan").

4.03 ACCUMULATION OF FUNDS PERMITTED. The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of annual assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

4.04 ANNUAL ASSESSMENTS OR MAINTENANCE CHARGE. Subject to the terms of this article, each Lot in the Property is hereby subjected to an annual maintenance charge for the purpose of creating a fund to be known as the "maintenance fund" which maintenance charge and assessment will be paid by the Owner or Owners of each Lot within the Property (and any area annexed under the jurisdiction of the Association) in advance in quarterly, semi-annual or annual installments. The annual maintenance charge and assessment will commence as to each Lot on the first day of the month following the earliest to occur of the following events: (a) upon the occupancy of a permanent dwelling located on the Lot as a residence; or (b) upon the conveyance of the Lot by Declarant to an Owner or tenant for residential occupancy or (c) upon the conveyance by a builder who has purchased the Lot from Declarant for the purpose of erecting a dwelling thereon to an Owner or tenant for residential occupancy. Neither the Declarant nor any builder who has purchased a lot from Declarant for the purpose of erecting a dwelling thereon shall be subject to the annual maintenance charge and assessment; however, the Declarant hereby agrees that until such time as it no longer has the right to appoint members to the Board of the Association, the Declarant will pay to the Association any deficit amounts not covered by the income of the Association and reasonably necessary to maintain the Common Property in a neat, attractive, and in addition, where such property is intended for recreational use, useable condition. Any such deficit amount required to be paid by Declarant shall be treated as an assessment and subject to the provisions of Section 4.07; provided, however, any lien for such an assessment shall apply only to those Lots owned by the Declarant which are subject to this Declaration, and the amount thereof shall be divided equally among all such Lots.

Notwithstanding the preceding, the annual maintenance charge and assessment will commence as to each Lot owned by Declarant or a builder upon the occupancy of a permanent dwelling located thereon as a residence. Beginning on the date this Declaration is executed through December 31, 1985, the annual maintenance charge and assessment will not exceed \$30.00 Per Month or a rate of \$360.00 per annum (said rate of charge referred to hereinafter as the "Initial Rate"). The Initial Rate will be determined by the Board of Directors; however, said Initial Rate will not exceed the maximum rate stated in the preceding sentence. Whether such assessment shall be payable quarterly, semi-annually or annually will be determined by the Board of Directors. Beginning January 1, 1986, and from year to year thereafter, the annual assessment may be adjusted by the Board of Directors as the needs of the Development may in the judgment of the Directors require; however, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership, which shall require approval of two-thirds (2/3) of each class of Members present, in person or by proxy, at a meeting duly called for such purpose, with

at least sixty percent (60%) of the Owners or other proxies present. If sixty percent (60%) of the Owners do not attend, a second meeting may be called and the quorum will be reduced to thirty percent (30%) of the Owners or their proxies. The due dates shall be established by the Board of Directors. The association shall use the proceeds of said maintenance fund in providing for normal, recurring maintenance charges for the Common Property, for the use and benefit of all residents of said Property. Such uses and benefits to be provided by said Association may include, by way of clarification, and not limitation, any and all of the following: normal, recurring maintenance of the Common Property (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking and otherwise caring for existing landscaping and maintaining and repairing recreational facilities) and the acquisition and installation of capital improvements to such Common Property, such as sprinkler systems, provided that the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Property; payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the Property to which the maintenance fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employment of security guards or watchmen, if determined necessary; caring for vacant lots; and doing any other thing or things necessary or desirable in the opinion of the Board or membership of the Association to keep the property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the majority of the Members of the Association in the expenditure of said funds and the determination of what constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith. The Association shall, in addition, establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Property. The fund shall be established and maintained out of regular annual assessments.

4.05 SPECIAL ASSESSMENTS FOR WORKING CAPITAL FUND, NON-RECURRING MAINTENANCE AND CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized by this Article IV, the Association may levy:

(a) upon the first sale to an Owner who will individually or through tenants or assigns occupy a Lot, such sale to be made by Declarant or by a builder who has purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, a special assessment equal to two (2) months' estimated regular assessments, which shall be collected at the closing of such sale for the benefit of the Association. The aggregate fund established by such special assessment shall be maintained in a segregated account, and shall be for the purpose of insuring that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board; and

(b) in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or

replacement of a capital improvement upon any Common Property including fixtures and personal property related thereto, provided that any such assessment shall have been approved by a two-thirds (2/3) vote of each class of Members of the Association who are present in person or by proxy at a meeting duly called for such purpose.

(c) The Board of Directors shall have the power to assess specially pursuant to this subsection and to Section 44-3-225(a) of the Act as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to do so in the future.

(i) Except for expenses incurred for maintenance and repair of items which are the Association's maintenance responsibility hereunder, any common expenses benefiting less than all of the Lots may be specially assessed equitably among all of the Lots which are benefited according to the benefit received.

(ii) Any common expenses occasioned by the conduct of less than all of those entitled to occupy all of the Lots or by the licensees or invitees of any such Lot or Lots may be specially assessed against such Lot or Lots.

For purposes of this subsection, nonuse shall constitute a benefit to less than all Lots or significant disproportionate-benefit among all Lots only when such nonuse results in identifiable, calculable reduction in the cost to the Association.

4.06 NOTICE AND QUORUM. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.04 or 4.05 shall be sent to all Members, or delivered to their residence, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

4.07 DELINQUENT ASSESSMENTS. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(a) Any assessment not paid within thirty (30) days of the due date in full or if any other charge is not paid within ten (10) days of the due date, a late charge equal to the greater of ten (\$10.00) dollars or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner and interest at the rate of ten percent (10%) per annum or such higher rate as may be permitted by the Act shall accrue from the due date.

(b) If part payment of assessments and related charges is made, the amount received shall be applied first to costs and attorneys fees, then to late charges, then to interest, then to delinquent assessments and then to current assessments.

(c) If assessments and other charges or any part thereof remain unpaid more than sixty (60) days after the assessment payments first became delinquent, the Association, acting through the Board, may institute suit to collect all monies due pursuant to the provisions of the Declaration, the Bylaws, the Act, and Georgia law and suspend the Owner's right to vote and the Owner's and occupant's right to use the Common Property (provided, however, the Board may not limit ingress or egress to or from a Lot).

4.08 STATEMENT OF ACCOUNT. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against a Lot. The Association shall respond in writing within five (5) days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, not exceeding ten (\$10.00) dollars, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein.

4.09 ASSESSMENT FOR DEBT SERVICE. Each year and continuing each successive year thereafter until such time as the SunTrust Loan is paid in full, the Board of Directors of the Association shall assess each Lot an amount necessary and sufficient to make any and all payments and to pay any expenses, costs or interest due and owing for that particular year in connection with the SunTrust Loan, which amount shall be deemed an expense and assessed against each Lot in accordance with the provisions of Section 4.01 of the Declaration as amended herein. This assessment shall be due and payable on a date to be determined by the Board of Directors and shall be used first, to pay any amount due under the SunTrust Loan or to set reserves sufficient to pay the next amount due under the SunTrust Loan. The obligation to make such assessment and use such assessment in accordance with the terms of this Section shall be the primary obligation of the Association, which shall be undertaken before any other obligation regarding assessments and the payment of expenses by the Association under this Declaration. In the event of default by Association under the SunTrust Loan, then SunTrust shall have a first priority lien on all of the assessments of the Association.

ARTICLE V

ARCHITECTURAL CONTROL

5.01 ARCHITECTURAL CONTROL COMMITTEE - CREATION AND COMPOSITION. An Architectural Control Committee (the "ACC") shall be established consisting of three (3) individuals to be appointed by the Board of Directors.

5.02 ARCHITECTURAL STANDARDS.

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

- (i) make any encroachment onto the Common Property,
- (ii) construct any dwelling or Structure on a Lot or other improvement on a Lot,
- (iii) make any exterior change, alteration or construction on a Lot (including painting, re-grading or significant landscaping modifications), or
- (iv) erect, place or post any object, sign, antenna, clothesline, playground equipment, light, storm door or window, artificial vegetation, exterior sculpture, fountains, flags or other thing on the exterior of the Lot, on the dwelling on the Lot, on a Structure on the Lot in any windows of the dwelling, or on any Common Property.

The standard for approval of such improvements shall include, but not be limited to: (1) aesthetic consideration, (2) materials to be used, (3) compliance with the community-wide standard, this Declaration, or the design standards which may be adopted by the Board or ACC, (4) harmony with the external design of the existing buildings, Lots and Structures, and the location in relation to surrounding Structures and topography, and (5) any other matter deemed to be relevant or appropriate by the Board or ACC.

Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ACC may reasonably require. The ACC or its designated representative shall be the sole arbiter of such application and shall utilize the standard outlined in the paragraph above when reviewing applications. The ACC shall be entitled to stop any construction which is not in conformance with approved plans. The Board or the ACC may publish written design standards for exterior and Common Property alterations or additions.

The ACC or the Board, subject to subsection (a), may allow such encroachments on the Common Property as it deems acceptable.

If the ACC or its designated representative fails to approve or to disapprove such application within forty-five (45) days after the application and such information as the ACC may reasonably require shall have been submitted, its approval will not be required and this subsection (a) will be deemed complied with; provided, however, even if the requirements of this subsection are satisfied, nothing herein shall authorize anyone to construct or maintain any Structure or improvement that is otherwise in violation of the

Declaration, the By-Laws, the design standards, the Association's rules and regulations, or applicable zoning ordinances.

(a) ARCHITECTURAL CONTROL COMMITTEE. The Architectural Control Committee shall constitute a standing committee of the Association. The ACC shall consist of the Board unless the Board delegates to other persons the authority to serve on the ACC. At all times, however, the chairperson of the ACC shall be a Board member. The ACC shall have the authority to select and employ professional consultants to assist it in discharging its duties, the cost of such consultants to be paid by the Owner of any Lot for which plans and specifications have been submitted for approval. The Owner of any such Lot shall be responsible for paying the full costs of each review, whether or not submitted plans and specifications are approved by the ACC, and the ACC may require payment of all such costs prior to approval of plans and specifications. The ACC also may charge reasonable fees to cover the cost of review or inspections performed hereunder, and any such fees may be published in the design standards.

(b) LIMITATION OF LIABILITY. Review and approval of any application pursuant to this Article V may be made on any basis, including solely the basis of aesthetic considerations, and neither the Board nor the ACC shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Association, the Board, the ACC, nor member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design or quality of approved construction or modifications to any Lot.

(c) NO WAIVER OF FUTURE APPROVALS. Each Owner acknowledges that the members of the Board and the ACC will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval of either the Board or the ACC of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval of the Board or the ACC, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

(d) ENFORCEMENT. Any construction, alteration, or other work done in violation of this Article V, the Declaration, the By-Laws or the design standards shall be deemed to be nonconforming. Upon written request from the Board, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right, upon written notice to the Owner, to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work, provided the requirements of Article VIII, Section 8.02 of this Declaration have

been met. All costs thereof, including reasonable attorney's fees, may be assessed against the benefited Lot.

In addition to the above, the Board shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Article V and its decisions or those of the ACC, provided the procedure outlined in Article VII of the By-Laws has been followed.

If any Owner or occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Property in violation of this Article V, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction remain on the Common Property without reimbursement to the Owner or occupant for any expense he or she may have incurred in making the change, alteration or construction. Furthermore, the Board shall have the authority to record in the Cobb County land records notices of violation of the provisions of this Declaration.

(e) COMMENCEMENT OF CONSTRUCTION. All improvements approved by the ACC hereunder must be commenced within one year from the date of approval. If not commenced within one year from the date of such approval, then such approval shall be deemed revoked by the ACC, unless the ACC gives a written extension for commencing the work. Additionally, except with written ACC approval otherwise, and except for delays caused by strikes, fires, national emergencies, critical materials shortages or other intervening forces beyond the control of the Owner, all work approved by the ACC hereunder shall be completed within 180 days of commencement.

5.03 - 5.15 RESERVED.

ARTICLE VI

GENERAL COVENANTS AND RESTRICTIONS

6.01 APPLICATION. The covenants and restrictions contained in this Article VI shall pertain and apply to all Lots and to all Structures erected or placed thereon.

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

- a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the dwelling;
- b) the business activity does not involve visitation of the dwelling by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a residential dwelling without business activity;
- c) the business activity conforms to all zoning requirements for the Property;

d) the business activity does not increase traffic in the Property in excess of what would normally be expected for residential dwellings in the Property without business activity (other than by deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services);

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

f) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as determined in Board's discretion; and

g) the business activity does not result in a materially greater use of common area facilities or Association services.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

6.03 RE-SUBDIVISION OF PROPERTY. No Lot may be split, divided, or sub-divided for sale, resale, gift, transfer, or otherwise, without the prior written approval of the ACC of plans and specifications for such split, division or sub-division.

6.04 EROSION CONTROL. No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the ACC of plans and specifications for the prevention and control of such erosion or siltation. The ACC may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitation) physical devices of controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscape, and required landscaping as provided for in Section 6.05. Guidelines for the prevention and control of erosion and siltation may be included in the Design Standards of the ACC.

6.05 LANDSCAPING. No construction or alteration of any Structure shall take place without the prior written approval by the ACC of plans and specifications for the landscaping to accompany such construction or alteration. Guidelines for the landscaping to accompany the construction or alteration of any Structure shall be included in the Development Guidelines of the ACC.

6.06 TREES. No living tree having a diameter of six (6) inches or more (measured from a point two (2) feet above ground level) shall be removed from any Lot unless such removal is in conformity with approved landscaping plans and specifications submitted pursuant to the provisions of Section 6.05 hereof. Guidelines relating to

the preservation of trees and other natural resources and wildlife upon the Property may be included in the Design Standards of the ACC.

6.07 TEMPORARY BUILDINGS. No temporary building, trailer, garage or building under construction shall be used, temporarily or permanently, as a residence on any Lot except as temporary sleeping or living quarters required or desirable for security purposes in accordance with plans and specifications therefor approved by the ACC. No contractor or builder shall erect on any Lot any temporary building or shed for use in connection with construction on such Lot without the prior written approval of the ACC.

6.08 SIGNS. Except as may be required by legal proceedings, no signs, advertising posters or billboards of any kind shall be erected, placed, or permitted to remain on the Property without the prior written consent of the Board or its designee, except that one professional security sign not to exceed one (1') foot by one (1') foot in size may be displayed from within a dwelling or on a Lot and one (1) professionally lettered "For Rent" or "For Sale" sign not to exceed two (2') feet by two (2') feet in size may be displayed from within a dwelling or on a Lot being offered for sale or for lease, and temporary signs on Lots announcing births, birthdays or other events for limited periods of time. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association and to adopt specific regulations concerning signs.

6.09 SETBACKS.

(a) Each dwelling which is erected on a Lot shall be situated on such Lot in accordance with the building and setback line shown on the recorded plat, and in no event shall any dwelling be erected upon any Lot in a manner which violates such building and setback lines. For purposes of this requirement, all porches, patios, decks, shutters, awnings, eaves, gutters and other such overhangs will not be considered in violation thereof, even though such structure shall extend beyond said building and setback lines if approved by the ACC.

(b) In approving plans and specifications for any proposed Structure, the ACC may establish setback requirements for the location of such Structure. Guidelines for setbacks may be included in the Design Standards of the ACC. No Structure shall be erected or placed on any Lot unless its location is consistent with such setbacks.

6.10 FENCES. No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the ACC of plans and specifications for such fences and walls. Guidelines relating to the design, location and usage of fences and walls may be included in the Design Standards of the ACC.

6.11 ROADS AND DRIVEWAYS. No road or driveway shall be constructed or altered on any Lot without the prior written approval of the ACC of plans and specifications for such roads and driveways. Guidelines relating to the design and location of driveways and roads may be included in the Design Standards of the ACC.

6.12 ANTENNAS AND SATELLITE DISHES. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Community, whether attached to a home or structure or otherwise. The following shall apply to all Lots:

(i) No transmission antenna, of any kind, may be erected anywhere on the Community without written approval of the Board of Directors or the Architectural Control Committee.

(ii) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed, or maintained upon any portion of the Community, including a Lot.

(iii) DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association authorized by the FCC, both as may be amended from time to time.

In the event of a transfer of the Lot which includes the satellite dish or antenna, the Grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the Bylaws and the rules and regulations regarding satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

6.13 CLOTHESLINES, GARBAGE CANS, ETC. No clotheslines shall be permitted. All equipment, garbage cans, and woodpiles shall be kept in garages or screened by adequate planting or approved fencing so as to conceal them from view by neighboring residences and streets.

6.14 MAINTENANCE. Each Owner shall maintain and keep his or her Lot and dwelling in good repair, condition and order. Each Owner shall perform his or her responsibility hereunder in such manner so as not to unreasonably disturb other Lot Owners.

If the Board determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board.

Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair

within ten (10) days. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be an assessment and lien against the Owner and the Lot, without the necessity of complying with Article VIII, Section 8.02 of this Declaration.

If the Board determines that the need for maintenance or repair is in an area which is the maintenance responsibility of the Association, but is caused through the willful or negligent act of any Owner or occupant or their family, guests, lessees, or invitees, then the Association may assess the cost of any such maintenance, repair, or replacement against the Owner's or occupant's Lot, which shall become a lien against the Lot and shall be collected as provided herein for the collection of assessments.

The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to another term of the Board. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Section. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

6.15 RECREATIONAL EQUIPMENT. Recreational and playground equipment shall be placed or installed only upon the rear of a Lot as approved by the ACC.

6.16 PARKING. Boats, trailers, buses, recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked on a Lot or on the Property, except: 1) in garages or areas approved by the Board, or (2), in the case of service vehicles, on a temporary basis during daytime business hours for the purpose of serving a Lot.

If any vehicle is parked on any portion of the Property in violation of this Section 6.16 or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the Property stating the name and telephone number of the person or entity which will do the towing. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the vehicle owner or user, and without the necessity of complying with Article VIII, Section 8.02 of this Declaration.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or occupant's Lot or dwelling, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this

Section 6.16, 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 activity. The Association's right to tow is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

6.17 NON-DISCRIMINATION. No Owner or person authorized to act for an Owner shall refuse to sell or rent, after receiving a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any Lot to any persons because of race, color, religion, sex, age or national origin. Anything in this Declaration to the contrary notwithstanding, this covenant shall run with the land and shall remain in effect without any limitation in time.

6.18 PETS. No Owner or occupant may keep any pets other than a reasonable number of generally recognized household pets on any portion of the Property, as determined in the Board's discretion.

No Owner or occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors, except in fenced areas (including electronic invisible fences). No Structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Property without prior written Board approval as provided in Article V hereof. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors. Feces left upon the Common Property or other Owner's Lots by dogs must be removed by the owner of the dog or the person responsible for the dog.

No potbellied pigs may be brought onto or kept at the Property at any time. No pit bulldogs or other dogs determined in the sole discretion of the Board to be dangerous dogs may be brought onto or kept on the Property at any time by any Lot Owner, occupant, or guest of an Owner or occupant. Any pet which endangers the health of any Owner or occupant of any Lot or which creates a nuisance or unreasonable disturbance, as may be determined in the Board's sole discretion, must be permanently removed from the Property upon seven (7) days written notice by the Board. If the Owner or occupant fails to comply with such notice, the Board may remove the pet, without the necessity of complying with Article VIII Section 8.02 of this Declaration. Any pet which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any member of the community may be removed by the Board without prior notice to the pet's owner.

6.19 SOLID WASTE.

(a) No person shall dump rubbish, garbage, or any other form of solid waste on any Lot or on Common Property.

(b) Except during approved construction, no person shall burn rubbish, garbage or any other form of solid waste on any Lot or on Common Property.

(c) Except for building materials employed during the course of construction of any Structure approved by the ACC, no lumber, metals, bulk materials or solid waste of any kind shall be kept, stored or allowed to accumulate on any Lot unless screened or otherwise handled in a manner set forth in the Design Standards. ,

(d) If rubbish, garbage or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open on any day that a pick-up is to be made, in order to provide access to persons making such pick-up. At all other times such containers shall be screened or enclosed in a manner set forth in the Design Standards. Guidelines relating to the type of containers permitted, the manner of storage and the place of pick-up may also be included in the Design Standards.

6.20 PROHIBITION OF DAMAGE, NUISANCE AND NOISE. Without prior written Board consent, nothing shall be done or kept on the Property or any part thereof which would increase the rate of insurance on the Property or any Lot or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body, or which would increase the Association's expenses.

Noxious, destructive or offensive activity shall not be carried on upon the Property. Each Owner shall refrain from any act or use of his or her Lot which could reasonably cause embarrassment, discomfort, nuisance or annoyance to other Owners or occupants. No Owner or occupant of a Lot may use or allow the use of the Lot or any portion of the Property in any way or for any purpose which may endanger the health or unreasonably annoy or disturb other Owners or occupants of a portion of the Property, or in such a way as to constitute, in the Board's sole opinion, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights. No Owner or occupant of a Lot may use or allow the use of the Lot or the Common Property in any manner which creates disturbing noises between the hours of 11:00 p.m. and 7:30 a.m. that will, in the Board's sole discretion, unreasonably interfere with the rights, comfort or convenience of the other Owners or occupants.

No Owner shall do any work which, in the Board's reasonable opinion, would jeopardize the soundness or safety of the Property or any Structure created thereon, would reduce the value thereof, or would impair any easement or hereditament thereto, without prior written consent of all Association members and their mortgagees. No damage to or waste of the Common Property, or any part thereof, or of the exterior of any building constructed upon any Lot shall be permitted by any Owner or member of his or her family or any invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by

such Owner, members of his or her family, guests, invitees, or occupants of his or her Lot.

The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property, except within a dwelling. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the dwelling. Only appropriate outdoor items, such as neatly stacked firewood, patio furniture, grills, and similar items may be kept outside of a dwelling.

6.21 RESERVED.

6.22 LANDSCAPE AND MONUMENT EASEMENTS. On Lots subject to a Landscape and Monument Easement as set forth on any recorded plat of survey of the Development, such Lots are subject to those easement rights set forth in Section 2.04.

6.23 GARAGES. Garages may be attached or detached, but must be a minimum of a two-car garage.

6.24 AUTOMOBILE REPAIR ACTIVITY. No automobile repair activity shall be carried out upon any Lot or Common Property, nor shall such activity be carried out upon any public right-of-way adjacent to any Lot or Common Property.

6.25 FIREARMS AND FIREWORKS. The display or discharge of firearms or fireworks on the Common Property is prohibited; provided, however, that the display of lawful firearms on the Common Property is permitted for the limited purpose of transporting the firearms across the Common Property to or from the Owner's Lot. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. Section 25-10-1.

6.26 ABANDONED PERSONAL PROPERTY. Personal property, other than an automobile, is prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Property without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's dwelling, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner without the necessity of complying with Article VIII, Section 8.02 of the Declaration; provided, however, in such case, the Board shall give the property owner, if known,

notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

6.27 LEASING. The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and By-Laws, in order to enforce the provisions of this Section.

(a) DEFINITION. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

(b) LEASING PROVISIONS, Leasing of Lots shall be governed by the following provisions:

(i) GENERAL. Lots may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. There shall be no subleasing of Lots or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than twelve (12) months; provided, however, that the Board shall have the power to allow leases for an initial term of less than twelve (12) months, on such terms and conditions as the Board may establish, upon a showing by the Owner that such a lease is required to avoid undue hardship to the Owner. Upon written application by an Owner to lease, the Board shall approve or disapprove such leasing application within fifteen (15) days of receipt of the application. Within seven (7) days after executing a lease agreement for the lease of a Lot, the Lot Owner shall provide the Board with a copy of the lease and the name of the lessee and the names of all other people to occupy the Lot. The Lot Owner must provide the lessee copies of the Declaration, By-Laws, and rules and regulations.

ii) COMPLIANCE WITH DECLARATION, BY-LAWS, AND RULES AND REGULATIONS, USE OF COMMON PROPERTY, AND LIABILITY FOR ASSESSMENTS. Any lease of a Lot shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner and each lessee, by occupancy of a Lot, covenants and agrees that any lease of a Lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant on the Lot:

A) COMPLIANCE WITH DECLARATION, BY-LAWS, AND RULES AND REGULATIONS. The lessee shall comply with all provisions of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other occupants and guests of the leased Lot in order to ensure compliance with the foregoing. The Owner shall cause all occupants of his or her Lot to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such occupants, notwithstanding the fact that such occupants of the Lot are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto. In the event that the lessee, or a person living with the lessee, violates the Declaration, By-Laws, or a rule or regulation for which a fine is imposed, notice of such violation shall be given to the Owner and the lessee, and such fine may be first be assessed against the lessee in accordance with Article VII of the By-Laws. If the fine is assessed against the lessee and is not paid by the lessee within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Lot.

Any violation of the Declaration, By-Laws, or rules and regulations adopted pursuant thereto by the lessee, any occupant, or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be specifically assessed against the Lot and the Owner thereof, such being deemed hereby as an expense which benefits the leased Lot and the Owner thereof.

B) USE OF COMMON PROPERTY. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Property, including, but not limited to, the use of any and all recreational facilities.

C) LIABILITY FOR ASSESSMENTS. When a Lot Owner who is leasing his or her Lot fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to the lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized herein as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(c) APPLICABILITY OF THIS SECTION 6.27. Leases existing on the date this amendment is recorded in the Cobb County land records shall not be subject to the terms of subsection (b) above. Such leases may continue in accordance with the original terms of the Declaration. However, any assignment, extension, renewal, or modification of any lease agreement, including, but not limited to, changes in the terms or duration of occupancy, shall be considered a termination of the old lease and commencement of a new lease which must comply with this Section 6.27. Any Owner of a Lot which is leased on the date this Declaration is recorded in the Cobb County land records shall place on file with the Board of Directors a copy of the lease agreement in effect within thirty (30) days of the date on which this Declaration is recorded in the Cobb County, Georgia land records.

This Section 6.27 shall not apply to any leasing transaction entered into by 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.

6.28 USE OF COMMON PROPERTY. There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on any part of the Common Property without prior written Board consent, except as specifically provided herein.

With prior written Board approval, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Property for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Property hereunder shall assume, on behalf of himself/herself/themselves and his/her/their guests, occupants and family, all risks associated with the use of the

Common Property and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

6.29 NUMBER OF OCCUPANTS. The maximum number of occupants in a dwelling on a Lot shall be limited to two (2) people per bedroom in the dwelling. "Occupancy", for purposes hereof, shall be defined as staying overnight in a dwelling for a total of more than thirty (30) days, either consecutive or nonconsecutive in any calendar year. This occupancy restriction shall not apply to require the removal of any person lawfully occupying a dwelling on the effective date hereof. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

ARTICLE VII

EASEMENTS, ZONING AND OTHER RESTRICTIONS

7.01 EASEMENTS.

(a) Declarant hereby expressly reserves to the Declarant, its successor and assigns forever, the right to create perpetual easements in, on, over and under any part of the Property owned by Declarant for any purpose which Declarant deems necessary, including, by way of example, and not limitation, the following:

- (i) the erection, installation, construction and maintenance of wires, lines, conduits and poles and the necessary or proper attachments in connection with the transmission of electricity, telephone, cable television and other utilities and similar facilities;
- (ii) the erection, installation, construction and maintenance of storm-water drains, land drains, public and private sewers, irrigation systems, pipelines for supplying gas, water and heat, and for any other public or quasi-public facility, service or function;
- (iii) slope control purposes, including the right to grade and plan slopes and to prevent the doing of any activity which might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow; and
- (iv) the planting or re-planting of hedges, shrubbery, bushes, trees, flowers and plants of any nature;
- (v) the erection, installation, construction and maintenance of fences, walls, monuments, signs, etc. along streets in, around and along and at entrances to the Development, and the right to landscape such areas, plant, re-plant and prune hedges, shrubbery, bushes, trees, flowers, grass and plants of any nature.

(b) No Owner shall have any right to use any easement created by the Declarant in, on or over any portion of the Property unless such easement has been assigned by the Declarant to the Association.

7.02 EASEMENT AREA. The words "Easement Area" as used herein shall mean those areas on any Lot with respect to which easements are shown on a recorded deed or on any filed or recorded map or plat relating thereto.

7.03 ENTRY. The Declarant and its employees, agents, successors and assigns shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved without being deemed to have committed a trespass or wrongful act solely by reason of such entry and the carrying out of such purposes, provided the same are done in accordance with the provisions of this Article. The Declarant and its employees, agents, successors and assigns shall be responsible for leaving each Lot in good condition and repair following any work or activity undertaken in an Easement Area pursuant to the provisions of Section 7.01.

7.04 ZONING AND PRIVATE RESTRICTIONS. None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules or regulations of any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

ARTICLE VIII

ENFORCEMENT

8.01 RIGHT OF ENFORCEMENT. This Declaration and the Restrictions contained herein shall inure to the benefit of and shall be enforceable by (i) the Declarant so long as it is an Owner, (ii) the Association and (iii) each Owner, his legal representatives, heirs, successors and assigns.

8.02 RIGHT OF ABATEMENT.

(a) Except where different notice provisions are provided in the Declaration or By-Laws, in the event of a violation or breach of any Restriction contained in this Declaration the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach, and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation

or breach within thirty (30) days after the mailing of such written notice, then the Association shall have the Right of Abatement.

(b) The Right of Abatement, as used in this Section and the Declaration or By-Laws hereof, means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions provided such entry and such actions are carried out in accordance with the provisions of this Section, and with the cost thereof, including the costs of collection and reasonable attorney's fees, together with interest thereon at the lower of the highest rate permitted by law or 10% to be a binding personal obligation of such Owner enforceable in law, as well as a lien on such Owner's Lot enforceable pursuant to the provisions of Section 8.04 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the Lot after such entry whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior, (ii) the liens created by Section 4.01 hereof and (iii) all deeds to secure debt given to secure a loan the proceeds of which are used (1) to purchase a lot or lots (together with any and all Structures which may from time to time be placed or located thereon) and (2) to finance the construction, repair or alteration of Structures.

8.03 SPECIFIC PERFORMANCE. Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the Restrictions by appropriate judicial proceedings or to recover damages. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided by, this Declaration; and therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

8.04 COLLECTION OF ASSESSMENTS AND ENFORCEMENT OF LIEN.

(a) If any assessment, interest, cost or other charge is not paid as required by this Declaration, the Association may bring either an action at law against the Owner personally obligated to pay the same, or an action to foreclose any lien created by this Declaration against the Lot or Lots subject to the lien, or both, for the purpose of collecting such assessment cost or charge, plus any interest thereon and costs of collection, including reasonable attorney's fees.

(b) As an additional remedy, but in no way as a limitation on the remedies if any assessment, interest, cost or other charge is not paid as required by this Declaration, each Owner hereby grants to the Association and its assigns the following irrevocable power of attorney: To sell the said Lot or Lots subject to the lien at auction, at the usual place for conducting sales at the Court House in Cobb County, Georgia, to the highest bidder for cash, after advertising the time, terms and place of such sale once a week for four weeks immediately preceding such sale (but without regard to the number of days) in the paper in which the Sheriff's advertisements for Cobb County, Georgia are published, all other notice being hereby waived by each Owner, and the Association or any person on behalf of the Association, or assigns, may bid and purchase at such sale and thereupon execute and deliver to the purchaser or purchasers at such sale a conveyance of said property in fee simple, which conveyance shall contain recitals as to the happenings of the default upon which the execution of the power of sale herein granted depends, and each Owner hereby constitutes and appoints the Association and assigns, the agent and attorney in fact of each Owner to make such recitals, and hereby covenants and agrees that the recitals so to be made by the Association, or assigns, shall be binding and conclusive upon the Owner whose property is the subject matter of such sale, and the heirs, executors, administrators and assigns of such Owner, and that the conveyance to be made by the Association or assigns, shall be effectual to bar all equity of redemption of such Owner, or the successors in interest of such Owner, in and to said Lot or Lots, and the Association or assigns shall collect the proceeds of such sale, and after reserving there from the entire amount of assessment, interest, cost or other charge due, together with all costs and expenses of sale and fifteen per centum of the aggregate amount due for attorney's fees, shall pay any excess to such Owner, or to the heirs or assigns of such Owner as provided by law. The power any agency hereby granted are coupled with an interest and are irrevocable by death or otherwise and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

(c) WAIVER. EACH OWNER, BY ACCEPTANCE OF A DEED CONVEYING A LOT SUBJECT TO THIS DECLARATION, WAIVES ANY RIGHT WHICH OWNER MAY HAVE UNDER THE CONSTITUTION OR THE LAWS OF THE STATE OF GEORGIA OR THE CONSTITUTION OR THE LAWS OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS DECLARATION AND OWNER WAIVES OWNER'S RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THIS DECLARATION ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING. ALL WAIVERS BY OWNER IN THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AFTER OWNER HAS FIRST BEEN ALLOWED THE OPPORTUNITY TO CONSULT LEGAL COUNSEL WITH RESPECT TO OWNER'S POSSIBLE RIGHTS.

8.05 NO WAIVER. The failure of the Declarant, the Association, or the Owner of any Lot, his or its respective legal representatives, heirs, successors and assigns, to enforce

any Restrictions herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

ARTICLE IX

DURATION AND AMENDMENT

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

9.02 AMENDMENT. This Declaration may be amended by the affirmative vote, written consent or any combination of affirmative vote and written consent of the members of the Association holding two-thirds (2/3) of the total eligible vote thereof; provided, however, notwithstanding the foregoing and for as long as the SunTrust Loan referenced in Section IV herein remains unpaid, no amendment to the Declaration which shall alter, modify, change or rescind any right, title, interest or privilege herein granted or accorded to SunTrust Bank, Atlanta (or its successors or assigns) under the aforementioned SunTrust Loan shall be effective unless SunTrust Bank, Atlanta shall consent in writing thereto. Notice of a meeting, if any, at which a proposed amendment will be considered, shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Cobb County, Georgia land records.

Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the Owners, may amend this Declaration to comply with any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veteran's Administration ("VA").

ARTICLE X

ANNEXATION

10.01 RESERVED.

10.02 RESERVED.

ARTICLE XI

MISCELLANEOUS

11.01 OTHER CHANGES. Notwithstanding any other provisions herein which may be construed to the contrary, unless at least two-thirds (2/3) of the first mortgagees

(based upon one vote for each first mortgage owned) or owners (other than the Declarant) of the individual Lots in the Development have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Property owned, directly or indirectly, by such Association (the granting of easements for public utilities or for other public purposes consistent with the intended use of such common area or property by the Association shall not be deemed a transfer within the meaning of this clause);

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

(c) by act or omission change, waive or abandon, any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of dwellings on the Lots of the Development, the exterior maintenance of Lots and improvements thereon, the maintenance of the Common Property or party walks or common fences or common roadways and driveways, or the upkeep of lawns and plantings in the Development;

11.02 RIGHTS OF FIRST MORTGAGEES.

(a) First mortgagees of Lots in the Development may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Association's Common Property and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Property and first mortgagees making such payments shall be owed immediate reimbursement therefore from the Association. Despite any other provision of this Declaration which may be interpreted otherwise, it is expressly intended that no Owner or any other party have priority over any rights of the first mortgagee of a Lot pursuant to its mortgage or security deed in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Association Common Property.

(b) In addition to the rights of mortgagees elsewhere provided, each first mortgagee of a Lot, upon request, shall (i) be entitled to written notice from the Association of any default in the performance of his obligations under the Development documents of an Owner which is not cured within sixty (60) days; (ii) be entitled to attend and observe all meetings of Owners, but not meetings of the Board; (iii) be furnished copies of annual financial reports made to the Owners; and (iv) be entitled to inspect the financial books and records of the Association during reasonable business hours.

11.03 PROFESSIONAL MANAGEMENT. Any agreement for professional management of the Association, or any other contract providing for services of the Declarant, may not

exceed three (3) years. Any such agreement must provide for termination by either Party without cause and without payment of a termination fee on ninety (90) days written notice.

11.04 NOTICE OF LEASES; TENANTS AND GUESTS. All tenants, lessees, guests and visitors are subject to the covenants contained in this Declaration, and they must abide by the rules and regulations set forth herein and as promulgated by the Association and the ACC. It is the responsibility of the Owner to inform his tenants, lessees, guests and visitors of this requirement. It is also the responsibility of the Owner to inform the Association of any lease of his dwelling, whether by written or oral agreement, and where the Owner will not be occupying his dwelling to provide the Association with a forwarding address where he may be contacted.

11.05 NO REVERTER. No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

11.06 SEVERABILITY. A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

11.07 HEADINGS. The headings of the Articles and Sections hereof are for convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

11.08 GENDER. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

11.09 NOTICES. Unless otherwise provided in the Declaration or Bylaws, all notices demands, bills, statements, or other communications under the Declaration or Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

- (a) If to an Owner, at the address which the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such Owner;
- (b) If to an occupant, at the address of the Lot occupied; or
- (c) If to the Association, the Board or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary.

11.10 NO LIABILITY. Declarant has, using best efforts and all due diligence prepared and recorded this Declaration so that each and every Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Owner. However, in the event that this Declaration is, for any reason whatsoever, unenforceable by an Owner (or any other person) in court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owner, by acceptance of deed conveying a Lot acknowledges that Declarant shall have no such liability.

11.11 SECURITY. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Property; however, each Owner, for himself or herself and his or her tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security on the Property. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide security shall lie solely with each Owner.

The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

11.12 DISPUTE RESOLUTION. Any Owner or occupant must give written notice to the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute before that Owner or occupant files any lawsuit against the Association, the Board, any officer or director, or the property manager of the Association. The Owner or occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the notice of hearing from the person requesting the hearing.

11.13 INSURANCE.

(a) The Association's Board or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property. This insurance shall include fire and extended coverage, including coverage for vandalism and malicious mischief and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

(b) The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents in their capacities as such, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million (\$1,000,000.00) Dollars.

(c) All such insurance coverage obtained by the Board shall be written in the name of the Association, as trustee, for the respective benefited parties, as further identified in subsection (ii) below. Such insurance shall be governed by the provisions hereinafter set forth:

i) All policies shall be written with a company licensed to do business in Georgia.

- ii) All policies on the Common Property shall be for the benefit of the Association and its members.
- iii) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.
- iv) in no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees, and the insurance carried by the Association shall be primary.
- v) All casualty insurance policies obtained by the Board shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be reviewed annually by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the county where the Property is located.
- vi) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

- A) a waiver of subrogation by the insurer as to any claims against the Board, the Association's manager, the Owners and their respective tenants, servants, agents, and guests;
- B) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;
- C) a provision that no policy may be canceled, invalidated, suspended or subjected to non-renewal on account of any one or more individual Owners;
- D) a provision that no policy may be canceled, invalidated, suspended, or subjected to non-renewal on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or mortgagee;
- E) That any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
- F) That no policy may be canceled or substantially modified or subjected to non-renewal without at least thirty (30) days' prior written notice to the Association.

(d) In addition to the other insurance required by this subsection, the Board shall obtain workmen's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds or dishonesty insurance. The amount of fidelity coverage or dishonesty insurance shall be determined in the directors' best business judgment, but if reasonably available, shall not be less than three (3) months assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during

the term of the bond; provided, however, fidelity coverage herein required may be reduced based on financial controls which take one or more of the following forms: (a) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (c) two Board members must sign any checks written on the reserve account. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, substantially modified, or subjected to non-renewal without at least thirty (30) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, and flood insurance, if and to the extent necessary to satisfy the requirements of The Mortgage Corporation or the Federal National Mortgage Association.

(e) By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that such Owner shall carry blanket all-risk casualty insurance, if reasonably available, or if not reasonably available, fire and extended coverage, on his or her Lot and structures constructed thereon meeting the same requirements as set forth in subsections (a) and (c) of this Section for insurance on the Common Property. Each Owner further covenants and agrees that in the event of damage and destruction of structures on his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved by the Board or ACC, unless a determination not to rebuild is made. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the community-wide standard.

(f) In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Lot or a Lot and the Common Property, the cost of the deductible may be apportioned and assessed equitably by the Board among the parties suffering loss in accordance with the total cost of repair, unless the insurance policy provides that the deductible will apply to each Lot separately. If any Owner or Owners fail to pay the deductible when required under this subsection, then the Association can pay the deductible and assess the cost to the Owner or Owners pursuant to the Declaration; provided, however, no Owner shall be assigned more than one thousand (\$1,000.00) dollars as the cost of the deductible for any one occurrence.

IN WITNESS WHEREOF, the undersigned officers hereby certify that the foregoing amendments to the Declaration of Covenants, Conditions, and Restrictions for Hampton Ridge Subdivision were duly adopted by the requisite majorities of the membership and all required notices were properly provided.

This ____ day of _____, 1999.

HAMPTON RIDGE HOMEOWNERS
ASSOCIATION, INC.

By: _____
President

Attest: _____
Secretary

[CORPORATE SEAL]

Sworn to and subscribed to
before me this _____ day of
_____, 1999.

Witness

Notary Public

F:\docs\05819\002\documents\DeclarationAmend

**AMENDED AND RESTATED BY-LAWS OF HAMPTON
RIDGE HOMEOWNERS ASSOCIATION, INC.**

WHEREAS, the Hampton Ridge Homeowners Association, Inc. ("Association") was incorporated on March 26, 1985; and

WHEREAS, the Bylaws of the Hampton Ridge Homeowners Association, Inc. ("By-Laws") were duly adopted; and

WHEREAS, Article VIII, Section 8.2 of the By-Laws provides that the Board of Directors of the Association ("Board") shall have the power to alter, amend or repeal any of the Bylaws or to adopt new Bylaws by the affirmative vote of a majority of all of the members of the Board; and

WHEREAS, at least a majority of the members of the Board have voted to approve these Amended and Restated Bylaws of Hampton Ridge Homeowner Association, Inc.; and

NOW, THEREFORE, the By-Laws of Hampton Ridge Homeowners Association, Inc. are hereby deleted in their entirety and amended and restated as follows:

Return to: Weissman, Nowack, Curry & Wilco, P.C.
1349 West Peachtree Street, Suite 1500
Atlanta, Georgia 30309
Attn: Jay T. Taylor

STATE OF GEORGIA

Reference: Deed Book 3619
Page 048

COUNTY OF COBB

**FIFTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR HAMPTON RIDGE SUBDIVISION**

WHEREAS, Salem Venture, Inc., a Georgia corporation, recorded a Declaration of Covenants, Conditions and Restrictions for Hampton Ridge Subdivision on August 26, 1985 in Deed Book 3619, Page 48, et seq., in the Cobb County, Georgia records (hereinafter referred to as the "Declaration"); and

WHEREAS, the Declaration has been previously amended by amendments recorded in the Cobb County, Georgia Records as follows:

<u>Recording Date</u>	<u>Deed Book/Page</u>
11/22/85	3734/287 <u>et seq.</u>
01/18/88	4781/009 <u>et seq.</u>
01/22/91	5990/176 <u>et seq.</u>
02/10/97	10158/100 <u>et seq.</u>

WHEREAS, Article IX, Section 9.02 of the Declaration, as amended, provides for amendment of the Declaration by the affirmative vote, written consent or any combination of affirmative vote and written consent of the members of the Association

holding two-thirds (2/3) of the total eligible vote thereof; provided, however, so long as the SunTrust loan referenced in the Declaration remains unpaid, no amendment to the Declaration which shall alter, modify, change or rescind any right, title, interest or privilege granted or accorded to SunTrust Bank, Atlanta (or its successors or assigns) ("SunTrust") shall be effective unless SunTrust shall consent in writing thereto; and

WHEREAS, Owners of Lots at the Hampton Ridge Subdivision holding at least two-thirds (2/3) of the total eligible vote have approved these amendments to the Declaration by written consent; and

WHEREAS, these amendments to the Declaration do not alter, modify, change or rescind any right, title, interest or privilege granted or accorded to SunTrust; and

WHEREAS, these amendments do not alter, modify, change or rescind any right, title, interest or privilege held by the holder of any mortgage on a Lot at Hampton Ridge Subdivision; provided, however, in the event a court of competent jurisdiction determines that these amendments do alter, modify, change or rescind any right, title, interest or privilege held by any such mortgage holder without such mortgage holder's consent in writing to these amendments, then these amendments shall not be binding on the mortgage holder so involved, unless such mortgage holder consents to these amendments; and if such consent is not forthcoming, then the provisions of the Declaration in effect prior to these amendments shall control with respect to the affected mortgage holder;

NOW, THEREFORE, the Declaration of Covenants, Conditions and Restrictions for Hampton Ridge Subdivision are hereby amended as follows:

1.

The Declaration is hereby amended by deleting any and all references therein to “Declarant” and/or “Developer” and any and all provisions therein providing the Declarant and/or Developer certain rights and powers, including, but not limited to, the following specific provisions, which shall be deleted and the Section numbers reserved for future use:

Article I, Section 1.06
Article II, Sections 2.01 (a)-(d)
Article II, Section 2.04 and Section 2.04(a)
Article III, Section 3.03(b)
Article X, Section 10.01
Article X, Sections 10.02 and 10.02 (a)-(g)
Article XI, Section 11.09

2.

Article III, Section 3.06 of the Declaration is hereby amended by adding the phrase “(including, but not limited to, use of the swimming pool and tennis courts)” after the phrase “Common Property” so that the relevant portion of the Section provides:

The Board may suspend the voting rights of any member and the right of enjoyment of the Common Property (including, but not limited to, use of the swimming pool, tennis courts, and) ...

3.

Article V, Section 5.02 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

5.02 ARCHITECTURAL STANDARDS

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

- i) make any encroachment onto the Common Property,
- ii) construct any dwelling or Structure on a Lot or other improvement on a Lot,
- ii) make any exterior change, alteration or construction on a Lot (including painting, re-grading or significant landscaping modifications), or
- iv) erect, place or post any object, sign, antenna, clothesline, playground equipment, light, storm door or window, artificial vegetation, exterior sculpture, fountains, flags or other thing on the exterior of the Lot, on the dwelling on the Lot, on a Structure on the Lot in any windows of the dwelling, or on any Common Property.

The standard for approval of such improvements shall include, but not be limited to: (1) aesthetic consideration, (2) materials to be used, (3) compliance with the community-wide standard, this Declaration, or the design standards which may be adopted by the Board or ACC, (4) harmony with the external design of the existing buildings, Lots and Structures, and the location in relation to surrounding Structures and topography, and (5) any other matter deemed to be relevant or appropriate by the Board or ACC.

Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ACC may reasonably require. The ACC or its designated representative shall be the sole arbiter of such application and shall utilize the standard outlined in the paragraph above when reviewing applications. The ACC shall be entitled to stop any construction which is not in conformance with approved plans. The Board or the ACC may publish written design standards for exterior and Common Property alterations or additions.

The ACC or the Board, subject to subsection (a), may allow such encroachments on the Common Property as it deems acceptable.

If the ACC or its designated representative fails to approve or to disapprove such application within forty-five (45) days after the application and such information as the ACC may reasonably require shall have been submitted, its approval will not be required and this subsection (a) will be deemed complied with; provided, however, even if the requirements of this subsection are satisfied, nothing herein shall authorize anyone to construct or maintain any Structure or improvement that is otherwise in violation of the Declaration, the By-Laws, the design standards, the Association's rules and regulations, or applicable zoning ordinances.

(a) ARCHITECTURAL CONTROL COMMITTEE. The Architectural Control Committee shall constitute a standing committee of the Association. The ACC shall consist of the Board unless the Board delegates to other persons the authority to serve on the ACC. At all times, however, the chairperson of the ACC shall be a Board member. The ACC shall have the authority to select and employ professional consultants to assist it in discharging its duties, the cost of such consultants to be paid by the Owner of any Lot for which plans and specifications have been submitted for approval. The Owner of any such Lot shall be responsible for paying the full costs of each review, whether or not submitted plans and specifications are approved by the ACC, and the ACC may require payment of all such costs prior to approval of plans and specifications. The ACC also may charge reasonable fees to cover the cost of review or inspections performed hereunder, and any such fees may be published in the design standards.

(b) LIMITATION OF LIABILITY. Review and approval of any application pursuant to this Article V may be made on any basis, including solely the basis of aesthetic considerations, and neither the Board nor the ACC shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Association, the Board, the ACC, nor member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design or quality of approved construction or modifications to any Lot.

(c) NO WAIVER OF FUTURE APPROVALS. Each Owner acknowledges that the members of the Board and the ACC will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval of either the Board or the ACC of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval of the Board or the ACC, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

(d) ENFORCEMENT. Any construction, alteration, or other work done in violation of this Article V, the Declaration, the By-Laws or the design standards shall be deemed to be nonconforming. Upon written request from the Board, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right, upon written notice to the Owner, to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work, provided the requirements of Article VIII; Section 8.02 of this Declaration have

been met. All costs thereof, including reasonable attorney's fees, may be assessed against the benefitted Lot.

In addition to the above, the Board shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Article V and its decisions or those of the ACC, provided the procedure outlined in Article VII of the By-Laws has been followed.

If any Owner or occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Property in violation of this Article V, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction remain on the Common Property without reimbursement to the Owner or occupant for any expense he or she may have incurred in making the change, alteration or construction. Furthermore, the Board shall have the authority to record in the Cobb County land records notices of violation of the provisions of this Declaration.

(e) COMMENCEMENT OF CONSTRUCTION. All improvements approved by the ACC hereunder must be commenced within one year from the date of approval. If not commenced within one year from the date of such approval, then such approval shall be deemed revoked by the ACC, unless the ACC gives a written extension for commencing the work. Additionally, except with written ACC approval otherwise, and except for delays caused by strikes, fires, national emergencies, critical materials shortages or other intervening forces beyond the control of the Owner, all work approved by the ACC hereunder shall be completed within 180 days of commencement.

4.

Article V, Sections 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.12, 5.13, 5.14 and 5.15 of the Declaration are hereby amended by deleting the Sections in their entirety and reserving the Section numbers for future use.

Article VI, Section 6.02 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

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

- (A) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the dwelling;
- (B) the business activity does not involve visitation of the dwelling by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a residential dwelling without business activity;
- (C) the business activity conforms to all zoning requirements for the Property;
- (D) the business activity does not increase traffic in the Property in excess of what would normally be expected for residential dwellings in the Property without business activity (other than by deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services);
- (E) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;
- (F) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as determined in Board's discretion; and
- (G) the business activity does not result in a materially greater use of common area facilities or Association services.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

6.

Article VI, Section 6.08 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

6.08 SIGNS. Except as may be required by legal proceedings, no signs, advertising posters or billboards of any kind shall be erected, placed, or permitted to remain on the Property without the prior written consent of the Board or its designee, except that one professional security sign not to exceed one (1') foot by one (1') foot in size may be displayed from within a dwelling or on a Lot and one (1) professionally lettered "For Rent" or "For Sale" sign not to exceed two (2') feet by two (2') feet in size may be displayed from within a dwelling or on a Lot being offered for sale or for lease, and temporary signs on Lots announcing births, birthdays or other events for limited periods of time. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association and to adopt specific regulations concerning signs.

7.

Article VI, Section 6.12 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

6.12 ANTENNAS AND SATELLITE DISHES. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Community, whether attached to a home or structure or otherwise. The following shall apply to all Lots:

- (i) No transmission antenna, of any kind, may be erected anywhere on the Community without written approval of the Board of Directors or the Architectural Control Committee.
- (ii) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed, or maintained upon any portion of the Community, including a Lot.
- (iii) DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association authorized by the FCC, both as may be amended from time to time.

In the event of a transfer of the Lot which includes the satellite dish or antenna, the Grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the Bylaws and the rules and regulations regarding satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

8.

Article VI, Section 6.14 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

6.14 MAINTENANCE. Each Owner shall maintain and keep his or her Lot and dwelling in good repair, condition and order. Each Owner shall perform his or her responsibility hereunder in such manner so as not to unreasonably disturb other Lot Owners.

If the Board determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board.

Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be an assessment and lien against the Owner and the Lot, without the necessity of complying with Article VIII, Section 8.02 of this Declaration.

If the Board determines that the need for maintenance or repair is in an area which is the maintenance responsibility of the Association, but is caused through the willful or negligent act of any Owner or occupant or their family, guests, lessees, or invitees, then the Association may assess the cost of any such maintenance, repair, or replacement against the Owner's or occupant's Lot, which shall become a lien against the Lot and shall be collected as provided herein for the collection of assessments.

The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to

another term of the Board. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Section. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

9.

Article VI, Section 6.16 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

6.16 PARKING. Boats, trailers, buses, recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are prohibited from being parked on a Lot or on the Property, except: (1) in garages or areas approved by the Board, or (2), in the case of service vehicles, on a temporary basis during daytime business hours for the purpose of serving a Lot.

If any vehicle is parked on any portion of the Property in violation of this Section 6.16 or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the Property stating the name and telephone number of the person or entity which will do the towing. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the vehicle owner or user, and without the necessity of complying with Article VIII, Section 8.02 of this Declaration.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or occupant's Lot or dwelling, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this Section 6.16, 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 activity. The Association's right to tow is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

Article VI, Section 6.18 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

6.18 PETS. No Owner or occupant may keep any pets other than a reasonable number of generally recognized household pets on any portion of the Property, as determined in the Board's discretion.

No Owner or occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors except in fenced areas (including electronic invisible fences). No Structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Property without prior written Board approval as provided in Article V hereof. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors. Feces left upon the Common Property or other Owner's Lots by dogs must be removed by the owner of the dog or the person responsible for the dog.

No potbellied pigs may be brought onto or kept at the Property at any time. No pit bulldogs or other dogs determined in the sole discretion of the Board to be dangerous dogs may be brought onto or kept on the Property at any time by any Lot Owner, occupant, or guest of an Owner or occupant. Any pet which endangers the health of any Owner or occupant of any Lot or which creates a nuisance or unreasonable disturbance, as may be determined in the Board's sole discretion, must be permanently removed from the Property upon seven (7) days' written notice by the Board. If the Owner or occupant fails to comply with such notice, the Board may remove the pet, without the necessity of complying with Article VIII, Section 8.02 of this Declaration. Any pet which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any member of the community may be removed by the Board without prior notice to the pet's owner.

Article VI, Section 6.20 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

6.20 PROHIBITION OF DAMAGE, NUISANCE AND NOISE. Without prior written Board consent, nothing shall be done or kept on the Property or any part thereof which would increase the rate of insurance on the Property or any Lot or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body, or which would increase the Association's expenses.

Noxious, destructive or offensive activity shall not be carried on upon the Property. Each Owner shall refrain from any act or use of his or her Lot which could reasonably cause embarrassment, discomfort, nuisance or annoyance to other Owners or occupants. No Owner or occupant of a Lot may use or allow the use of the Lot or any portion of the Property in any way or for any purpose which may endanger the health or unreasonably annoy or disturb other Owners or occupants of a portion of the Property, or in such a way as to constitute, in the Board's sole opinion, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights. No Owner or occupant of a Lot may use or allow the use of the Lot or the Common Property in any manner which creates disturbing noises between the hours of 11:00 p.m. and 7:30 a.m. that will, in the Board's sole discretion, unreasonably interfere with the rights, comfort or convenience of the other Owners or occupants.

No Owner shall do any work which, in the Board's reasonable opinion, would jeopardize the soundness or safety of the Property or any Structure created thereon, would reduce the value thereof, or would impair any easement or hereditament thereto, without prior written consent of all Association members and their mortgagees. No damage to or waste of the Common Property, or any part thereof, or of the exterior of any building constructed upon any Lot shall be permitted by any Owner or member of his or her family or any invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or occupants of his or her Lot.

The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property, except within a dwelling. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the dwelling. Only appropriate outdoor items, such as neatly stacked firewood, patio furniture, grills, and similar items may be kept outside of a dwelling.

12.

Article VI of the Declaration is hereby amended by adding the following Section:

6.25 FIREARMS AND FIREWORKS. The display or discharge of firearms or fireworks on the Common Property is prohibited; provided, however, that the display of lawful firearms on the Common Property is permitted for the limited purpose of transporting the firearms across the Common Property to or from the Owner's Lot. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types,

regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. Section 25-10-1.

13.

Article VI of the Declaration is hereby further amended by adding the following

Section:

6.26 ABANDONED PERSONAL PROPERTY. Personal property, other than an automobile, is prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Property without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's dwelling, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner without the necessity of complying with Article VIII, Section 8.02 of the Declaration; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

14.

Article VI of the Declaration is hereby further amended by adding the following

Section:

6.27 LEASING. The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and By-Laws, in order to enforce the provisions of this Section.

(a) DEFINITION. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person or persons other than the Owner for

which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

(b) LEASING PROVISIONS. Leasing of Lots shall be governed by the following provisions:

i) GENERAL. Lots may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. There shall be no subleasing of Lots or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than twelve (12) months; provided, however, that the Board shall have the power to allow leases for an initial term of less than twelve (12) months, on such terms and conditions as the Board may establish, upon a showing by the Owner that such a lease is required to avoid undue hardship to the Owner. Upon written application by an Owner to lease, the Board shall approve or disapprove such leasing application within fifteen (15) days of receipt of the application. Within seven (7) days after executing a lease agreement for the lease of a Lot, the Lot Owner shall provide the Board with a copy of the lease and the name of the lessee and the names of all other people to occupy the Lot. The Lot Owner must provide the lessee copies of the Declaration, By-Laws, and rules and regulations:

ii) COMPLIANCE WITH DECLARATION, BY-LAWS, AND RULES AND REGULATIONS, USE OF COMMON PROPERTY, AND LIABILITY FOR ASSESSMENTS. Any lease of a Lot shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner and each lessee, by occupancy of a Lot, covenants and agrees that any lease of a Lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant on the Lot:

A) COMPLIANCE WITH DECLARATION, BY-LAWS, AND RULES AND REGULATIONS. The lessee shall comply with all provisions of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other occupants and guests of the leased Lot in order to ensure compliance with the foregoing. The Owner shall cause all occupants of his or her Lot to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such occupants, notwithstanding the fact that such occupants of the Lot are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto. In the event that the lessee, or a person living with the lessee, violates the Declaration, By-Laws, or a rule or regulation for which a fine is imposed, notice of such violation shall be given to the Owner and the lessee, and such fine may be first be assessed against the lessee in accordance with Article VII of the By-Laws. If the fine is assessed against the lessee and is not paid by the lessee within the time period set by the

Board, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Lot.

Any violation of the Declaration, By-Laws, or rules and regulations adopted pursuant thereto by the lessee, any occupant, or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be specifically assessed against the Lot and the Owner thereof, such being deemed hereby as an expense which benefits the leased Lot and the Owner thereof.

B) USE OF COMMON PROPERTY. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Property, including, but not limited to, the use of any and all recreational facilities.

C) LIABILITY FOR ASSESSMENTS. When a Lot Owner who is leasing his or her Lot fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized herein as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(c) APPLICABILITY OF THIS SECTION 6.27. Leases existing on the date this amendment is recorded in the Cobb County land records shall not be subject to the terms of subsection (b) above. Such leases may continue in accordance with the original terms of the Declaration. However, any assignment, extension, renewal, or modification of any lease agreement, including, but not limited to, changes in the terms or duration of occupancy, shall be considered a termination of the old lease and commencement of a

new lease which must comply with this Section 6.27. Any Owner of a Lot which is leased on the date this Declaration is recorded in the Cobb County land records shall place on file with the Board of Directors a copy of the lease agreement in effect within thirty (30) days of the date on which this Declaration is recorded in the Cobb County, Georgia land records.

This Section 6.27 shall not apply to any leasing transaction entered into by 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.

15.

Article VI of the Declaration is hereby further amended by adding the following

Section:

6.28 USE OF COMMON PROPERTY. There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on any part of the Common Property without prior written Board consent, except as specifically provided herein.

With prior written Board approval, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Property for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Property hereunder shall assume, on behalf of himself/herself/themselves and his/her/their guests, occupants and family, all risks associated with the use of the Common Property and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

16.

Article VI of the Declaration is hereby further amended by adding the following

Section:

6.29 NUMBER OF OCCUPANTS. The maximum number of occupants in a dwelling on a Lot shall be limited to two (2) people per bedroom in the dwelling. "Occupancy," for purposes hereof, shall be defined as staying overnight in a dwelling for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any calendar year. This occupancy restriction shall not apply to require the removal of any person lawfully

occupying a dwelling on the effective date hereof. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

17.

Article VIII, Sections 8.02(a) and 8.02 (b) of the Declaration are hereby amended by deleting the phrase "Sections 5.11 and 6.14" therefrom and substituting therefor the phrase "the Declaration or By-Laws."

18.

Article XI, Sections 11.01(d) and (e) are amended by deleting the Sections in their entirety.

19.

Article XI, Section 11.09 of the Declaration is hereby amended by deleting that Section in its entirety and substituting therefor the following:

11.09 NOTICES. Unless otherwise provided in the Declaration or Bylaws, all notices, demands, bills, statements, or other communications under the Declaration or Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) If to an Owner, at the address which the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such Owner;

(b) If to an occupant, at the address of the Lot occupied; or

(c) If to the Association, the Board or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary.

20.

Article XI of the Declaration is hereby amended by adding the following Section:

11.11 SECURITY. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Property; however, each Owner, for himself or herself and his or her tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security on the Property. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide security shall lie solely with each Owner.

The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

21.

Article XI of the Declaration is hereby further amended by adding the following

Section:

11.12 DISPUTE RESOLUTION. Any Owner or occupant must give written notice to the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute before that Owner or occupant files any lawsuit against the Association, the Board, any officer or director, or the property manager of the Association. The Owner or occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the notice of hearing from the person requesting the hearing.

Article XI of the Declaration is hereby further amended by adding the following Section:

11.13 INSURANCE.

(a) The Association's Board or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property. This insurance shall include fire and extended coverage, including coverage for vandalism and malicious mischief and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

(b) The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents in their capacities as such, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million (\$1,000,000.00) Dollars.

(c) All such insurance coverage obtained by the Board shall be written in the name of the Association, as trustee, for the respective benefited parties, as further identified in subsection (ii) below. Such insurance shall be governed by the provisions hereinafter set forth:

i) All policies shall be written with a company licensed to do business in Georgia.

ii) All policies on the Common Property shall be for the benefit of the Association and its members.

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

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

v) All casualty insurance policies obtained by the Board shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be reviewed annually by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the county where the Property is located.

vi) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

A) a waiver of subrogation by the insurer as to any claims against the Board, the Association's manager, the Owners and their respective tenants, servants, agents, and guests;

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

C) a provision that no policy may be canceled, invalidated, suspended or subjected to non-renewal on account of any one or more individual Owners;

D) a provision that no policy may be canceled, invalidated, suspended, or subjected to non-renewal on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or mortgagee;

E) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

F) that no policy may be canceled or substantially modified or subjected to non-renewal without at least thirty (30) days' prior written notice to the Association.

(d) In addition to the other insurance required by this subsection, the Board shall obtain workmen's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds or dishonesty insurance. The amount of fidelity coverage or dishonesty insurance shall be determined in the directors' best business judgment, but if reasonably available, shall not be less than three (3) months assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during the term of the bond; provided, however, fidelity coverage herein required may be reduced based on financial controls which take one or more of the following forms: (a) the Association or management company, if any, maintains a separate bank account for

the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (c) two Board members must sign any checks written on the reserve account. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, substantially modified, or subjected to non-renewal without at least thirty (30) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, and flood insurance, if and to the extent necessary to satisfy the requirements of The Mortgage Corporation or the Federal National Mortgage Association.

(e) By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that such Owner shall carry blanket all-risk casualty insurance, if reasonably available, or if not reasonably available, fire and extended coverage, on his or her Lot and structures constructed thereon meeting the same requirements as set forth in subsections (a) and (c) of this Section for insurance on the Common Property. Each Owner further covenants and agrees that in the event of damage and destruction of structures on his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved by the Board or ACC, unless a determination not to rebuild is made. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the community-wide standard.

(f) In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Lot or a Lot and the Common Property, the cost of the deductible may be apportioned and assessed equitably by the Board among the parties suffering loss in accordance with the total cost of repair, unless the insurance policy provides that the deductible will apply to each Lot separately. If any Owner or Owners fail to pay the deductible when required under this subsection, then the Association can pay the deductible and assess the cost to the Owner or Owners pursuant to the Declaration; provided, however, no Owner shall be assigned more than one thousand (\$1,000.00) dollars as the cost of the deductible for any one occurrence.

WEISSMAN, NOWACK, CURRY & WILCO, P.C.
ATTORNEYS

TWO MIDTOWN PLAZA • 15TH FLOOR
1349 WEST PEACHTREE STREET
ATLANTA, GEORGIA 30309

TELEPHONE
404-885-9215
FACSIMILE
404-885-9214

COBB OFFICE
SUITE 225
1200 JOHNSON FERRY ROAD
MARIETTA, GEORGIA 30068
TEL 770-578-9111
FAX 770-578-4898

PERIMETER OFFICE
SUITE 100
5780 PEACHTREE DUNWOODY ROAD
ATLANTA, GEORGIA 30342
TEL 404-847-0650
FAX 404-847-0420

NORTH FULTON OFFICE
SUITE 200
3800 MANSELL ROAD
ALPHARETTA, GEORGIA 30022
TEL 770-640-8290
FAX 770-640-1952

April 2, 1999

Homeowner
Hampton Ridge Homeowners Association, Inc.

Re: Updates to Hampton Ridge Legal Documents

Dear Homeowner:

I am writing to you at the request of the Board of Directors of the Hampton Ridge Homeowners Association, Inc. ("Association") concerning the proposed amendments to the Declaration of Covenants, Conditions and Restrictions for Hampton Ridge Subdivision ("Declaration"). As most of you are aware, the Board recently presented these amendments at the annual meeting of owners held on Saturday, March 6, 1999, but at such meeting the Board decided to entertain the comments, questions, and concerns of owners and thereafter make the necessary revisions to the amendments in order to re-present them to you at a later date. I have since had the opportunity to revise the amendments in accordance with the comments made at the annual meeting, and in the following discussion, I propose to briefly explain the rationale behind many of the amendments and, where appropriate, point out the areas changed pursuant to owner requests at the annual meeting.

As I pointed out at the annual meeting, the legal documents were drafted in 1985 by the developer and focus a great deal on developer rights and protections. While the covenants, to my knowledge, have been amended a total of four times to date, the first three amendments were, for the most part, to correct errors made by previous developers and, as such, affect owners within Hampton Ridge very little. The fourth amendment, however, is substantive and changed the legal status of the Association a great deal. In February of 1997, the Association amended the Declaration to submit Hampton Ridge to the Georgia Property Owners' Association POA ("POA"). By submitting to the POA, the Association is no longer required to file

liens for unpaid assessments or other charges. The POA creates an automatic lien against a delinquent owner's lot and authorizes late charges of the greater of \$10.00 or 10% of the amount due and interest at the rate of 10% percent per annum on unpaid assessments and charges. In addition, the POA provides that the Association's lien includes the Association's costs of collection of delinquent assessments, including reasonable attorney's fees actually incurred. Thus, the POA gives a statutory power to recover attorneys fees from delinquent homeowners. This Amendment greatly strengthened the Association's collection powers.

The POA also requires closing attorneys and title examiners to contact the Association for a statement of any amounts owed the Association in connection with any sale. This statement serves as a lien against the property, and, if the Association is not paid out of proceeds of a sale, the purchaser becomes liable for the full amount owed.

In my legal opinion, the Association took a major step forward in strengthening its collection and enforcement powers by submitting to the POA. However, upon review of the Association's legal instruments, at the request of the Board, we believe the legal documents still have room for substantial improvement in various areas. The amendments which my office put together and which the Board presented to the owners at the annual meeting is the culmination of our review and suggestions for changes to the covenants.

DECLARATION

1. Developer Provisions. Where possible, we deleted the numerous provisions in the documents which purport to give the Declarant (developer) special rights or powers in the Association. As the developer is no longer involved in the subdivision nor should it have any special powers or rights, these provisions should be deleted.
2. Architectural Controls. Article V of the Declaration currently addresses the Architectural Control Committee's ("ACC") approval power over exterior modifications made by homeowners. The standard/parameters for review were revised and tightened so as to clarify the authority of the ACC and to provide a clear standard by which the ACC shall refer in reviewing architectural applications. A provision was also added to limit the liability of the ACC with regard to approvals of homeowner improvements and modifications. This provision expressly states that ACC approval is not a certification as to the structural integrity of the improvement or modification or as to the owner's compliance with any applicable governmental regulations.

Upon review of the revised language and the current language in the Declaration, I believe you will find that many of the provisions are similar but the revised language is simply clearer and more precise with respect to the legal rights of the Association and owners

Please note that the third paragraph under Section 5.02 (iv) of the amended language has been altered as requested by owners by removing the language which provided that the ACC could "withhold approval for any reason." Also, Section 5.04 (e) of the amended language was revised, as suggested by owners, to increase the amount of time to complete construction of an architectural change form 90 to 180 days.

3. Use Restrictions. Article VI currently contains numerous use restrictions governing the day-to-day activities one may engage in on their property. In my opinion, many of these use restrictions could be clarified and/or expanded. Courts generally construe covenants narrowly, and are reluctant to enforce covenants if the covenants do not clearly and specifically address the issue sought to be enforced. Therefore, use restrictions and covenants should be clearly drafted to avoid ambiguities and to minimize problems with enforcement.

(a) Residential/Business Use. Section 6.02 currently limits use of homes to single-family residential purposes only and prohibits all commercial, business or professional activity. This provision, in my opinion, is too restrictive and overbroad and potentially creates several problems as written.

First, the provision appears to seek to prohibit all home business operations without identifying acceptable home businesses. This likely is not the goal of the Association. Most communities recognize that owners should be permitted to operate home businesses if the business activity does not disturb or interfere with the community. The business use restriction should more clearly identify acceptable uses to which the Association really does not object (such as making phone calls or doing computer work from a home), but prohibit the business activities which are detectable outside the home either by sight, sound or smell, or which involve numerous employees or customers frequently coming onto the property for the business. The proposed amendment directly addresses each of these concerns.

Second, the provision appears to attempt to restrict occupancy of residences to only single related families, and therefore, probably violates the Fair Housing Amendments Act of 1988. The Act prohibits discrimination in the provision of

housing services based on familial status. The most recent position of the Department of Housing and Urban Development is that it considers provisions invalid that distinguish between related and unrelated people. However, HUD will permit provisions that limit the number of occupants in homes (2 per bedroom), such as the language added by amendment at Section 6.29.

(b) Signs. Section 6.08 currently prohibits all signs on lots except for signs required by legal proceedings, "For Sale" and "For Rent" signs and directional signs for vehicular and pedestrian safety. Again, I believe this provision is too rigid and inflexible. Thus, I have amended this inflexible provision to also permit security signs and other common types of signs such as baby birth announcement signs, etc...without the necessity of obtaining Architectural Control Committee ("ACC") approval.

(c) Antenna. Section 6.12 currently prohibits exterior antennas unless approved by the ACC. However, in 1996, the Federal Communications Act placed great restrictions on what reception devices a homeowners association could prohibit. According to federal law, the Association's current provision is simply unenforceable. Therefore, this provision should be amended to bring it into compliance with federal law by maintaining some minimal regulatory power in the Association as to satellite dish location and size, but permitting owners to install dishes that are in accordance with federal law.

(d) Recreational Vehicles and Trailers. Section 6.16 currently provides some limited parking regulations with regard to recreational vehicles, trailers and boats. This provision was amended to more clearly state what type of vehicles are prohibited, an issue that is often challenged by owners. Also, at the request of owners, this provision was revised by deleting a phrase which prohibited "trucks and vans..."

(e) Pets. Section 6.18 of the Declaration currently regulates the keeping of animals and provides that no animals, other than household pets, can be kept on the property, and such animals cannot be allowed to become a nuisance. The current, however, does not address what authority the Association has to deal with those pets that do become a nuisance. The Declaration was amended to include a provision clarifying that the Board has the authority to remove or require an owner to remove dangerous pets or pets that create a nuisance, generally with the assistance of the local animal control department. The provision also specifically excludes unusual animals such as pot bellied pigs, or pit bull dogs and other animals which are determined by the Board to be dangerous. The new provision also requires that

leashes be required at all times when pets are outdoors, except when in fenced areas on an owner's lot, and that owners be required to clean up after pets from the common areas or on another owner's property. Please note that, at the request of owners, the second sentence of the amended language was revised to clearly provide that animals are not required to be on leashes while within fenced areas on an owner's lot.

(f) Nuisances. The current nuisance provision (Section 6.20) was revised by more specifically addressing what constitutes a nuisance and addressing noise issues and a limitation of hours in regard to noise.

(g) Firearms. For the protection of owners and others within the common grounds of the Association, this provision prohibits the display and shooting of firearms within the common areas, but, of course, does not prohibit the transport of firearms across the Common Property to or from an owner's lot or prohibit fireworks.

(h) Abandoned Property. This provision provides that the Association has the power to remove abandoned personal property from the common areas, which without such authority, Boards are frequently afraid to remove for fear of legal liability. This provision simply provides the Association a legal mechanism by which to deal with unsightly personal property left on the common property.

(i) Leasing. This provision attempted to address the issue of leasing, since the current Declaration does not, but still allow leasing within certain modest guidelines. Specifically, this allows the Board to prevent transient tenants and troublesome tenants who detract from the residential character of the community. Specifically, the leasing provision does not strictly prohibit leasing but requires a minimum lease term of not less than twelve months, and specifically provides that tenants are clearly obligated to comply with all of the terms of the Declaration, Bylaws and any rules and regulations, the same as owners. This provision also makes tenants subject to the Association's various enforcement powers and makes the owner of the rented property the final responsible party for tenant violations. This provision also provides that the Association can collect delinquent assessments from the rent money paid to the owner after the owner and tenant have been provided written notice of the obligation to pay assessments. This provision also provides that the Association has the authority to evict a tenant after the Association has provided ample notice to the tenant and owner concerning the violation and the tenant has not corrected it and the owner has demanded that the tenant come into compliance. Finally, this provision provides that any owner who

rents his/her property temporarily transfers the rights of use to the common areas to such tenants to prevent the double-use of the amenities.

(j) Use of Common Property. This provision specifically allows owners to reserve portions of the common areas, but provides for the assumption of risk of that use by the owner or owners who reserve it on behalf of their guests. Although not all risks can be shifted, this type of provision can be helpful as a litigation preventative.

4. Security. This provision is also a litigation preventative and attempts to reduce the Association's exposure to security related liability by clearly providing that the Association is not a security company and should not be treated as such and that each owner is responsible for his/her own security.

5. Dispute Resolution. This provision also is a litigation preventative, and recognizes that most problems between owners and the Association or the Board can be resolved if there is communication. This provision requires an owner to meet with the Board and attempt to resolve a dispute before filing a lawsuit. By requiring a good faith effort to resolve the dispute, the Board receives advance notice of a potential lawsuit and both parties have an opportunity to work out their differences.

6. Insurance. This provision is included to ensure that future Boards of Directors have a clear outline of the basic types of insurance coverage which the Association must maintain, such as comprehensive general liability insurance and, if reasonably available, directors and officers liability insurance. By clearly outlining the types of coverage which a homeowners association should maintain, this should prevent future Boards of Directors from allowing insurance coverage to lapse or simply discontinuing insurance coverage which is not clearly understood. This provision is essentially a benefit to all in the community as the financial welfare of the Association directly affects all owners within Hampton Ridge.

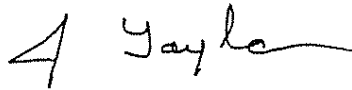
Although it is simply not feasible to attempt to explain each amended provision in a letter format, I hope the foregoing has provided ample explanation of the amendments proposed by the Association. Upon review of the proposed amendments and this letter, the Association's Board of Directors respectfully requests that you complete the enclosed written consent form and return it to the Association, at 3605 Sandy Plains Road, Suite 240-143, Marietta, Georgia 30066, or deliver it directly to a member of the Board of Directors. As you will note, unfortunately the current amendment procedure in the Declaration requires that the amendment be evidenced by an agreement signed by the owners, therefore, since the consent form will have to

Homeowner
April 2, 1999
Page 7

be recorded in the Cobb County land records along with the amendments, it will be necessary for you to have your signature notarized. Although the Association certainly recognizes that this may be inconvenient for you, it urges you to please voice your opinion concerning these amendments by completing and returning the enclosed consent form. It is necessary to obtain the approval of seventy-five percent of all owners within Hampton Ridge in order to pass these amendments.

Sincerely yours,

WEISSMAN, NOWACK, CURRY & WILCO, P.C.

A handwritten signature in black ink, appearing to read "Jay Taylor". The signature is written in a cursive style with a long horizontal stroke at the end.

Jay T. Taylor

WEISSMAN, NOWACK, CURRY & WILCO, P.C.
ATTORNEYS

TWO MIDTOWN PLAZA • 15TH FLOOR
1349 WEST PEACHTREE STREET
ATLANTA, GEORGIA 30309

TELEPHONE
404-885-9215
FACSIMILE
404-885-9214

COBB OFFICE
SUITE 225
1200 JOHNSON FERRY ROAD
MARIETTA, GEORGIA 30068
TEL 770-578-9111
FAX 770-578-4898

PERIMETER OFFICE
SUITE 100
5780 PEACHTREE DUNWOODY ROAD
ATLANTA, GEORGIA 30342
TEL 404-847-0850
FAX 404-847-0420

NORTH FULTON OFFICE
SUITE 200
3800 MANSELL ROAD
ALPHARETTA, GEORGIA 30022
TEL 770-640-8290
FAX 770-640-1952

April 2, 1999

Homeowner
Hampton Ridge Homeowners Association, Inc.

Re: Updates to Hampton Ridge Legal Documents

Dear Homeowner:

I am writing to you at the request of the Board of Directors of the Hampton Ridge Homeowners Association, Inc. ("Association") concerning the proposed amendments to the Declaration of Covenants, Conditions and Restrictions for Hampton Ridge Subdivision ("Declaration"). As most of you are aware, the Board recently presented these amendments at the annual meeting of owners held on Saturday, March 6, 1999, but at such meeting the Board decided to entertain the comments, questions, and concerns of owners and thereafter make the necessary revisions to the amendments in order to re-present them to you at a later date. I have since had the opportunity to revise the amendments in accordance with the comments made at the annual meeting, and in the following discussion, I propose to briefly explain the rationale behind many of the amendments and, where appropriate, point out the areas changed pursuant to owner requests at the annual meeting.

As I pointed out at the annual meeting, the legal documents were drafted in 1985 by the developer and focus a great deal on developer rights and protections. While the covenants, to my knowledge, have been amended a total of four times to date, the first three amendments were, for the most part, to correct errors made by previous developers and, as such, affect owners within Hampton Ridge very little. The fourth amendment, however, is substantive and hanged the legal status of the Association a great deal. In February of 1997, the Association amended the Declaration to submit Hampton Ridge to the Georgia Property Owners' Association POA ("POA"). By submitting to the POA, the Association is no longer required to file

liens for unpaid assessments or other charges. The POA creates an automatic lien against a delinquent owner's lot and authorizes late charges of the greater of \$10.00 or 10% of the amount due and interest at the rate of 10% percent per annum on unpaid assessments and charges. In addition, the POA provides that the Association's lien includes the Association's costs of collection of delinquent assessments, including reasonable attorney's fees actually incurred. Thus, the POA gives a statutory power to recover attorneys fees from delinquent homeowners. This Amendment greatly strengthened the Association's collection powers.

The POA also requires closing attorneys and title examiners to contact the Association for a statement of any amounts owed the Association in connection with any sale. This statement serves as a lien against the property, and, if the Association is not paid out of proceeds of a sale, the purchaser becomes liable for the full amount owed.

In my legal opinion, the Association took a major step forward in strengthening its collection and enforcement powers by submitting to the POA. However, upon review of the Association's legal instruments, at the request of the Board, we believe the legal documents still have room for substantial improvement in various areas. The amendments which my office put together and which the Board presented to the owners at the annual meeting is the culmination of our review and suggestions for changes to the covenants.

DECLARATION

1. Developer Provisions. Where possible, we deleted the numerous provisions in the documents which purport to give the Declarant (developer) special rights or powers in the Association. As the developer is no longer involved in the subdivision nor should it have any special powers or rights, these provisions should be deleted.
2. Architectural Controls. Article V of the Declaration currently addresses the Architectural Control Committee's ("ACC") approval power over exterior modifications made by homeowners. The standard/parameters for review were revised and tightened so as to clarify the authority of the ACC and to provide a clear standard by which the ACC shall refer in reviewing architectural applications. A provision was also added to limit the liability of the ACC with regard to approvals of homeowner improvements and modifications. This provision expressly states that ACC approval is not a certification as to the structural integrity of the improvement or modification or as to the owner's compliance with any applicable governmental regulations.

Upon review of the revised language and the current language in the Declaration, I believe you will find that many of the provisions are similar but the revised language is simply clearer and more precise with respect to the legal rights of the Association and owners

Please note that the third paragraph under Section 5.02 (iv) of the amended language has been altered as requested by owners by removing the language which provided that the ACC could "withhold approval for any reason." Also, Section 5.04 (e) of the amended language was revised, as suggested by owners, to increase the amount of time to complete construction of an architectural change from 90 to 180 days.

3. Use Restrictions. Article VI currently contains numerous use restrictions governing the day-to-day activities one may engage in on their property. In my opinion, many of these use restrictions could be clarified and/or expanded. Courts generally construe covenants narrowly, and are reluctant to enforce covenants if the covenants do not clearly and specifically address the issue sought to be enforced. Therefore, use restrictions and covenants should be clearly drafted to avoid ambiguities and to minimize problems with enforcement.

(a) Residential/Business Use. Section 6.02 currently limits use of homes to single-family residential purposes only and prohibits all commercial, business or professional activity. This provision, in my opinion, is too restrictive and overbroad and potentially creates several problems as written.

First, the provision appears to seek to prohibit **all** home business operations without identifying acceptable home businesses. This likely is not the goal of the Association. Most communities recognize that owners should be permitted to operate home businesses if the business activity does not disturb or interfere with the community. The business use restriction should more clearly identify acceptable uses to which the Association really does not object (such as making phone calls or doing computer work from a home), but prohibit the business activities which are detectable outside the home either by sight, sound or smell, or which involve numerous employees or customers frequently coming onto the property for the business. The proposed amendment directly addresses each of these concerns.

Second, the provision appears to attempt to restrict occupancy of residences to only single related families, and therefore, probably violates the Fair Housing Amendments Act of 1988. The Act prohibits discrimination in the provision of

housing services based on familial status. The most recent position of the Department of Housing and Urban Development is that it considers provisions invalid that distinguish between related and unrelated people. However, HUD will permit provisions that limit the number of occupants in homes (2 per bedroom), such as the language added by amendment at Section 6.29.

(b) Signs. Section 6.08 currently prohibits all signs on lots except for signs required by legal proceedings, "For Sale" and "For Rent" signs and directional signs for vehicular and pedestrian safety. Again, I believe this provision is too rigid and inflexible. Thus, I have amended this inflexible provision to also permit security signs and other common types of signs such as baby birth announcement signs, etc...without the necessity of obtaining Architectural Control Committee ("ACC") approval.

(c) Antenna. Section 6.12 currently prohibits exterior antennas unless approved by the ACC. However, in 1996, the Federal Communications Act placed great restrictions on what reception devices a homeowners association could prohibit. According to federal law, the Association's current provision is simply unenforceable. Therefore, this provision should be amended to bring it into compliance with federal law by maintaining some minimal regulatory power in the Association as to satellite dish location and size, but permitting owners to install dishes that are in accordance with federal law.

(d) Recreational Vehicles and Trailers. Section 6.16 currently provides some limited parking regulations with regard to recreational vehicles, trailers and boats. This provision was amended to more clearly state what type of vehicles are prohibited, an issue that is often challenged by owners. Also, at the request of owners, this provision was revised by deleting a phrase which prohibited "trucks and vans..."

(e) Pets. Section 6.18 of the Declaration currently regulates the keeping of animals and provides that no animals, other than household pets, can be kept on the property, and such animals cannot be allowed to become a nuisance. The current, however, does not address what authority the Association has to deal with those pets that do become a nuisance. The Declaration was amended to include a provision clarifying that the Board has the authority to remove or require an owner to remove dangerous pets or pets that create a nuisance, generally with the assistance of the local animal control department. The provision also specifically excludes unusual animals such as pot bellied pigs, or pit bull dogs and other animals which are determined by the Board to be dangerous. The new provision also requires that

leashes be required at all times when pets are outdoors, except when in fenced areas on an owner's lot, and that owners be required to clean up after pets from the common areas or on another owner's property. Please note that, at the request of owners, the second sentence of the amended language was revised to clearly provide that animals are not required to be on leashes while within fenced areas on an owner's lot.

(f) Nuisances. The current nuisance provision (Section 6.20) was revised by more specifically addressing what constitutes a nuisance and addressing noise issues and a limitation of hours in regard to noise.

(g) Firearms. For the protection of owners and others within the common grounds of the Association, this provision prohibits the display and shooting of firearms within the common areas, but, of course, does not prohibit the transport of firearms across the Common Property to or from an owner's lot or prohibit fireworks.

(h) Abandoned Property. This provision provides that the Association has the power to remove abandoned personal property from the common areas, which without such authority, Boards are frequently afraid to remove for fear of legal liability. This provision simply provides the Association a legal mechanism by which to deal with unsightly personal property left on the common property.

(i) Leasing. This provision attempted to address the issue of leasing, since the current Declaration does not, but still allow leasing within certain modest guidelines. Specifically, this allows the Board to prevent transient tenants and troublesome tenants who detract from the residential character of the community. Specifically, the leasing provision does not strictly prohibit leasing but requires a minimum lease term of not less than twelve months, and specifically provides that tenants are clearly obligated to comply with all of the terms of the Declaration, Bylaws and any rules and regulations, the same as owners. This provision also makes tenants subject to the Association's various enforcement powers and makes the owner of the rented property the final responsible party for tenant violations. This provision also provides that the Association can collect delinquent assessments from the rent money paid to the owner after the owner and tenant have been provided written notice of the obligation to pay assessments. This provision also provides that the Association has the authority to evict a tenant after the Association has provided ample notice to the tenant and owner concerning the violation and the tenant has not corrected it and the owner has demanded that the tenant come into compliance. Finally, this provision provides that any owner who

rents his/her property temporarily transfers the rights of use to the common areas to such tenants to prevent the double-use of the amenities.

(j) Use of Common Property. This provision specifically allows owners to reserve portions of the common areas, but provides for the assumption of risk of that use by the owner or owners who reserve it on behalf of their guests. Although not all risks can be shifted, this type of provision can be helpful as a litigation preventative.

4. Security. This provision is also a litigation preventative and attempts to reduce the Association's exposure to security related liability by clearly providing that the Association is not a security company and should not be treated as such and that each owner is responsible for his/her own security.

5. Dispute Resolution. This provision also is a litigation preventative, and recognizes that most problems between owners and the Association or the Board can be resolved if there is communication. This provision requires an owner to meet with the Board and attempt to resolve a dispute before filing a lawsuit. By requiring a good faith effort to resolve the dispute, the Board receives advance notice of a potential lawsuit and both parties have an opportunity to work out their differences.

6. Insurance. This provision is included to ensure that future Boards of Directors have a clear outline of the basic types of insurance coverage which the Association must maintain, such as comprehensive general liability insurance and, if reasonably available, directors and officers liability insurance. By clearly outlining the types of coverage which a homeowners association should maintain, this should prevent future Boards of Directors from allowing insurance coverage to lapse or simply discontinuing insurance coverage which is not clearly understood. This provision is essentially a benefit to all in the community as the financial welfare of the Association directly affects all owners within Hampton Ridge.

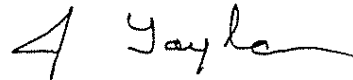
Although it is simply not feasible to attempt to explain each amended provision in a letter format, I hope the foregoing has provided ample explanation of the amendments proposed by the Association. Upon review of the proposed amendments and this letter, the Association's Board of Directors respectfully requests that you complete the enclosed written consent form and return it to the Association, at 3605 Sandy Plains Road, Suite 240-143, Marietta, Georgia 30066, or deliver it directly to a member of the Board of Directors. As you will note, unfortunately the current amendment procedure in the Declaration requires that the amendment be evidenced by an agreement signed by the owners, therefore, since the consent form will have to

Homeowner
April 2, 1999
Page 7

be recorded in the Cobb County land records along with the amendments, it will be necessary for you to have your signature notarized. Although the Association certainly recognizes that this may be inconvenient for you, it urges you to please voice your opinion concerning these amendments by completing and returning the enclosed consent form. It is necessary to obtain the approval of seventy-five percent of all owners within Hampton Ridge in order to pass these amendments.

Sincerely yours,

WEISSMAN, NOWACK, CURRY & WILCO, P.C.

A handwritten signature in cursive script that reads "Jay Taylor". The signature is written in black ink and is positioned above the printed name.

Jay T. Taylor