

CHARTER, DECLARATION OF COVENANTS, RESTRICTIONS, AND BY-LAWS.

CHARTER

THE "CHARTER" OF

THE HUNTCLIFF HOMES ASSOCIATION, INC.

AS AMENDED

The Charter of the Homes Association was granted on December 23, 1966 and was amended on July 26, 1968. The operative provisions of the Charter as amended read as follows:

1. Petitioners desire to be incorporated as a non-profit corporation pursuant to the provisions of the Georgia Corporation Act of 1938, as amended, under the name and style of THE HUNTCLIFF HOMES ASSOCIATION, INC. for a period of thirty-five (35) years with the privilege of renewal as provided by law.
2. The principal office of the Corporation shall be in Fulton County, Georgia, but the Corporation shall have the right to establish branch offices and places of operation elsewhere.
3. The Corporation shall have no stock or stockholders and shall not operate for profit and no dividends or pecuniary gain shall inure to the benefit of any member, officer or other private person except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Paragraph 5 hereof.
4. No substantial part of the activities of the Corporation shall be carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the distribution of statements) any political campaign on behalf of any candidate for public office.
5. The purpose of the Corporation shall be to promote the recreation, health, safety and

welfare of and to promote the common benefit and enjoyment of the residents within the real estate described in Paragraph 6 hereof and such other real estate as may hereafter be brought within the jurisdiction of the Corporation as provided in Paragraph 13 hereof, and to enhance, preserve and maintain property values within said real estate, and to enhance, preserve and maintain the natural beauty of said real estate and its surroundings.

6. The real estate referred to in Paragraph 5 hereof over which the Corporation shall immediately have jurisdiction is:

(i) All lots of Unit One, Huntcliff Subdivision, said subdivision lying and being in Land Lots 27 and 28 of the 17th District and Land Lots 363, 368, 369, 370 and 371 of the 6th District, Fulton County, Georgia, being more particularly shown on a Plat of survey by Watts and Browning, Engineers, Atlanta, Georgia, entitled "Unit One Huntcliff," dated September 10, 1965, revised February 14, 1966 and recorded in Plat Book 84, page 84 Fulton County Records, less and except Lots 7, 8, 9, 12, 15, 19, 20, 21, 22, 23, 24 and 30. Block A; Lots 5, 8, 10, 14, 19 and 20. Block B. Lot* 1, 9, 10, 12, 15, 18, 25 and 40, Block C.

(ii) All that tract or parcel of land located in Land Lots 363 and 368 of the 6th District, Fulton County, Georgia, and shown on said plat recorded in Plat Book 84, page 84, Fulton County Records, as lot 3 of Block B. Unit Two, Cherokee Club Estates.

7. It being contemplated that additional lands shall become subject to the jurisdiction of this Corporation and that the owners of such lands shall become members of this Corporation, there shall be no preemptive rights of membership.

8. In addition to, but not in limitation of, the general powers conferred by law, petitioners desire for said Corporation the power to own, acquire, construct, operate and maintain parks, playgrounds, swimming pools, tennis courts, boat docks, fishing piers or docks,

golf courses, commons, streets, right-of-ways, street lighting facilities and apparatus, sidewalks, footways, bridle trails, buildings, structures and other properties incident thereto; to provide fire and police protection; to maintain unkempt lands, trees, shrubbery, flowers or other vegetation; to supplement municipal services; to fix and collect annual and special assessments, to be levied against and with respect to such properties and the owners of such properties as are now or hereafter made subject to its jurisdiction, which assessments shall be a lien and permanent charge on such properties as well as the personal obligation of the owner, to enforce any and all covenants, restrictions and agreements applicable to any properties within its jurisdiction; to buy, hold, lease, sell, rent, manage and otherwise deal in properties of every kind and description, whether real or personal, necessary, proper, useful or incidental to the carrying out of the functions for which the Corporation is organized; to maintain lots and the exterior of buildings thereon; to borrow money, issue bonds, promissory notes and other obligations and evidences of indebtedness, and to secure the same by mortgage, deed, security deed, pledge or otherwise; and, insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will: promote, directly or indirectly, the recreation, health, safety or welfare of or be for the common benefit and enjoyment of the owners or residents of any properties within its jurisdiction; enhance, preserve or maintain property values of the properties within its jurisdiction; enhance, maintain or preserve the natural beauty of said property or its surroundings; be necessary, proper, useful or incidental to the carrying out of the functions for which the Corporation is organized.

9. The following persons shall be members of the Corporation: every person or entity who is a record owner of a fee simple estate, a life estate, an estate pur autre vie, or a fee upon condition, in any lot, whether developed or undeveloped, which is now or hereafter made

subject to assessment by the Corporation, and every person or entity who is the record owner of an equity of redemption in any such lot, which, if such person or entity were entitled to a re-conveyance from the holder or holders of a deed or deeds to secure debt on such lot, would entitle such person or entity to become the record owner of an estate in such lot of the character mentioned.

Notwithstanding the foregoing, any person or entity holding any such interest in any such lot merely as security for the performance of an obligation shall not be a member. "Lot," as used in this Charter, shall mean any plot of land shown as a numbered parcel on the Plat of Survey referred to in Paragraph 6 of this Charter, or on any Plat of Survey hereafter recorded.

10. There shall be two classes of membership: Class A and Class B. Class A members shall be all those persons holding any interest required for membership by Paragraph 9 hereof with the exception of Surety Investment Company, a South Carolina corporation with its principal place of business in Greenville, South Carolina.

Surety Investment Company, its successors and assigns, shall be the Class B member until such time as Surety Investment Company owns no property now or hereafter made subject to the jurisdiction of the Corporation, on January 1, 1980, or at such time as it relinquishes its membership rights, whichever is sooner, at which time it shall cease to be a member of the Corporation. Except as hereinafter set forth, both classes of membership shall be entitled to vote on any matter required to be brought before the membership by this Charter, by the Corporation's by-laws or by law; and the majority vote of those members of each class voting in person or by proxy at any meeting shall be necessary to

decide any question that may come before such meeting unless otherwise required by this Charter or by law.

Surety Investment Company has the right to subject additional property to the jurisdiction of the Corporation in accordance with Paragraph 13 hereof and in accordance with Article I, Section 2(a) of that certain "Declaration of Covenants and Restrictions," executed by Surety Investment Company and other persons as of June 10, 1968, and filed of even date herewith for record in the office of the Clerk of the Superior Court of Fulton County.

If before it ceases to be a member of the Corporation, Surety Investment Company elects to so subject additional property to the jurisdiction of the Corporation, the members of the Corporation shall vote without regard to classes except as hereinafter set forth at such time as persons other than Surety Investment Company own as many as eighty per cent (80%), rounded to the nearest whole percentage point, of the total of:

- (i) all lots in Unit One, Huntcliff Subdivision, as shown on the plat referred to in Paragraph 6 hereof, and
- (ii) all lots located on property presently proposed to be so subjected by Surety Investment Company to the jurisdiction of the Corporation.

From and after that time, the majority vote of those members (of both classes, combined) voting in person or by proxy at any meeting shall decide any question that may come before such meeting, except as hereinafter set forth in Paragraph 13, 14, 15, 17 and 18 hereof, and by law.

The number of lots in property other than Unit One from which, together with the lots in Unit One, the eighty per cent (80%) figure is to be ascertained shall be determined from the latest recorded plats on record on the day when there is filed for record the last plat with respect to any property which Surety Investment Company has the right to subject to the jurisdiction of the Corporation, as hereinabove set forth.

The last plat shall be deemed to have been recorded at such time as plats have been recorded with respect to all said property or at such time as Surety Investment Company does not own any of said property and does not own any other property subject to the jurisdiction of the Corporation, whichever is sooner.

No subsequent revision of any of said plats shall affect said determination. For purposes of these provisions any person shall be deemed to "own" property if such person holds any interest required for membership by Paragraph 9 hereof.

As used in this Charter the "voting change date" shall be that date on which the members of the Corporation become entitled to vote generally without respect to classes, determined in accordance with the provisions of this Paragraph. At any time, only one

vote per lot shall be cast with respect to any particular matter at any meeting. When more than one person holds an interest required for membership in any one 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 such lot. In the event of disagreement among such persons and an attempt by two or more of them to cast the vote, such persons shall not be recognized and the vote of such lot shall not be counted.

11. The membership rights of any member, including the right to vote, may be suspended by action of the Directors during the period while any assessment with respect to such member's property remains unpaid, whether or not such member is personally obligated to pay such assessment. Any such suspension shall not affect such member's obligation to pay assessments coming due during the period of suspension and shall not affect the permanent charge and lien on the member's property in favor of the Corporation.

12. The affairs of the Corporation shall be managed by a Board of three directors or by such larger uneven number of directors as may from time to time be specified in the Corporation's by-laws, which by-laws shall be adopted and amended from time to time by the members. The majority of such directors shall be elected by Surety Investment Company, the Class B member, and the minority of such directors shall be elected by the Class A members under such procedures of nomination and election as shall be specified in the Corporation's bylaws, as amended from time to time; provided, however, that in accordance with Paragraph 10 hereof, from and after the voting change date, all directors shall be elected by the majority vote of those members of both classes (combined) voting in person or by proxy at a meeting duly called for the purpose of electing directors.

13. Additions to the properties described in Paragraph 6 hereof may be made only in

accordance with the provisions of that certain "Declaration of Covenants and Restrictions," executed by Surety Investment Company and other persons as of June 10, 1968, and filed of even date herewith for record in the office of the Clerk of the Superior Court of Fulton County.

Such additions, when properly made under said Declaration of Covenants and Restrictions, shall extend the jurisdiction, functions, duties and membership of the Corporation to such added properties and to the owners of such added properties. Additions which under the terms of said Declaration of Covenants and Restrictions require the approval of the Association may be authorized only by the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast two-thirds of the votes of each class of the Corporation's membership.

14. The Corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes. Before the voting change date any such merger or consolidation may be authorized by the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast two-thirds of the votes of each class of the Corporation's membership. After the voting change date any such merger or consolidation may be authorized by the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast two-thirds of the votes of both classes (combined) of the Corporation's membership.

15. Before the voting change date, the Corporation may be dissolved upon the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast two-thirds of the votes of each class of its membership. After the voting

change date the Corporation may be dissolved upon the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast two-thirds of the votes of both classes (combined) of its membership. The notice of any such meeting, and of the proposal to dissolve, shall set forth the reasons therefore and the disposition to be made of the assets (which shall be consonant with Paragraph 16 hereof).

16. Upon dissolution of the Corporation, the assets of the Corporation shall be dedicated to or distributed among an appropriate public agency or agencies, utility or utilities, or any one or more of them, to be devoted to purposes as nearly the same as practicable as those to which they were required to be devoted by the Corporation. In the event that such dedication or distribution is refused, such assets shall be granted, conveyed and assigned to any one or more non-profit corporations, associations, trusts or other organizations to be devoted to purposes as nearly the same as practicable as those to which they were required to be devoted by the Corporation. No such disposition of the Corporation's properties shall be effective to divest or diminish any right or title of any member vested in him under recorded covenants and deeds, if any, applicable to such properties unless made in accordance with the provisions of such covenants and deeds.

17. Before the voting change date, this Charter may be amended from time to time when authorized by the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast two-thirds of the votes of each class of the Corporation's membership. After the voting change date, this Charter may be amended from time to time by the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast two-thirds of the votes of both classes (combined) of the Corporation's membership.

18. Changes in the method of calculating and maximum amount of the annual assessments to be levied by the Corporation and any proposal to levy a special assessment shall require the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast a majority of the votes of each class of the Corporation's membership; except that from and after the voting change date, such changes in the annual assessments with respect to, and any proposal to levy a special assessment with respect to, lots owned only by Class A members shall require only the affirmative vote, either in person or by proxy at a meeting duly called for that purpose, of members entitled to cast a majority of the votes of the Class A membership.

19. The monies derived from the annual and special assessments may be spent in furtherance of any corporate purpose as set forth in paragraph 5 hereof or pursuant to the valid exercise of any corporate power as set forth in paragraph 8 hereof.

20. The amount of capital with which the Corporation shall begin operation shall be at least Two Hundred Dollars (\$200.00).

COVENANTS

DECLARATION OF COVENANTS AND RESTRICTIONS MADE

APPLICABLE TO CERTAIN REAL ESTATE DESCRIBED IN:

ARTICLE I, SECTION I(a) HEREIN

THIS DECLARATION made as of this 10th day of June, 1968, by SURETY INVESTMENT COMPANY, a South Carolina corporation with its principal place of business in Greenville, South Carolina (hereinafter called "Surety"), and those other persons whose signatures are subscribed hereto. (Surety and all of said persons are hereinafter collectively referred to as the "Property Owners.")

Statement of Background:

A. Surety has subdivided and developed certain real estate known as Unit One of Huntcliff

Subdivision and desires:

- (1) to create on said real estate a residential community with planting areas, open spaces, and other properties and facilities for the benefit of the residents of said community, and to provide for the maintenance of said planting areas, open spaces and other properties and facilities;
- (2) to ensure the best use and the most appropriate development and improvement of each of the lots which are subjected to this Declaration by Article I, Section I(a) hereof, and of any other lots or properties which may be brought within the scheme of this Declaration as provided in Article I, Section 2 hereof;
- (3) to protect the owners of said lots and properties against such improper use of or building on said lots and properties as will depreciate the value of any of said lots and properties;
- (4) to preserve, as far as practicable, the natural beauty and to ensure the best development of said lots and properties as well as any other real estate which may

be used or enjoyed by the residents of said lots and properties;

(5) in general, to ensure that improvements on said lots and properties will be of a high type and quality; and

(6) by establishing and providing for the enforcement of this Declaration, to enhance the value of investments made by purchasers of said lots and properties.

B. Those persons other than Surety who are parties to this Declaration are in accord with the purposes expressed in the immediately preceding paragraph.

C. To this end, the Property Owners desire to subject the lots described in Article I, Section I(a) hereof, together with such other lots and properties as may hereafter be made subject to this Declaration, to the covenants, restrictions, easements, agreements, charges and liens hereinafter set forth, each of which is for the protection and benefit of said lots and properties and for the benefit of all subsequent owners of said lots and properties, and each of which shall inure to the benefit of and run with each of said lots.

D. Surety has executed that certain Declaration of Covenants and Restrictions dated December 20, 1966, and recorded in Deed Book 4678, at page 296, Fulton County Records, which was made applicable to certain lots of Unit One, Huntcliff Sub division.

In its essential elements said Declaration is similar to this Declaration; and the "restrictive covenants" found in Article V of said Declaration, established as a common scheme on the lots covered by this Declaration, as well as on the lots covered by said Declaration dated December 20, 1966, are identical to those found in Article V of this Declaration.

However, because of certain rights of Surety reserved or otherwise expressed in said Declaration which Surety has now relinquished, it was deemed advisable by the Property Owners that they execute and have recorded this Declaration in order to reflect insofar as possible in a single document the respective rights of Surety (as so modified), and those persons other than Surety whose lots are or hereafter will be subjected to this Declaration,

as well as certain rights of those persons whose lots are covered by said prior Declaration.

E. Surety has caused to be incorporated under the laws of the State of Georgia a non-profit corporation, The Huntcliff Homes Association, Inc. (herein after referred to as "the Association"), which has the power and responsibility to maintain and administer certain properties and facilities, as well as other powers and responsibilities set forth in its Charter and By-Laws, and which, as a beneficiary of this Declaration and as agent of the owners of lots or other properties now or hereafter made subject to this Declaration, shall have the power and responsibility to administer and enforce the provisions of this Declaration and to collect and disburse the assessments and charges hereinafter created.

Provisions of this Declaration:

NOW, THEREFORE, the Property Owners hereby declare that the lots described in Article I, Section 1(a), hereof, are hereby subjected to this Declaration and shall be held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to this Declaration and to the covenants, restrictions, easements, agreements, charges and liens (sometimes referred to as the "covenants and restrictions") hereinafter set forth; and the Property Owners further hereby declare that such property as may later be subjected to this Declaration pursuant to the provisions of Article I, Section 2 hereof, may, from and after the filing of a supplementary declaration as described in Article I, Section 2 hereof, be held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to this Declaration and to the covenants, restrictions, easements, agreements, charges and liens hereinafter set forth.

Every grantee of any interest in any lot now or hereafter made subject to this Declaration, by acceptance of a deed or other conveyance of such interest, whether or not it shall be so expressed in any such deed or other conveyance, whether or not such deed or other conveyance shall be signed by such person and whether or not such person shall otherwise consent in writing, shall take subject to this Declaration and to all the terms and conditions hereof and shall be deemed to have assented to all of said terms and conditions.

ARTICLE I

Section 1. Property Hereby Subjected to this Declaration.

(a) The lots which are, by the recording of this Declaration, subjected to the covenants, restrictions, easements, agreements, charges and liens hereafter set forth, and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to this Declaration, are those lots of Unit One, Huntcliff Subdivision which are designated by the signatures of those persons other than Surety executing this Declaration. "Unit One, Huntcliff Subdivision" is part of a subdivision, lying and being in Land Lots 27 and 28 of the 17th District, and Land Lots 363, 368, 369, 370 and 371 of the 6th District, Fulton County Georgia, and is more particularly shown on a Plat of Survey by Watts & Browning, Engineers, Atlanta, Georgia, entitled "Unit One Huntcliff," dated September 10, 1965, revised February 14, 1966, and September 13, 1966, and recorded September 19, 1966 in Plat Book 86, page 11, Fulton County Records. Said lots are hereinafter referred to as the "Covered Property."

(b) Only the real estate described in subparagraph (a) of this Section is hereby made subject to this Declaration. No other real estate, including specifically, but not by way of limitation, the following real estate, is hereby made subject to this Declaration:

(i) all that tract or parcel of land shown on said plat recorded in Plat Book 86, page

11, Fulton County Records, as a recreation area, lying north of and bordering on the northerly boundaries of Lot 22 of Block B and Lots 1, 2, 24, 25, 26, 27, 33, 34 and 35 of Block C of Unit One Huntcliff, as shown on said plat. Said tract is hereinafter referred to as the "recreation island";

(ii) all that tract or parcel of land being shown on said plat as a proposed elementary school site and containing approximately 9.92 acres;

(iii) all that tract or parcel of land being described as "Huntcliff -Proposed Offices" in that certain Declaration of Covenants and Restrictions executed by Surety on December 20, 1966, and recorded in Deed Book 4678, at page 296, Fulton County Records;

(iv) any lots subject to that certain Declaration of Covenants and Restrictions executed by Surety on December 20, 1966, and recorded in Deed Book 4678, at page 296, Fulton County Records; provided, however, that said lots may be subjected to this Declaration in accordance with Section 2(a) of this Article;

(v) any and all other real estate adjacent to or in the proximity of Unit One Huntcliff, which may be partially shown on said plat.

Section 2. Additions to the Covered Property.

Lands other than the Covered Property may be made subject to this Declaration as set forth below.

(a) Additions as a Matter of Right. It being the desire of the Property Owners that all persons (including Surety) who own lots subject to that certain Declaration of Covenants and Restrictions executed by Surety on December 20, 1966, will subject said lots to this Declaration, and that this Declaration will thereby supersede said prior Declaration in accordance with Article VI, Section 7 of this Declaration, said persons shall have the right (exercisable from time to time by filing for record a supplementary declaration of

covenants and restrictions as described in subparagraph (c) of this Section) to subject any of said lots to this Declaration. Surety shall also have the right (exercisable from time to time by filing for record a supplementary declaration or declarations of covenants and restrictions as described in subparagraph (c) of this Section) to bring within the scheme of this Declaration any of the real estate (whether or not now owned by Surety) described on Exhibit A, attached hereto and made a part hereof. Surety shall be obligated to bring within the scheme of this Declaration said real estate described on Exhibit A only if it improves and develops said real estate. Surety may, however, sell said real estate free of its conditional obligation to bring it within the scheme of this Declaration; and notwithstanding anything contained herein which might be interpreted to produce a contrary result, this Declaration does not create any charge, lien or other encumbrance or restriction on said real estate or affect in any way the title to said real estate, and likewise does not create any charge, lien or other encumbrance or restriction on, or affect in any way the title to said lots subject to said prior Declaration. The real estate described on Exhibit A and the lots subject to said prior Declaration may be subjected to this Declaration only by the filing of a supplementary declaration as described in subparagraph (c) of this Section.

(b) Additions Pursuant to Association Approval. Upon approval in writing by the Association pursuant to a vote of its members as provided in its Charter, as amended from time to time, any owner of any property other than that property which may be subjected to the scheme of this Declaration as a matter of right in accordance with subparagraph (a) above, may file for record a supplementary declaration of covenants and restrictions, as described in subparagraph (c) of this Section.

(c) Supplementary Declarations. The additions authorized under subparagraphs (a) and (b) of this Section shall be made by filing for record a supplementary Declaration of

Covenants and Restrictions with respect to the property to be brought within the scheme of this Declaration, which supplementary declaration shall extend the scheme of the covenants and restrictions of this Declaration to such property and shall subject the owners of such property to the scheme of the covenants and restrictions contained therein. Such supplementary declaration may contain such complementary modifications of the covenants and restrictions of this Declaration and such other complementary additional provisions as may be necessary to reflect the different character and requirements, if any, of such property. In no event, however, shall such supplementary declaration revoke, modify or add to the covenants and restrictions hereby made applicable to the Covered Property.

(d) Additional Owners to Become Members. Upon filing such supplementary declaration, the owner or owners of such property shall become members of the Association and such owners, and their successors in title, shall thereby acquire with respect to such property the rights and privileges granted herein to members of the Association, and such property shall be subject to and protected by the terms and provisions of this Declaration.

(e) Mergers. Pursuant to a merger or consolidation of the Association as provided in the Association's Charter, as amended from time to time, the Association's properties, rights and obligations may be transferred to another non-profit corporation, or the properties, rights and obligations of another non-profit corporation may be transferred to the Association. The surviving or consolidated corporation may administer the covenants and restrictions applicable to the Covered Property and such other properties as may be brought within the scheme of this Declaration pursuant to the provisions of subparagraphs (a), (b) and (c) of this Section, together with the covenants and restrictions which either the merging corporation, or corporations, or the surviving or consolidated corporation was, or were, otherwise entitled to administer, provided, however, that no

such merger or consolidation shall effect any revocation, change or addition to the covenants and restrictions made applicable by this Declaration to the Covered Property, except that the members may, as an incident to any such merger or consolidation, make changes in the method of calculating and the maximum amount of the annual assessments and may authorize special assessments as provided herein, all in accordance with the Association's Charter, as amended from time to time.

ARTICLE II

Section 1. Membership in the Association

The following persons shall be members of the Association: every person who is a record owner of a fee simple estate, a life estate, an estate pur autre vie, or a fee upon condition, in any lot, whether developed or undeveloped, which is subject by this Declaration, or by any supplementary declaration as contemplated by Article I, Section 2 hereof, to assessment by the Association; and every person who is the record owner of an equity of redemption in any such lot which, if such person were entitled to a reconveyance from the holder or holders of a deed or deeds to secure debt on such lot, would entitle such person to become the record owner of an estate in such lot of the character mentioned.

Notwithstanding the foregoing, any person who holds any such interest in any such lot merely as security for the performance of any obligation shall not be a member.

Section 2. Voting Rights.

The membership of the Association shall be divided into such classes, with such rights and

characteristics as are described in the Association's Charter, any lawful amendments thereof, which Charter and amendments are and shall be incorporated herein by reference as fully as if the provisions thereof were set out completely herein.

Section 3. Suspension of Membership Rights.

The membership rights of any member, including the right to vote, may be suspended by the Board of Directors pursuant to authority granted in the Association's Charter and bylaws, as amended from time to time. Any such suspension shall not affect such member's obligation to pay assessments coming due during the period of suspension and shall not affect the permanent charge and lien on the member's property in favor of the Association.

Section 4. Meetings of the Membership.

All matters concerning meetings of the members of the Association, including the time within which and the manner in which notice of any of said meetings shall be given to said members, and the quorum required for the transaction of business at any of said meetings, shall be as specified in the Charter and bylaws of the Association, as amended from time to time, and by law.

ARTICLE III

Section 1. Reservations by Surety of Title and all Rights of Enjoyment in and to the Recreation Island.

In accordance with said Declaration recorded in Deed Book 4678, at page 296, there is reserved to Surety fee simple title and all other rights of enjoyment in and to the "recreation island" as defined in Article I, Section I(b)(i) hereof. Further, no person or persons other than Surety shall, by the recording of this Declaration or by the recording of the aforementioned plat, or by any permissive use, have any easement to use or enjoy the recreation island nor shall such persons have any other right, title or interest whatsoever in or to the recreation island, it being intended that Surety's reservation of title and all other property rights in and to the recreation island be complete in all respects.

Section 2. Reservation by Surety of Title and all Rights of Enjoyment in and to Other Properties.

In accordance with said Declaration recorded in Deed Book 4678, at page 296, there is reserved to Surety fee simple title and all other rights of enjoyment in and to all that tract or parcel of land being shown on the plat therein mentioned as "Huntcliff - Proposed Offices," and fee simple title and all other rights of enjoyment in and to any and all other real estate owned by Surety and bordering on or in the proximity of the Unit One, Huntcliff. Further, no person or persons other than Surety shall by the Recording of this Declaration or by the recording of any previously recorded plat have any right, title or interest whatsoever in or to said real estate, it being intended that Surety's reservation of title and all other property rights in and to said real estate be complete in all respects.

Section 3. Bridle Trail.

(a) A perpetual easement for a bridle trail across certain lots in Unit One was reserved to

Surety by the Declaration recorded in Deed Book 4678, page 296. Certain of the rights thereby reserved have been conveyed to the Association while others have been released. The owners of lots in Unit One indicated on the signature pages hereof whose lots were not subject to said Declaration, by joining in this Declaration do hereby grant certain perpetual easements to the Association as specified on the signature pages hereof. The result of the foregoing grants and the release is that the Association now has the following rights and easements in and to the areas of lots subject to this Declaration or to said prior Declaration shown as a bridle trail on the plat recorded in Plat Book 86, at page 11, Fulton County Records: The Association has the right to clear, cut, maintain and control the use of the above-described real estate as a footpath and/or bridle trail, and has the exclusive right, under such terms as it shall determine, to license persons who reside on property now or hereafter made subject to this Declaration or to said prior Declaration, and persons who live in Unit One, Huntcliff, as defined in Article I, Section I (a) hereof, to use said real estate as a footpath and/or bridle trail. The Association has the further easement to enter upon and cross over any and all lots which are subject to said prior Declaration, and designated lots subject to this Declaration, and to take or drive across said lots such machinery and equipment as may be necessary to enable it to clear, cut, and maintain said real estate as a foot path and/or bridle trail, the same being a right of access and an easement of ingress and egress for the purpose of enabling the Association to exercise the rights and use or prepare and maintain for the use of its licensees the easements hereby granted and described. Said reserved rights and easements are and shall be assignable by the Association.

(b) Surety has granted to the Association the easement previously reserved to itself in Article III, Section 3(b) of said prior Declaration. Said easement gives the Association the right

to reconstruct, repair and maintain decorative entrances which have been constructed on Lots 2 and 5 of Blocks B and A, respectively, of Unit One Huntcliff, and Lot 3 of Block B, Unit Two Cherokee Club Estates, said lots being shown on the plat of survey referred to in Article I, Section 1 hereof; and to enter upon and cross over each of said lots, and to take or drive across said lots such machinery and equipment as may be necessary to enable it to reconstruct, repair and maintain said decorative entrances, the same being a right of access and an easement of ingress and egress, for the purpose of enabling the Association to exercise the rights and use the easement thereby reserved. Said rights and easements are assignable by the Association.

ARTICLE IV

Section 1. Creation of Permanent Charge and Lien of Assessments; Personal Obligation of Owners; Remedies of Association.

(a) Each of the lots shown by the signatures of those persons other than Surety executing this Declaration is hereby made subject to a lien and permanent charge in favor of the Association for annual assessments or charges, and special assessments or charges, and each lot hereafter made subject to this Declaration shall automatically be subjected to said lien and permanent charge at the time such lot is made subject to this Declaration. Such annual and special assessments shall be fixed, established and collected as hereinafter provided. Any and all of said assessments and charges, together with interest thereon, if any, as hereinafter provided, shall constitute a permanent charge upon and a continuing lien on the lot to which such assessments relate, and such permanent charge and lien shall bind such lot in the hands of any and all persons.

(b) Each owner or part-owner of any lot which is or shall become subject to this Declaration, by acceptance of a deed or other conveyance therefore, or by filing a supplementary declaration making such lot subject to this Declaration, whether or not it shall be so expressed in such document, whether or not such document shall be signed by such owner, and whether or not such owner shall otherwise consent in writing, shall be deemed to covenant, promise and agree to pay to the Association annual assessments i or charges, and special assessments or charges, such annual and special assessments to be fixed, established and collected from time to time as hereinafter provided, with the result that any person or persons who is or are the owner or owners of any lot or lots subject to assessment by the Association at a time when any assessment comes due with respect to such lot or lots shall be personally obligated to pay such assessment, together with interest thereon, if any. The personal obligation of any such owner to pay any assessment which is due or delinquent, and interest thereon, if any, at a time when such owner transfers his lot to another shall not pass to his successor in title unless expressly assumed by such successor in title. If such successor in title assumes such owner's personal obligation, such owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which he was obligated so to pay immediately preceding the transfer, and such owner and such successor in title assuming such liability shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such owner and such successor in title creating the relation of principal and surety as between themselves or creating any relationship as between themselves other than one by virtue of which such owner and such successor in title would be jointly and severally liable to pay such amounts.

(c) "Owner", within the meaning of this Section, shall mean the holder of any estate entitling

such holder to membership in the Association, and shall include persons holding such an estate with other persons, in common or otherwise.

(d) The permanent charge, the lien and the personal obligation hereby created may be enforced by the Association in any appropriate proceeding in law or in equity.

Section 2. Annual Assessments.

For the year beginning January 1, 1969, and for every year thereafter, unless changed as provided in Section 3 of this Article, the annual assessment shall be Fifty Dollars (\$50.00) for each lot which is hereby made subject to assessment by the Association. The annual assessment to be levied with respect to each lot which is hereafter made subject to this Declaration shall, in each year, be the same as the annual assessment for each lot hereby made subject to assessment; provided, however, that lots hereafter made subject to assessment by the Association shall not be liable for any assessment for the year in which they are made subject to this Declaration, but shall be liable only for assessments levied for the year next beginning after the date on which such lots are subjected to this Declaration and for every year thereafter.

Section 3. Changes in Annual Assessments.

The method of calculating and the maximum amount of the annual assessment fixed by Section 2 of this Article may be changed prospectively, when authorized in accordance with the Association's Charter and bylaws, as amended from time to time. The annual assessment may be lowered at any time in the same manner. The method of calculating assessments to be levied against and with respect to property now or hereafter made subject to the scheme of this

Declaration may be changed to take into account the value of said property, including improvements thereon, the number of persons residing therein, or any other factors which the members, in accordance with the provisions of the Association's Charter and bylaws, as amended from time to time, may deem appropriate.

Section 4. Special Assessments.

In addition to the annual assessment authorized by Section 2 of this Article, the Association may levy in any assessment year a special assessment, when authorized in accordance with the Association's Charter and bylaws, as amended from time to time.

Section 5. Purpose of Assessments.

The annual and special assessments levied by the Association may be spent or used in furtherance of any corporate purpose as set forth in the Association's Charter, as amended from time to time, or pursuant to the valid exercise of any corporate power as set forth in said Charter, as amended from time to time.

Section 6. Annual Assessment: Due Dates; Delinquency Dates.

The annual assessment for the year beginning January 1, 1969 shall become due and payable on March 1, 1969. The due date of subsequent annual assessments shall be March 1 of such subsequent year unless changed by the Board of Directors as hereinafter provided. If any assessment is not paid on or before the thirtieth day after the due date, such assessment shall become delinquent and shall bear interest, at the rate of eight per cent (8%) per annum from said

due date.

Section 7. Duties of the Board of Directors.

The Board of Directors of the Association shall have such powers and duties as are prescribed in the Association's Charter and bylaws, as amended from time to time, and by law, which shall include the following duties: to fix the due date of all annual assessments other than the annual assessment for 1969; to cause written notice of every assessment to be sent to the owner or owners subject thereto at least thirty (30) days prior to the due date thereof; and, upon demand at any time, to cause to be furnished to any person legitimately interested a statement in writing signed by the president, the treasurer or other appropriate officer of the Association setting forth the amount of any unpaid assessments with respect to any property subject to assessment by the Association, or stating that all assessments with respect to the property which is the subject of the statement have been paid, as the case may be. As between the Association and any such person who relies on any such statement so furnished, such statement shall be conclusive evidence against the Association of all facts and figures therein stated to be true and accurate. Any existing or prospective mortgagee, as defined in Section 8 of this Article, of any property subject to assessment by the Association shall be a "person legitimately interested" within the meaning of this Section and shall thereby be entitled to such statement.

Section 8. Subordination of the Charge and Lien to Mortgages.

(a) The lien, and permanent charge of all assessments and charges authorized herein (annual, special or otherwise) with respect to any lot is hereby made subordinate to the lien of any mortgage placed on such lot, if, but only if, all assessments and charges with respect to such lot authorized herein having a due date on or prior to the date such mortgage is filed

for record have been paid. The liens and permanent charges hereby subordinated are only such liens and charges as relate to assessments and charges authorized hereunder having a due date subsequent to the date such mortgage is filed for record and prior to the satisfaction, cancellation or foreclosure of such mortgage or the sale or transfer of the mortgaged property pursuant to any proceeding in lieu of foreclosure or the sale or transfer of the mortgaged property pursuant to a sale under power contained in such mortgage.

(b) Such subordination is merely a subordination and shall not relieve the owner of the mortgaged property of his personal obligation to pay all assessments and charges coming due at a time when he is the owner of such property; shall not relieve such property from the lien and permanent charge provided for herein (except to the extent a subordinated lien and permanent charge is extinguished as a result of such subordination as against a mortgagee or such mortgagee's assignee or transferee by foreclosure or by sale or transfer in any proceeding in lieu of foreclosure or by sale under power); and no sale or transfer of such property to the mortgagee or to any other person pursuant to a decree of foreclosure, or pursuant to any other proceeding in lieu of foreclosure, or pursuant to a sale under power, shall relieve any existing or previous owner of such property of any personal obligation, or relieve such property or the then owner of such property from liability for any assessments or charges authorized hereunder, coming due after such sale or transfer.

(c) Notwithstanding the foregoing, the Board of Directors of the Association may at any time, either before or after any mortgage or mortgages are placed on such property, waive, relinquish or quit-claim in whole or in part the Association's right to assessments

and other charges collectible by the Association hereunder with respect to such property coming due during the period while such property is or may be held by a mortgagee or mortgagees pursuant to such sale or transfer.

(d) "Mortgage" and "mortgages," as used in this Section, shall include deeds to secure debt, and any other security instruments by which the title to property is conveyed or encumbered to secure a debt "Lien," as used in this Section, shall include, where the context requires, the security title of any holder of a mortgage, as defined in the proceeding sentence, "Mortgagee" and "mortgagees" shall include any holder or holders of a mortgage or mortgages, as defined in the first sentence of this subparagraph. Any existing or prospective mortgagee, as defined in the immediately preceding sentence, shall be entitled to the statement to be given pursuant to the provisions of Section 7 of this Article.

Section 9. Exempt Property in Unit One.

Only "lots" are hereby made subject to the assessments, charges and liens for annual or special assessments, and interest, heretofore created, and none of the property which is specified in Article I, Section (b) hereof as being not subject to this Declaration shall be subject to payment of the assessments, charges and interest for annual or special assessments heretofore created unless hereafter made subject to assessment by a supplementary declaration.

ARTICLE V

Section 1. Review by Surety of Original Construction, Architectural Changes or Structural Additions.

(a) No house, garage, carport, playhouse, outbuilding, fence, wall or other above-ground structure shall be commenced, erected or maintained upon any property subject to this Declaration, nor shall any exterior addition to, change in or alteration of any of said structures be made until complete final plans and specifications showing the nature, kind, shape, height, materials, basic exterior finishes and colors, location and floor plan thereof, and showing front, side and rear elevations thereof and the name of the builder, have been submitted to and approved by Surety, its agents, successors or assigns, as to harmony of exterior design and general quality with the existing standards of the neighborhood and as to location in relation to surrounding structures and topography.

(b) If Surety fails to approve or disapprove such plans and specifications within thirty (30) days after same have been submitted to it. Surety shall be deemed to have approved said plans and specifications.

(c) Surety may, at any time and from time to time, delegate or assign to the Association or any other person, in whole or in part, its right and authority granted by this Section and by Section 2 and Section 4(b) of this Article. Any right or authority so delegated or assigned to the Association may be exercised as the Board of Directors of the Association may determine.

Section 2. Approval of Builders.

Any builder of any home upon any property subject to this Declaration must, before beginning construction of each such home, be approved by Surety as to financial stability, building experience, and ability to build houses or other structures of the class and type of those which are to be built on the property subject and to be subject to this Declaration. No person shall be approved as a builder by Surety unless such person obtains his income primarily from construction of residences. No lot owner will be permitted to act as his own builder or contractor except where such owner obtains his income primarily from the construction of residences and otherwise meets the qualifications for approval by Surety as hereinabove set forth. Upon request by the owner of any lot, Surety shall furnish said owner a list of not less than ten (10) approved builders which list shall be binding on Surety for a period of one year from the date said list is furnished.

Section 3. House Requirements.

(a) The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of one-story or split-level dwellings shall cover a ground area of not less than 2,000 square feet.

(b) The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of all story-and-a-half dwellings shall cover a ground area of not less than 1,700 square feet. All story-and-a-half dwellings shall have a minimum of 2,500 square feet of floor space in enclosed, heated living areas, except that if the ground area covered is at least 2,000 square feet, the requirement of the 2,500 square feet of total living area shall not apply.

(c) The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of all two-story dwellings shall cover a ground area of not less than 1,300 square feet. All two-story dwellings shall have a minimum of 2,600 square feet of floor space in enclosed, heated living areas, except that if the ground area covered is at least 2,000 square feet, the requirement of 2,600 square feet of total living area shall not apply.

Section 4. Building Location.

(a) No house, or any portion thereof, shall be erected closer to the front or rear of any lot than the building set-back lines shown on the recorded plat.

(b) No house, or any portion thereof, garage, carport, playhouse, outbuilding or other appurtenant structure shall be erected closer than twenty-five (25) feet from the boundary line of any adjoining lot unless special written permission is granted by Surety, its agents, successors or assigns.

Section 5. General Requirements.

(a) Before any house may be occupied it must be completely finished on the exterior; all of the yard which is visible from any street must be planted with grass or have other suitable ground cover and the driveway must be paved.

(b) Containers for garbage or other refuse shall be underground or in screened sanitary enclosures and shall be maintained under sanitary conditions. Incinerators for garbage,

trash or other refuse shall not be used.

(c) Outside clothes lines will not be permitted

(d) Mailboxes of a type consistent with the character of the subdivision shall be well selected, placed and maintained to complement the house and the neighborhood.

(e) No sign shall be erected or maintained on any lot, except one professionally lettered builder or realtor sign or sign of the owner advertising the home and lot for sale or rent. Such sign shall not be more than 24x36 inches in size.

(f) No house trailer or mobile home shall be permitted on any lot at any time except for construction purposes during the construction period of houses or as a temporary real estate sales office for the sale of lots. No attic, shack, garage, outbuilding or other appurtenant structure shall be used for residential purposes, except that servants' quarters may be provided as a part of or accessory to a main residence, provided that such quarters conform to the main residence in exterior design and quality.

(g) The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, 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 in the front yard of any lot, or in any driveway, garage or carport or other place where such condition is visible from any street.

(h) No lumber, brick, stone, cinder block, concrete or any other building materials,

scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any lot except for purposes of construction on such lot and shall not be stored on such lot for longer than that length of time reasonably necessary for the construction in which same is to be used.

(i) No exposed above-ground tanks will be permitted for the storage of fuel or water or any other substance.

(j) No house, garage, carport, playhouse, outbuilding, fence, wall or any other above-ground structure or shrubs, flowers or other vegetation which obstruct horizontal sight lines at elevations between two and six feet above the street shall be erected, placed, planted or permitted to remain on any portion of any corner lot within any triangular area formed by the common boundaries of such lot and the right of way and a line connecting said common boundaries at points on each of said common boundaries thirty feet from the points of the intersection of said boundaries. In the case of any rounded lot corner, the thirty feet shall be measured from the point formed by the common boundaries as extended. The same sight line limitations shall apply to that area of every lot within a ten-foot radius emanating from the intersection of any boundary line of any lot with the edge of a driveway pavement. Trees may be planted and maintained within any of such areas if the foliage line is maintained at a sufficient height to prevent obstruction of such sight lines.

(k) Except with the written permission of the Board of Directors of the Association: no stable, poultry house or yard, rabbit hutch or other similar yard or structure shall be constructed or allowed to remain on any lot; no animal or bird except one of a kind which is

customarily kept as a domestic pet shall be kept in any house or on any lot and no more than two domestic pets may be kept in any house or on any lot

(1) Noxious or offensive activities shall not be carried on upon any lot; no house or other structure shall be used for office or business purposes; and residents shall refrain from any act or use of their property which could reasonably cause embarrassment, discomfort or annoyance to owners and residents of other property made subject to this Declaration.

(m) No carport or garage shall have an entrance which is visible from any street, except with the written permission of the Board of Directors of the Association.

Section 6. Maintenance of Lots.

(a) The grounds of each lot (whether vacant or occupied) shall be maintained in a neat and attractive condition.

(b) Upon the failure of any owner to maintain his lot (whether vacant or occupied) in a neat and attractive condition, the Board of Directors of the Association, its designated committee, or the authorized agents or employees of the Board or its designated committee, may, after ten days notice to such owner, enter upon such lot and have the grass, weeds and other vegetation cut when, and as often as, the same is necessary in its judgment, and may have dead trees, shrubs and other plants removed there from.

(c) Such owner shall be personally liable to the Association for the cost of any cutting, clearing and maintenance described in subparagraph (b) of this Section determined by the Board of Directors, or its designated committee, to be necessary, and the liability for

amounts expended for such cutting, clearing and maintenance shall be a permanent charge upon and lien upon such lot, enforceable by the Association by any appropriate proceeding in law or in equity. All costs incurred by the Association on behalf of such owner shall be reasonable.

(d) Although notice given as hereinabove provided shall be sufficient to give the Board of Directors, or its designated committee, or the authorized agents or employees of the Board or its designated committee, the right to enter upon such lot and perform the work required, entry for the purpose of performing the work required shall be only between the hours of 7:00 a.m. and 6:00 p.m. on any day except Sunday.

Section 7. Zoning Regulations.

Zoning restrictions applicable to property subject to this Declaration shall be observed. In the event of any conflict between any provision of such zoning restrictions and the restrictions of this Declaration, the more restrictive provision shall apply.

ARTICLE VI

Section 1. Duration.

The covenants and restrictions of this Declaration shall run with and bind the land, shall be and remain in effect, and shall inure to the benefit of and be enforceable by Surety, the Association, and the owners of any property now or hereafter made subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years

from the date this Declaration is recorded, except that, in accordance with the terms of the Declaration of December 20, 1966, and of this Declaration, the perpetual rights and easements described in Article III, Section 3 hereof, and those granted by reference to said Section of said Article, shall, to the extent permitted by law, be and remain in effect perpetually whether the other covenants and restrictions expire or are extended and renewed.

Provided, however, that said perpetual rights and easements shall expire and terminate upon the dissolution of the Association, unless the Association shall have, prior to its dissolution, conveyed and assigned said rights and easements. Said covenants and restrictions may be renewed and extended, in whole or in part, beyond said twenty-year term for successive periods not to exceed ten (10) years each if an agreement for renewal and extension is signed by two-thirds of the members of the Association and is recorded in the Office of the Clerk of the Superior Court of Fulton County, Georgia; provided, however, that each such agreement shall specify which such covenants and restrictions are so renewed and extended and the term for which they are so renewed and extended.

No such agreement to renew and extend said covenants and restrictions shall be effective unless filed for record at least one hundred eighty (180) days prior to the effective date of such renewal and extension. Every purchaser or grantee of any interest in any property now or hereafter subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that the covenants and restrictions of this Declaration may be extended as provided above. (The covenants and restrictions have been so extended through December 20, 1996.).

Section 2. Notices

Any notice required to be sent to any member pursuant to any provision of this Declaration may be served by depositing such notice in the mails, postpaid, regular or certified mail, addressed to the member for whom it is intended at his last known place of residence, or to such other address as may be furnished to the secretary of the Association, and such service shall be deemed sufficient. The date of service shall be the date of mailing.

Section 3. Enforcement.

Enforcement of the covenants and restrictions contained herein and of any other provision hereof shall be by any appropriate proceeding at law or in equity against any person or persons violating or attempting to violate any of said covenants and restrictions or provision, either to restrain violation, to enforce personal liability, or to recover damages, or by any appropriate proceeding at law or in equity against the land to enforce any lien or charge arising by virtue thereof. The failure of Surety, the Association or any member to enforce any of said covenants and restrictions or other provision shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability.

Whenever possible, each, provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if any provision of this Declaration or the application thereof to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

Section 5. Captions.

The captions of each Section hereof as to the contents of each Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Sections to which they refer.

Section 6. Gender.

The masculine gender shall be construed to include a female or a corporation where the context so requires.

Section 7. Waiver of Certain Liens Created by this Declaration - Superseding of Prior Declaration.

Notwithstanding anything to the contrary set forth in this Declaration, in the event that any lot subject to the Declaration recorded in Deed Book 4678, at page 296, Fulton County Records, is also made subject to this Declaration prior to a time when all said lots are so made subject to this Declaration, any and all rights of the Association against said lots and/or the owners of said lots shall be as specified in the prior Declaration, and all such rights of the Association set forth herein shall not be legally effective as against said lots and/or the owners of said lots unless and until all of said lots are subjected to this Declaration as set forth in Article 1, Section 2(a) hereof. From and after the time when all said lots are subjected to this Declaration, if that occurs, this Declaration shall entirely supersede said prior Declaration and the rights of all owners of property subject to this Declaration shall be only as set forth herein.

Section 8. Definitions.

Unless the context otherwise requires, whenever used in this Declaration:

(a) "Person" shall include a corporation or other legal entity.

(b) "Lot" shall mean any plot of land shown as a numbered parcel on the aforementioned plats of survey or on any plat of survey hereafter recorded if such numbered parcel becomes subject to this Declaration and the jurisdiction of the Association.

IN WITNESS WHEREOF, the Property Owners have signed and sealed this Declaration the day and year first above written. By their signatures hereto those owners of lots designated by their signatures as "bridle trail" lots do hereby grant and convey to the Association the perpetual rights and easements over that portion of their lots designated as a bridle trail on said plat recorded in Plat Book 86, at page 11. specified in Article III, Section 3(a) hereof, and further grant to the Association the rights of access and of ingress and egress specified in Article III, Section 3(a) hereof.

(Corporate Seal) SURETY INVESTMENT COMPANY By Benjamin C. Bishop,
Jr. Attest: John W. Lindsay As to Surety Investment Company, signed and sealed
in the presence of: Shaaron M. Anderson Jay M. Davis NOTARY PUBLIC My
commission expires January 1, 1970.

As to Clyde W. Carver as to Lot 5, Block B. signed and sealed in the presence of:

Robert H. Yamall William Addams NOTARY PUBLIC GEORGIA STATE AT
LARGE My commission expires Aug. 24, 1969.

As to Mark W. Cauble, Jr. as to Lot 20, Block A. signed and sealed in the
presence of: Robert H. Yarnall Jean M. Adams NOTARY PUBLIC GEORGIA
STATE AT LARGE My commission expires Aug. 11, 1971.

FILED FULTON COUNTY, GEORGIA July 26, 2:08 P.M., 1968. J. W.
Simmons CLERK OF THE SUPERIOR COURT RECORDED FULTON
COUNTY, GEORGIA July 31, 1968. J. W. Simmons CLERK OF THE
SUPERIOR COURT

BY-LAWS

THE HUNTCLIFF HOMES ASSOCIATION, INC.

BY-LAWS

ARTICLE I NAME, PRINCIPAL OFFICE AND DEFINITIONS

Section 1.

The name of the Association shall be The Huntcliff Homes Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office.

The principal office of the Association in the State of Georgia shall be located in the County of Fulton. The Association may have such other offices, either within or outside the State of Georgia, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions.

The words used in these By-Laws shall have their normal, generally accepted meanings or the meanings given in the Georgia Nonprofit Corporation Code. Unless the context otherwise requires, certain terms used in these By-Laws shall be defined as follows:

(a) Act shall mean the Georgia Nonprofit Corporation Code, O.C.G.A. Sections 14-3-1, et

seq. (Michie 1982), as such code may be amended from time to time.

(b) Area of Common Responsibility shall mean the Common Area and such other property as the Association may, by contract, covenant or agreement, be obligated to maintain.

(c) Articles shall mean the Articles of Incorporation of The Huntcliff Homes Association, Inc., which have been filed and duly approved by the Secretary of State of the State of Georgia, as amended from time to time.

(d) Association shall mean The Huntcliff Homes Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

(e) Board or Board of Directors shall mean the elected body responsible for management and operation of the Association.

(f) Common Area shall mean any and all real property and personal property which is owned by the Association from time to time and available for the common use of owners and occupants of property within the Properties.

(g) Common Expenses shall mean the expenses incurred by the Association in operating, managing, and maintaining the Area of Common Responsibility, and otherwise for the common benefit of all Owners.

(h) Declaration shall mean that certain document entitled "Declaration of Covenants and Restrictions 31 Made Applicable To Certain Real Estate Described In Article I, Section

l(a) Herein," recorded in Deed Book 4678, Page 296, Fulton County, Georgia records.

(i) Member shall mean a Person entitled to membership in the Association, as provided herein.

(j) Mortgage shall refer to any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance of fee title for such purpose.

(k) Mortgagee or Mortgage holder shall mean the holder of any Mortgage

(l) Officer shall mean those individuals who are elected by the Members to serve as President, Secretary, Treasurer, or such other subordinate officers as the Board may determine necessary.

(m) Owner shall mean the record title holder of any Lot in the Properties but shall not include a Mortgage holder.

(n) Person shall mean any individual, corporation, firm, association, partnership, or other legal entity.

(o) Properties shall mean the real property which has been subjected to the Declaration, either in the Declaration itself or by Supplementary Declaration (as defined in the Declaration), together with any real property which may hereinafter be subjected to the Declaration.

(p) Lot shall mean any plot of land shown as a numbered parcel on any plat of survey for the Properties recorded in the Fulton County, Georgia records and on which an individual residence is located.

ARTICLE II ASSOCIATION. MEMBERSHIP, MEETINGS.

QUORUM, VOTING, PROXIES

Section 1. Membership.

Every Owner, as defined in Article I, shall be deemed to have a membership in the Association, as further set forth in the Declaration and Articles of Incorporation. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of these By- Laws and the Articles. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary, subject to the provisions of these By-Laws and the Articles.

Section 2. Place of Meetings.

Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or reasonably convenient thereto.

Section 3. Annual Meetings.

Annual meetings of the Association shall occur within a period of two (2) months following the end of the Association's fiscal year. Subject to the foregoing, the annual meeting shall be held at a date and time as set by the Board of Directors.

Section 4. Special Meetings.

The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of the Board of Directors, or by a petition signed by Members entitled to cast at least twenty (20%) percent of the votes in the Association.

Section 5. Notice of Meetings.

Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

Section 6. Waiver of Notice.

Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Quorum.

Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members representing ten percent (10%) of the total votes in the Association shall constitute a quorum at all meetings of the Association.

Section 8. Adjournment of Meetings.

If any meeting of the Association cannot be held because a quorum is not present, the President may adjourn the meeting for any period of time not more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to the Members in the same manner prescribed for

regular meetings.

Section 9. Voting.

Each Member shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Lot. If more than one (1) Person holds the interest in a Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it. Unless a vote on any question is required by law or is required by these By-Laws to be taken at a meeting, elections and other matters requiring a membership vote may be submitted on a ballot or ballots to the Members in referendum by mail. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board shall determine the method of voting, the form of all ballots, the wording of questions thereon and the deadline for return of ballots. It shall designate the number and location of polling places, if any. The Board may include on any ballot questions on which it seeks an advisory vote. Members may suggest questions for an advisory vote which shall be evaluated by the Board for consistency with the exercise of its duties and responsibilities. In any advisory vote, each such question on a ballot shall indicate that the vote is for advisory purposes only. Notice of referenda shall be given in the same manner as notice of meetings.

Section 10. Proxies.

At all meetings of Members, each Member may vote in person or by proxy. All Proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every Proxy

shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 11. Majority.

As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group, as the context may indicate, totaling more than fifty (50%) percent of the total number.

Section 12. Conduct of Meetings.

The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Article III BOARD OF DIRECTORS: Numbers, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition.

The affairs of the Association shall be governed by a Board of Directors composed of a minimum of five (5) members. The directors shall be Owners or spouses of Owners; provided,

however, that while a Member and his or her spouse may serve on the Board at the same time, in such event both Members will have one vote jointly. In the case of an Owner which is a corporation or partnership, the person designated in writing to the Secretary of the Association to exercise the membership rights of the Owner shall be eligible to serve on the Board. No Person shall be eligible for election to the Board of Directors if any assessments or other charges owed to the Association with respect to his or her Lot are more than sixty (60) days past due at the time of election. Each director shall have one (1) equal vote at meetings of the directors, except that in the event of a tie vote, the President shall cast an additional tie-breaking vote.

Section 2. Nomination of Directors.

Directors shall be nominated by a nominating committee established by the Board of Directors, composed of one member of the Board and two members at large of the Association, and may also be nominated from the floor at any meeting of the Members at which directors are to be elected.

Section 3. Election and Term of Office

Those directors serving on the date these By-Laws become effective shall remain in office until the terms they were elected to expire. Successor directors shall be elected by vote of those Members present, in person or by proxy, at annual or other meetings of the membership of the Association at which directors are to be elected, a quorum being present. At the first annual meeting following the date these By-Laws become effective, on behalf of the slate of directors plus one shall be elected to two (2) year terms. All other directors elected shall be elected to a one (1) year term. Thereafter, successor directors shall be elected to fill the number of terms

expiring in any year, and all directors shall be elected for two (2) year terms, so that directors (excluding vacancies) are being elected annually to serve on a staggered basis. The members of the Board of Directors shall hold office until their respective successors have been elected.

Directors may be elected to serve any number of consecutive terms.

Section 4. Removal of Directors.

At any regular or special meeting of the Association duly called for such Purpose, any one or more of the members of the board of directors may be removed, with or without cause, by a majority of the Owners and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from board meetings or who is delinquent in the payment of any assessment for more than twenty (20) days may be removed by a majority of the directors present at any board meeting at which a quorum is present.

Section 5. Vacancies.

Vacancies in the board of directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the board of directors. Each director so selected shall serve the unexpired portion of the term.

B. Meetings

Section 6. Organization Meetings.

The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 7. Regular Meetings.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to the holding of the meeting.

Section 8. Special Meetings.

Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods:

(a) by personal delivery;

(b) written notice by first class mail, postage prepaid;

(c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or

(d) by telegram, charges prepaid.

All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association.

Section 9. Waiver of Notice.

The transactions of any meetings of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting.

Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting, before or at the meeting's commencement, the lack of adequate notice.

Section 10. Quorum of Board of Directors.

At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at

which a quorum is initially present may continue and business may be transacted, notwithstanding the withdrawal of directors, if any action taken is approved by at least the number of directors whose votes would be required if a quorum remained. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting for any period of time not more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 11. Compensation.

No director shall receive any compensation from the Association for acting as such unless approved by a vote of Members representing at least a majority of the total Association vote at a meeting duly called for such purpose; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 12. Conduct of Meetings.

The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 13. Open Meetings.

Meetings of the Board of Directors shall be open to the Members for a limited period of time as established by the Board. A Member present shall have the right to speak at the portion of a meeting of the Board of Directors set aside for such purpose. Otherwise, no one other than members of the Board of Directors may participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any such person may speak. Notwithstanding the foregoing, the Board of Directors may meet in executive session limited only to the Board Members at any time to discuss matters of a sensitive nature such as, by way of illustration and not limitation, personnel matters and potential or pending litigation.

Section 14. Action Without a Formal Meeting.

Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote of the directors.

C. Powers and Duties.

Section 15. Powers.

The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Articles or these By-Laws directed to be done and exercised exclusively by the membership. The Board of Directors may delegate

to any director the authority to act on behalf of the Board of Directors on all matters, if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses, which contributions may be changed, following adoption, only by the affirmative vote of the majority of the Members;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the terms of payment in accordance with the Declaration and the Charter;

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association's property, and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it

shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws and the rules and regulations adopted by the Board and bringing any proceedings which may be instituted on behalf of or against the Owners or others concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities (as provided herein), to the extent not insured by the Owners, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association and not directly chargeable to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred; and

(m) making available to any prospective purchaser of a Lot, any Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Articles of Incorporation, the By-Laws, rules of the Association, and other books, records, and financial statements of the Association.

Section 16. Borrowing.

The Board of Directors shall have the power to borrow money for the purpose of operation, maintenance, repair or restoration of the Common Area, but any such borrowing in an amount in excess of Ten Thousand (\$10,000.00) Dollars shall be valid only upon the vote or written approval (or combination thereof) of a majority of the Members of the Association.

Section 17. Rights and Obligations of the Association.

With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and By-Laws of the Association and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other owners or residents associations. Such agreements shall require the vote or written consent of a majority of all directors of the Association. Notwithstanding anything to the contrary contained herein, the Association, upon the majority vote of its Board of Directors, shall have the right to enter into easements and agreements to share costs or similar arrangements whereby the Association assumes maintenance responsibility for property which it does not own,

or grants easements to Persons who are not Owners, in consideration for payment by the owner of such property or such Persons of all or a portion of the costs associated with such maintenance or use. The Association shall have the right to charge Owners, their families, tenants, guests, and invitees, reasonable admission and other fees for the use of any portion of the Common Area, to limit the number of guests of Owners and tenants who may use the Common Area, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his family, tenants, guests, and invitees. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property.

Section 18. Rulemaking and Enforcement

(a) Rulemaking. The Board shall be authorized to promulgate, modify, and amend rules and regulations governing use of and conduct on the Properties, which rules and regulations shall be binding on all Owners, occupants, and their guests and invitees.

(b) Enforcement. The Board shall have the power to impose reasonable fines against a violating Owner or occupant, and to suspend an Owner's right to vote or the right of an Owner or occupant to use the amenities, recreational facilities, or other portions of the Properties for violation of the Declaration, any duty imposed under these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration, these By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time

period set by the Board, the Owner shall pay the fine upon notice from the Association.

The failure of the Board to enforce any provision of the Declaration, these By-Laws or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(i) Notice. Prior to imposition of any monetary fine or suspension of rights to use the Common Area, the Board or its delegate shall serve the alleged violator with written notice describing:

(1) the nature of the alleged violation,

(2) the proposed sanction to be imposed,

(3) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing, and

(4) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice may be imposed.

(ii) Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed

adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(iii) Appeal. If the hearing is held before a Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the President or Secretary of the Association within thirty (30) days after the hearing date.

(iv) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE IV OFFICERS

Section 1. Officers.

The officers of the Association shall be a President, Secretary, and Treasurer, to be elected by the Members from among the members of the Board. The Board of Directors may appoint such other officers from among its members, as it shall deem desirable. Such officers shall have the authority to perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies.

The officers of the Association shall be elected annually by the Members at the annual meeting of the membership, as set forth in Article II. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by a vote of a majority of the Board of Directors for the unexpired portion of the term.

Section 3. Removal.

Any officer may be removed by majority vote of the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties.

The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided herein and may delegate all or part of the preparation and notification duties to a finance committee.

Section 5. President.

The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Act.

Section 6. Secretary.

The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under the Act. The Secretary shall also preside at all meetings at which the President is not in attendance.

Section 7. Treasurer.

The Treasurer shall have the responsibility for the Association's funds and securities and shall be

responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall also prepare an annual budget for the coming year and an annual balance sheet and income statement for the previous year, which shall be distributed to all Members.

Section 8. Resignation.

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Agreements, Contracts. Deeds. Leases, Checks. Etc.

All agreements, contracts, deeds, leases, 43 and other instruments of the Association, excluding checks, shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE V COMMITTEES

Section 1 General Committees

Are hereby authorized to perform such tasks and to serve for such periods as may be designated

by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee.

In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of these By-Laws and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to these By-Laws or as provided for in the Declaration.

Section 3. Nominating Committee.

The Board of Directors shall appoint a Nominating Committee consisting of three (3) members, all of whom must be Members of the Association and only one of whom may be a member of the Board of Directors. Acting in accordance with these By-Laws and resolutions the Board may adopt, the Nominating Committee shall nominate Persons for election to the Board of Directors.

ARTICLE VI BUDGET AND ASSESSMENTS

The Association shall have the power to levy assessments against Lots for Common Expenses as provided in the Declaration and as provided herein. The Association shall be authorized to levy two (2) types of assessments:

(a) annual assessments and

(b) special assessments, all as more particularly described below.

Section 1. Annual Assessments.

It shall be the duty of the Board at least thirty (30) days prior to the beginning of the Association's fiscal year to prepare a budget covering its estimated Common Expenses to be incurred during the coming year. The annual assessment to be levied for the coming year against each Lot subject to assessment shall be established by the Board in accordance with Article IV of the Declaration and with these By-Laws. The Board shall cause the budget and notice of the assessments to be levied against each Lot for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the Association's fiscal year. The budget and the assessment established therefrom shall become effective unless disapproved at a meeting by a majority of the Members of the Association and the assessment shall be paid in accordance with the terms established by the Board and communicated with the Notice. Notwithstanding the foregoing, however, in the event that the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year, and the Board may adopt a new budget at any time during the year by causing notice of a new budget and assessment to be delivered to the Members at least thirty (30) days prior to the effective date thereof.

Section 2. Special Assessments.

In addition to the annual assessments authorized hereby, the Board may at any time levy a special assessment against all Lots for the purpose of defraying, in whole or in part, any Common Expense not otherwise provided for, which may be payable in installments extending beyond the fiscal year in which it is levied; provided, any special assessment, levied during any fiscal year which has a total in excess of ten (10%) percent of the annual budget for such fiscal year shall require the affirmative vote or written consent, or combination thereof, of a majority of the Members. Special assessments shall be allocated on the same basis as annual assessments. In addition, the Board shall have the authority to levy a special assessment against any individual Owner to reimburse the Association for costs incurred in bringing an Owner and/or his Lot into compliance with the provisions of the Declaration, the Articles, these By- Laws, and any rules and regulations adopted thereunder, and for costs incurred in repairing damage to the Common Area caused by such Owner or an occupant of the residence on such Owner's Lot, which special assessment may be levied upon the vote of the Board after notice to the Owner and an opportunity for a hearing.

Section 3. Obligation for Assessments and Creation of Lien.

All assessments, together with 45 interest, as set forth in the Declaration, costs, late charges, as set by the Board of Directors, and reasonable attorney's fees actually incurred, in the maximum amount permitted by law, shall be the personal obligation of the person who owns the Lot at the time the assessment comes due, and, upon recording of a notice of lien on the Lot, shall be a charge on the Lot and a continuing lien upon the Lot against which the assessment is made. If any Owner defaults in the payment of an assessment, the Association may, at its option, file an action at law against the Owner personally to collect all amounts due or seek to foreclose its lien

against the Lot of the delinquent Owner.

ARTICLE VII INSURANCE

Section 1. Insurance.

The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance, if reasonably available, for any and all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard. The Board shall also obtain a public liability policy in an amount determined by the Board, covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the benefit of the Association and its Members. In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, workers' compensation insurance, if and to the extent required by law, and directors' and officers' liability coverage, if reasonably available.

Section 2. Individual Insurance.

Each Owner of a Lot shall be responsible for obtaining insurance coverage for structures on such Lot. Each Owner required to maintain insurance for structures on his Lot, in the event of a

partial loss or damage resulting in less than total destruction of structures on his Lot, 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 in accordance with Article VIII of these By-Laws. The Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case 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.

ARTICLE VIII ARCHITECTURAL CONTROL COMMITTEE

Section 1. Architectural Control Committee.

An Architectural Control Committee ("ACC"), consisting of at least one (1) Member, who must be a member of the Board, and no more than three (3) members, shall be appointed by the Board of Directors to exercise the rights, duties, and powers of the Association as set forth in Article V of the Declaration and as set forth in these By-laws. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the ACC. The ACC may prepare and, on behalf of the Board of Directors, promulgate design and develop guidelines and application and review procedures to ensure that the exterior design and general quality of any architectural change, modification, addition or new construction is in harmony with the existing neighborhood standards and to ensure that the location in relation to surrounding structures and topography is acceptable. If prepared, copies of the guidelines shall be available from the ACC for review. The guidelines

and procedures shall be those of the Association, and the ACC shall have sole and full authority to prepare and to amend the guidelines and procedures. It shall make the guidelines and procedures available to Owners and builders who seek to engage in construction within the Properties and such Owners and builders shall conduct their operations strictly in accordance therewith. In addition to the guidelines, the following shall apply. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of modifications, additions, or alterations to structures on Lots, shall be submitted to the ACC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finished grade elevation. No permission or approval shall be required to repaint in accordance with an original or previously approved color scheme, or to rebuild in accordance with original or previously approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of any structure on his Lot, or to paint the interior of any structure on his Lot any color desired. In the event that the ACC fails to approve or to disapprove such plans thirty (30) days after submission, the plans shall be deemed approved.

Section 2. No Waiver of Future Approvals.

The approval of the ACC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ACC shall not be deemed to 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.

Section 3. Variance.

The ACC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. Such variances may only be granted, however, when unique circumstances dictate and no variance shall:

(a) be effective unless in writing,

(b) be contrary to the provisions set forth in the body of the Declaration or these By-Laws, or

(c) estop the ACC from denying, or constitute any waiver of the right to deny, a variance in other circumstances.

For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any Permit, or the terms of any financing shall not be considered a hardship warranting a variance. No decision by the ACC or Board shall constitute a binding precedent with respect to subsequent decisions of the ACC or Board, and no failure to strictly enforce the architectural standards shall constitute a waiver by the ACC or the Board. However, nothing in this Section shall permit the ACC or the Board to enforce retroactively its architectural standards against an Owner whose architectural change has been approved under the architectural standards of a previous ACC or Board.

Section 4. No Warranty.

Notwithstanding any other provision under this Section, the ACC and the Board of Directors do not warrant or represent, either expressly or impliedly, that their decisions under this Section

constitute an approval as to compliance with any building code, regulation, or ordinance, or any other code, regulation, ordinance, or law, nor that their decisions under this Section reflect upon the structural integrity of any proposed alteration or improvement. No decision under this Section by the ACC or by the Board of Directors shall be interpreted as a determination with respect to compliance with any building code, regulation, or ordinance, or any other code, regulation, ordinance, or law, nor shall any decision under this Section by the ACC or by the Board of Directors be interpreted as a certification upon the structural integrity of any proposed alteration or improvement. The ACC and the Board of Directors expressly disclaim that any of their decisions under this Section reflect upon the applicability of any building code, regulation, or ordinance, or any other code, regulation, ordinance, or law, or reflect upon the structural integrity of any proposed alteration or improvement.

ARTICLE IX MISCELLANEOUS

Section 1. Fiscal Year.

The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution providing otherwise, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules.

Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Georgia law, the Declaration, the Articles of Incorporation, or these By- Laws.

Section 3. Conflicts.

If there are conflicts or inconsistencies between the Provisions of Georgia law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Georgia law, the Articles of Incorporation, the Declaration and the By-Laws (in that order) shall prevail.

(a) Inspection by Members. The Declaration, Articles, By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Member of the Association, or by any duly appointed representative of a Member at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and 49 (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 4 Notices.

Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States Mail, first class postage prepaid:

(a) if to a Member, addressed to the Member, or, in the case of a corporate Member, to the president or vice-president of the corporate Member, at the address which the Member 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 Member; or

(b) if to the Association or the Board of Directors, at the Principal office of the Association, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 5. Severability.

Whenever possible, each provision of these By-Laws shall be interpreted in such manner as to be effective and valid, but if the application of any provision of these By-Laws to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of these By-Laws are declared to be severable.

Section 6. Security.

The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be.

THE ASSOCIATION SHALL IN NO WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, HOWEVER, AND THE ASSOCIATION SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. EACH OWNER AND OCCUPANT OF ANY LOT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS AND 50 COMMITTEES ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS IN STRUCTURES ON LOTS.

Section 7. Amendment.

These By-Laws may be amended only by the affirmative vote or written consent, or a combination thereof, of a majority of the Members of the Association. If an Owner consents to any amendment to these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provisions in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

