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STATE OF GEORGIA
COUNTY OF COBB

Cross Reference: Deed Book 7744, Page 268.

DECLARATION OF
COVENANTS FOR CHELSEA PARK

WITNESSETH

WHEREAS, Redwood Development, Inc., recorded that certain Declaration of Covenants for Chelsea Park in Deed Book 7744, Page 268, in the records of Cobb County, Georgia (hereinafter referred to as the "Original Declaration");

WHEREAS, the Owners who's Consents are attached hereto as Exhibit "B" wish to submit their Lot to this revised Declaration of Covenants, and to the provisions of the Georgia Property Owners Association Act, O.C.G.A. Sections 44-3-220, et. seq.

NOW, THEREFORE, the following will represent the Declaration of Covenants for Chelsea Park subdivision.

THIS DECLARATION OF PROTECTIVE COVENANTS FOR CHELSEA PARK
HEREBY SUBMITS THE PROPERTY TO THE PROVISIONS OF THE GEORGIA
PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. SECTIONS 44-3-220, ET. SEQ.

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DECLARATION OF COVENANTS FOR CHELSEA PARK

Background Statement

Now, therefore, the Association hereby declares that the property described in Article II, Section 1, of this Declaration, including the improvements constructed or to be constructed thereon, is hereby subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens, hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property hereby or hereafter made subject hereto, and shall be binding on all Persons having any right, title, or interest in all or any portion of the real property now or hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof.

Article I Definitions

Unless the context shall prohibit, certain words used in this Declaration shall be defined as set forth in Exhibit "A" attached hereto and by reference made a part hereof.

Article II Property Subject To This Declaration

Section 1. Property Hereby Subjected To This Declaration.

All real property previously subjected to the Original Declaration is hereby included by reference thereto, and by the recording of this Declaration, is subject to the covenants and restrictions hereafter set forth, and which is held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered.

Section 2. Other Property.

Only the real property described in Section 1 of this Article II is hereby made subject to this Declaration; provided, however, by one or more Supplementary Declarations, the Association has the right, but not the obligation, to subject other real property to this Declaration, as hereinafter provided.

Article III
Association Membership and Voting Rights

Section 1. Membership.

Every Person who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall be deemed to have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot. In the event there are multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be cast nor office held for each Lot owned.

Section 2. Voting.

Members shall be entitled to one (1) vote for each Lot owned for which annual assessments are paid. When more than one Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended in the event more than one Person seeks to exercise it. Members may have their voting rights suspended upon the non-payment of association assessments or fines.

Article IV Assessments

Section 1. Purpose of Assessment.

The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, welfare, common benefit, and enjoyment of the Owners and Occupants of Lots, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

Section 2. Creation of the Lien and Personal Obligation for Assessments.

Each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association for each Lot owned: (a) annual assessments or charges; (b) special assessments, such assessments to be established and collected as hereinafter provided; and (c) specific assessments against any particular Lot which are established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration. All such assessments, together with late charges, interest, costs, and reasonable attorney fees actually incurred by the Association or assessed against the Lot Owner, in the maximum amount permitted under the Act, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Such amounts shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due.

Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens of ad valorem taxes, or (b) liens for all sums unpaid on a first Mortgage. All other Persons acquiring liens or encumbrances on any lot after this Declaration shall have been recorded in such records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Each Owner shall be personally liable for his or her portion of each assessment coming due while he or she is the Owner of a Lot, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings or deed in lieu of foreclosure.

Assessments shall be paid at a uniform rate per Lot in such manner and on such dates as may be fixed by the Board of Directors. Unless otherwise provided by the Board, the assessment shall be paid in annual installments.

Section 3. Certificate of Status Regarding Assessments.

After receiving a written request thereon, the Association or its agent, shall furnish the requesting party a signed certificate or letter setting forth:

1. Whether the assessments on a specified Lot have been paid;
2. The amount then owing; and
3. The amount & date due for annual assessments, special assessments, or any other levies.

A properly executed certificate by the Association as to the status of assessments on a Lot shall be binding upon the Association as of the date of issuance. The Association may require the payment of a fee as a prerequisite to providing said certificate, up to a maximum amount as may be set by the Act. If the Association does not require payment of the prerequisite fee, the Association, or its agent, may subsequently charge a reasonable fee in an amount larger than the maximum amount set by the Act for the prerequisite fee. Additionally, at the time of providing said certificate, the Association or its agent may charge a rush fee, if said certificate was requested to be provided within 48 hours, and may also charge a fee for late payment.

The Association, or its agent, may also charge extra fees unrelated to providing the certificate, including but not limited to: providing copies of the governing documents, providing keys (or other facility access devices), providing completed lender questionnaires, and title transfer fees. The requesting party hereby agrees to be responsible for the payment, or collection and remittance, of all the above fees. If any of the above-related fees are not paid in full, they may be collected as provided above for the collection of assessments, including the filing of a lien against the Lot.

Section 4. Computation of Assessments.

It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which shall include the amount of the annual assessment, and shall also include a contribution to a long-term maintenance, repair and replacement reserve account. The Board shall cause the budget and the assessment to be levied against each Lot for the following year and to be delivered to each member at least thirty (30) days prior to the end of the current fiscal year.

The assessment shall become effective unless disapproved at a meeting by a Majority of the Total Association Vote. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Section 5. Initiation Fee.

Each time a Lot is sold, or title is otherwise transferred to a third party (other than to the Owner's spouse), the Association may charge a one-time initiation fee in an amount to be set by the Board not to exceed the amount of the then current annual assessment. This fee shall be charged to any purchaser or transferee of a Lot, is in addition to the annual assessment, and shall not be considered an advance upon the payment of the annual assessment. A delinquent initiation fee may be collected in the same manner other assessments, including the filing of a lien.

Section 6. Special Assessments.

In addition to the other assessments authorized herein, the Association may levy special assessments any year for unexpected catastrophic losses or extraordinary maintenance, repair, and replacement costs that exceed current reserves. So long as the total amount of special assessments allocable to each Lot does not exceed Five Hundred Dollars (\$500.00) in any one fiscal year, the Board may impose the special assessment. Except as provided in Article VII, Section 2, hereof regarding damage & destruction of common property, any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if approved by a Majority of the Total Association Vote. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

Section 7. Specific Assessments.

The Board shall have the power to specifically assess pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. Fines levied pursuant to Article XII, Section 1, of this Declaration and the costs of maintenance performed by the Association, which the Owner is responsible for under Article V, Section 2, of this Declaration, shall be specific assessments. The Board may also specifically assess Lots for the following Association expenses (except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association as provided herein):

(a) Expenses of the Association, which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots, which are benefited according to the benefit, received.

(b) Expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

Section 8. Effect of Nonpayment of Assessments:
Remedies of the Association

Any assessments or installments thereof, which are not paid when due shall be delinquent, and shall incur a late charge in such amount as the Board may from time to time determine. If the assessment is not paid within thirty (30) days, a lien, as herein provided, shall attach and, in addition, the lien shall include the late charge, and interest in an amount as allowed by the Act on the principal amount due (including the late charge), all costs of collection, reasonable attorney fees actually incurred, and any other amounts provided or permitted by law, including charges for returned checks due to insufficient funds or stopped payment.

In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the same.

No Owner may waive or otherwise exempt themselves from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. No diminution or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

Partial payments shall not constitute payment in full, unless agreed to in writing by the Association. Any partial payments shall be applied in the following order of priority: attorney's fees, collection costs, late charges, interest, then to the oldest principal amount for delinquent assessments. The Association may allow any assessments, fines, or fees to be paid in installments, and may charge a reasonable service fee thereon.

Article V Maintenance

Section 1. Association's Responsibility.

The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the Common Property. The Association shall maintain all entry features for the Community and street signs. The Association shall also maintain all drainage detention and retention areas, to the extent such areas are not maintained on an ongoing basis by a local governmental entity, and there is hereby reserved to the Association a blanket easement upon, across, over, and under all property within the Community for access, ingress, and egress as necessary to permit the Association to perform such maintenance.

In addition, the Association shall have the right, but not the obligation, to maintain property not owned by the Association where the Board has determined that such maintenance would benefit all Owners. The foregoing maintenance shall be performed consistent with the Community—Wide Standard.

Section 2. Owner's Responsibility.

Except as provided in section 1 above, all maintenance of the Lot and all structures, parking areas, landscaping, and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a manner consistent with the Community—Wide Standard and this Declaration. If the Board of Directors of the Association determines that (a) any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair, or replacement of items for which such Owner is responsible hereunder; or (b) that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the family, guests, lessees, or invitees of any Owner, and is not covered or paid for by insurance, in whole or in part, then the Association may perform the repair, replacement or maintenance and shall, except in the event of an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement, at the Owner's sole cost and expense.

The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days within which to complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot.

Section 3. Party Walls and Party Fences.

(a) General Rules of Law to Apply. Each wall or fence which shall serve and separate any two (2) adjoining Lots shall constitute a party wall or fence and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions.

(c) Damage and Destruction. If a party wall or fence is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the wall may restore it, and if the other Owner or Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

Article VI
Use Restrictions and Rules

Section 1. General.

This Article, beginning at Section 2, sets out certain use restrictions, which must be complied with by all Owners and Occupants. These use restrictions may be amended only in the manner provided in Article XII, Section 4, regarding amendment of this Declaration. The Board of Directors may, from time to time, without consent of the members, promulgate rules and regulations further defining said use restrictions, including Architectural guidelines. This authority shall include, but shall not be limited to, the right to limit the type and size and to set the maximum and minimum speeds of vehicles within the Community. The Board shall also have the authority to impose all other necessary traffic and parking regulations and to restrict the maximum noise levels of vehicles in the Community. A violation of Federal, State, County, or Municipal law on the part of any Owner, Occupant, or their Guests, or Lessees, that also negatively impacts other Owners or the community, shall also be considered a violation of this Declaration.

Section 2. Use of Lots & Occupants.

All Lots shall be used for single—family residential purposes exclusively. The maximum number of occupants per dwelling shall not exceed an average of 2 persons per bedroom, unless otherwise approved by the Board in writing. Home offices are allowed under the following conditions:

- a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the building;
- b) the business activity does not involve visitation of the lot by employees, clients, customers, suppliers, or other business invitees, provided however this provision does not preclude the delivery of materials or items by United Postal Service or by other customary parcel delivery services (UPS, FedEx, etc.);
- c) the business does not increase traffic to and from the property; and
- d) the business activity does not increase the insurance premium paid by the association or otherwise negatively affect the ability of the association to obtain insurance coverage.

No other business or business activity shall be carried on or upon any Lot at any time except with the prior written approval of the Board. Leasing of a Lot shall not be considered a business, or business activity, but shall be subject to the restrictions contained in Section 5 of this Article.

Section 3. Signs.

No sign of any kind shall be erected by an Owner or Occupant within the Community without the written consent of the Board except such signs as may be required by legal proceedings, and not more than one (1) "For Sale" sign consistent with the Community-wide Standard, having a maximum area of four (4) square feet. Signs for political candidates or ballot proposals, may be allowed without the written consent of the Board, but only if the Board first passes guidelines and/or restrictions regulating the use of said signs. The Board may also pass further guidelines allowing temporary signs, such as for "yard sales".

The Board shall have the right to erect any reasonable and appropriate signs.

Section 4. Vehicles.

Vehicles shall not be parked on any portion of a Lot other than the driveway and the garage. Vehicles shall not be parked on the Common Property, except as determined pursuant to regulation by the Board. Vehicles shall not be parked in the street, except as needed for brief entertaining of guests. All Owners and Occupants shall obey all posted speed limits and traffic control devices when driving vehicles within the community. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, mini bikes, scooters, go-carts, trucks, campers, buses, vans, automobiles, and any other motorized devices that are capable of being ridden.

No junk vehicles, campers, travel buses, recreational vehicles or commercial or industrial vehicles shall be regularly or habitually parked in front of any Lot nor upon any Lot. Boats, and/or trailers used to carry them, must be kept in the garage if stored on the property.

Section 5. Leasing Restrictions.

In order to assure a community of congenial Owners and thus protect the value of Lots within the community, and to assure that Lots qualify for eligibility on the secondary mortgage market, the leasing of a Lot, or any portion thereof, by any Owner (other than as provided herein for certain Mortgagees) shall be subject to the provisions contained in this Section.

A. Notice and Regulation. Any Owner intending to lease his Lot, or any Portion thereof, shall give written notice of such intention to the Board, stating the name and address of the intended lessee, the terms of the proposed lease and such other information as the Board may reasonably require. The Board of Directors shall have the authority to make and enforce reasonable rules and regulations in order to enforce this provision, including the right to impose fines constituting a lien upon the Lot being leased.

B. Limitation on Total Leases. No more than twenty-five percent (25%) of the total number of Lots may be leased at any one time.

C. Required Lease Provisions. The Board of Directors may set the minimum lease term; however, said minimum term shall not be set for greater than one (1) year. All leases and lessees are subject to the provisions of the Declaration, Bylaws, Architectural Guidelines, and Rules. The Owner must make available to the tenant a copy of this Declaration. Any leases of a Lot, or a portion thereof, shall be deemed to contain the provisions of the below paragraphs lettered: (a) through (d), whether or not said provisions are expressly stated therein, and each Owner covenants and agrees that any lease of his Lot shall contain the language of said provisions, and further, that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant on the Lot. Any lessee, by occupancy of a Lot, agrees to the applicability of this covenant and its incorporation as part of the lease along with the following provisions:

(a) Lessee acknowledges that promises made to Lessor, as contained in Article VI, Section 5, Paragraph C., Subparagraphs (a), (b), (c) and (d) of the Declaration of Covenants, Conditions and Restrictions for CHELSEA PARK which govern the leased premises, and which provisions are incorporated within this lease agreement, are made for the benefit of the Association for the purpose of discharging Lessor's duties to the Association through Lessee's performance. In order to enforce those provisions made for the benefit of the Association, the Association may bring an action against Lessee for recovery of damages or for injunctive relief, or may impose any other sanctions authorized by the Declaration and Bylaws, as they may be amended from time to time, or which may be available at law or equity, including but not limited to, all remedies available to a landlord upon breach or default of a lease agreement by a lessee. Failure by the Association to enforce any of its rights shall in no event be deemed a waiver of the right to do so thereafter.

(b) Lessee shall comply strictly with all provisions of the Declaration, Bylaws, and with the administrative rules and regulations adopted by the Association pursuant thereto, as any of the foregoing may be lawfully amended from time to time. Lessee shall control the conduct of his or her family and guests in order to assure compliance with the foregoing and shall indemnify and hold Lessor and the Association harmless for any such person's failure to comply. Lessee acknowledges the violation by Lessee or any occupant or person living with Lessee of any provision of the Declaration, Bylaws, or rules and regulations adopted thereunder shall constitute a default under this lease. Lessee further acknowledges that the Association has the right to act on its own behalf, or where necessary on behalf of Lessor, as Lessor's attorney-in-fact, to seek any remedies which are available to a landlord upon breach or default of a lease agreement by Lessee.

(c) Upon request by the Association, Lessee shall pay to the Association all unpaid annual assessments, special assessments, or fines, as lawfully determined and made payable during and prior to the terms of this lease agreement and any other period of occupancy by Lessee; provided, however, that Lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Association's request. All payments made to the Association shall reduce by the same amount Lessee's obligation to make monthly rental payments to Lessor under the Lease. If Lessee fails to comply with the Association's request to pay assessments, Lessee shall pay to the Association all late or delinquent charges, fines, interest, and costs of collection, including, but not limited to, reasonable attorney's fees actually incurred, to the same extent Lessee would be required to make such payments to the Association if Lessee were the Owner of the Premises during the term of this lease agreement and any other period of occupancy by Lessee.

(d) Lessee's right shall be subject to all rights of the Association and any bona fide Mortgage or deed to secure debt which is now or may hereinafter be placed upon the Premises by Lessor.

D. Enforcement. For the purpose of enforcing the provisions of this Section, which shall be incorporated in the provisions of any leases of a Lot, each Owner, by acceptance of a deed or other conveyance of a Lot, hereby irrevocably appoints the Association, which may act by any one of its authorized officers, as his attorney-in-fact, to enforce said provisions and to take action, at law or equity, which could be taken by said Owner against the Lessee should Lessee default in performance under the lease agreement. Each Owner hereby further acknowledges that this power of attorney shall only apply in the event of noncompliance by a Lessee with the provisions of Section 9, and that the Association, its Board of Directors, employees and agents shall be held harmless by each Owner in exercising the power of attorney herein granted to the Association.

E. Expenses of Eviction. In the event the Association proceeds to evict the Lessee, any costs, including attorney's fees actually incurred, and court costs, associated with the eviction shall be specifically assessed against the Lot, becoming a lien thereon subject to enforcement in accordance with Article VI of this Declaration, and shall become the personal obligation of the Owner thereof, such being deemed hereby as an expense which benefits the Lot and the Owner thereof.

F. Rights of Lessee. Any Lessee charged with a violation of the Declaration, Bylaws, or rules and regulations is entitled to the same rights to which the Owner is entitled as provided in the Association's Bylaws.

G. Rights of First Mortgagees. Notwithstanding anything to the contrary herein contained, the provisions of this Article shall not impair the right of any first Mortgagee to:

- (a) foreclose or take title to the Lot pursuant to remedies contained in any Mortgage;
- (b) take a deed or assignment in lieu of foreclosure; or
- (c) sell, lease, or otherwise dispose of a Lot acquired by the Mortgagee.

Section 6. Occupants Bound.

All provisions of the Declaration and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants of any Lot even though Occupants are not specifically mentioned. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not paid timely, the fine may then be levied against the Owner.

Section 7. Animals and Pets.

No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board; provided, however, those pets which are permitted to roam free, or, in the sole discretion of the Board, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any property located adjacent to the Community may be removed by the Board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a Lot be confined on a leash. Without prejudice to the Board's right to remove any such household pets, no household pet that has caused damage or injury may be walked in the Community. Owners will pick-up and remove all animal waste when walking their animals in the Community. No structures for the care, housing or confinement of any animals shall be constructed unless approved by the Architectural Review Committee. Occupants and Owners shall obey all governmental laws regarding pets and animals.

Section 8. Nuisance.

It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. No Lot shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Lot that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property adjacent to the Lot, such that would apply to a reasonable person. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law.

Section 9. Unsightly or Unkempt Conditions.

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 any part of the Community. No rubbish or debris of any kind may be dumped, placed or permitted to accumulate upon any Lot or parcel of land.

Section 10. Architectural Standards.

No exterior construction, alteration, addition, or erection of any nature whatsoever (including, without limitation, fences, pools, tennis courts, exterior lighting, tree houses, dog houses, and play equipment) shall be commenced or placed upon any part of the Community, except such as is originally installed by the developer, or as is approved in accordance with this Section, or as is otherwise expressly permitted herein. No exterior construction, addition, erection, or alteration shall be made unless and until the plans and specifications showing the nature, kind, shape, height, materials, and location shall have been submitted in writing to and approved by the Architectural Review Committee ("ARC").

To provide a neat, attractive and harmonious appearance throughout the Community, no awnings, shades or window boxes shall be attached to, or hung or used on the exterior of, any window or door of any house, nor shall any window-mounted heating, air conditioning or fan units be permitted. Outside clothes lines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained upon any Lot or parcel of land, nor shall any clothing, rugs or other items be hung on any railing, fence, hedge or wall. Basketball goals, including mobile goals, may be installed, however, the type, style and placement of such must be submitted to and approved by the Architectural Review Committee prior to installation.

The ARC may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. An Owner may submit a written appeal to the Board from a decision of the ARC within 15 days of the denial. Any member of the Board or its designee or the representatives thereof shall have the right, during reasonable hours, to enter upon any Lot to inspect any Lot and any improvements thereon for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. In the event the Board or its designee fails to approve or to disapprove such design and location within sixty (60) days after the plans and specifications have been submitted to it, approval will not be required, and this Section will be deemed to have been fully complied with. The ARC or Board are entitled to stop any construction in violation of these restrictions.

All activities commenced pursuant to plans, which have been deemed approved shall be consistent with such plans. As a condition of approval under this Section, each Owner, on behalf of such Owner and such Owner's successors—in-interest shall assume all responsibilities for maintenance, repair, replacement, and insurance to and on any change, modification, addition, or alteration. In the discretion of the Board or its designee, an Owner may be made to verify such condition of approval by a recordable written instrument acknowledged by such Owner on behalf of such Owner and such Owner's successors-in-interest.

PLANS AND SPECIFICATIONS ARE NOT APPROVED FOR ENGINEERING OR STRUCTURAL DESIGN OR QUALITY OF MATERIALS, AND BY APPROVING SUCH PLANS AND SPECIFICATIONS NEITHER THE BOARD, ITS DESIGNEE, NOR THE ASSOCIATION ASSUMES LIABILITY OR RESPONSIBILITY THEREFOR, NOR FOR ANY DEFECT IN ANY STRUCTURE CONSTRUCTED FROM SUCH PLANS AND SPECIFICATIONS. NEITHER THE ASSOCIATION, THE BOARD, THE BOARD'S DESIGNEE, NOR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS OF ANY OF THEM SHALL BE LIABLE IN DAMAGES TO ANYONE SUBMITTING PLANS AND SPECIFICATIONS TO ANY OF THEM FOR APPROVAL, OR TO ANY OWNER OF PROPERTY AFFECTED BY THESE RESTRICTIONS BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE

ANY SUCH PLANS OR SPECIFICATIONS. EVERY PERSON WHO SUBMITS PLANS OR SPECIFICATIONS AND EVERY OWNER AGREES THAT SUCH PERSON OR OWNER WILL NOT BRING ANY ACTION OR SUIT AGAINST THE ASSOCIATION, THE BOARD, THE BOARD'S DESIGNEE, OR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS OF ANY OF THEM TO RECOVER ANY DAMAGES AND HEREBY RELEASES, REMISES, QUITCLAIMS, AND COVENANTS NOT TO SUE FOR ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY JUDGMENT, NEGLIGENCE, OR NONFEASANCE AND HEREBY WAIVES THE PROVISIONS OF ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS, AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

Section 11. Satellite Dishes & Antennas.

No exterior antennas, satellite dishes or multi-channel multi-port distribution service larger than one meter in length or diameter shall be placed, allowed, or maintained upon any portion of a Lot. All above referenced devices measuring one meter or less shall be installed in accordance with FCC rules and regulations, and shall not be placed in plain view from the street, unless it is the only positioning that allows for reasonable reception of a signal. However, the Board reserves the right to (but shall not be obligated to) erect a master antenna, satellite dish or other similar master system for the benefit of the Community.

Section 12. Gardens, Basketball Goals, Etc.

Grass, trees, ornamental plants and shrubbery (and only the foregoing) may be planted in the front or side yard of any Lot. All other planting may be done only with prior written approval of the Board or its designee or in accordance with the guidelines previously established by the Board or its designee. Over seeding of fescue lawns and sodding of lawns with Bermuda or zoysia grasses shall not require prior approval pursuant to this section. No vegetable garden, hammocks, statuary, or recreational equipment may be placed, erected, allowed or maintained upon any Lot without the prior written consent of the Board or its designee, unless they are located in the back yard, and are out of view of the street. This provision shall not, however, apply to basketball goals (either permanent or mobile), which may be installed pursuant to any rules or guidelines of the Association, after the type and location, have been previously approved in writing by the Board or its designee.

Section 13. Tree Removal.

No trees, which are left on the Lot at closing shall be removed without the express consent of the Board or its designee, except for (a) diseased or dead trees; and (b) trees needing to be removed to promote the growth of other trees.

Section 14. Lighting.

Notwithstanding Article VI, Section 10 above, the following exterior lighting may be installed without the necessity of obtaining the prior approval of the Board or its designee: (a) seasonal decorative lights during a holiday season (which must be taken down within a time as determined by rule of the Board); (b) illumination of other than the front or side yards of a Lot; and (c) other lighting originally installed by the developer. Plans for all other exterior lighting must be submitted and approved in accordance with Article VI, Section 10 hereof. Decorative post lights will not be approved unless they conform to established street lighting.

Section 15. Drainage.

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or Occupant of any Lot may obstruct or rechannel the drainage flows after the location and installation of drainage swells, storm sewers, or storm drains. The Association reserves the right to prepare sloping banks, cut or fill, on a three (3) to one (1) slope on all streets and roads. The Association hereby reserves a perpetual easement across all Community property for the purpose of altering drainage and water flow. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 16. Sight Distance at Intersections.

All property located at street intersections shall be so landscaped as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain at any corner where this would create a traffic or sight problem.

Section 17. Clotheslines. Garbage Cans. Woodpiles. Etc.

All clotheslines, garbage cans, woodpiles, and other similar items shall be located or screened so as to be concealed from view of neighboring Lots, streets, and property located adjacent to the Lot. All rubbish, trash, and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate thereon. Notwithstanding the foregoing, the Association reserves the right to provide and maintain a dumpster for the use of residents within the Community.

Section 18. Subdivision of Lot.

No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board or its designee. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 19. Guns.

The use of firearms in the Community is prohibited. The term "firearms" includes "B—B" guns, pellet guns, and small firearms of all types.

Section 20. Solar Devices.

No artificial or man-made device which is designed or used for collection of or heating by solar energy or other similar purposes shall be placed, allowed, or maintained upon any portion of the Community, including any Lot, without the prior written consent of the Board or its designee.

Section 21. Fences.

No fence or fencing type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Community, including any Lot, without the prior written consent of the Board or its designee. Under no circumstances shall any fence be placed, erected, allowed or maintained closer to any street than the rear of the residence constructed on such Lot. The Board or its designee may issue guidelines detailing acceptable fence styles or specifications, but in no event may a hog wire fence be approved, or chain link fences that are visible to any of the common areas.

Section 22. Exterior Colors.

The exterior of all improvements, including, without limitation, residences, constructed, erected, allowed, or maintained upon any Lot must be painted or repainted in a color as approved by the Board or its designee.

Section 23. Mailboxes.

All mailboxes and mailbox posts shall be of a type and color as determined from time to time by the Board or its designee.

Section 24. Detached Structures.

No detached structure shall be placed, erected, allowed, or maintained upon any Lot without the prior written consent of the Board or its designee. All detached structures must be consistent in design materials and color with the dwelling on the Lot.

Section 25. Entry Features and Street Signs.

Owners shall not alter, remove or add improvements to any entry features or street signs on any Lot, or any part of any easement area associated therewith without the prior written consent of the Board or its designee.

Section 26. Above Ground Pools.

Above-ground swimming pools shall not be permitted in the Community. The Board may pass rules and regulations allowing baby pools.

Article VII
Insurance and Casualty Losses

Section 1. Insurance.

The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements located on the Common Property or required to be maintained by the Association under Article V, Section 1. hereof. This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

If available at reasonable cost, as determined in the sole discretion of the Board, the Board shall obtain a public liability policy applicable to the Common Property insuring the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00). If available at reasonable cost, as determined in the sole discretion of the Board, the Board shall also obtain directors' and officers' liability insurance.

Premiums for all insurance shall be common expenses of the Association. The policies may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

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

(a) All policies shall be written with a company authorized to do business in Georgia.

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

(c) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.

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

(e) The Association's Board of Directors shall be required to—make every reasonable effort to secure insurance policies that will provide for the following:

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

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

(iii) that no policy may be cancelled, subjected to nonrenewal, invalidated, or suspended on account of any one or more individual Owners;

(iv) that no policy may be cancelled, subjected to nonrenewal, invalidated, or suspended on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or Mortgagee;

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

(vi) that no policy may be cancelled, subjected to nonrenewal, or substantially modified without at least ten (10) days' prior written notice to the Association.

In addition to other insurance coverage required by this Section, the Board shall obtain workers compensation insurance, if and to the extent necessary to satisfy the requirements of applicable law, and, if available at reasonable cost, as determined in the sole discretion of the Board, a fidelity bond or employees dishonesty coverage covering directors, officers, employees, and other Persons handling or responsible for the Association's funds. The amount of fidelity or employees dishonesty coverage, if obtained, shall be determined in the directors' best business judgment. Such coverage if obtained, shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation and shall not be subject to cancellation, nonrenewal or substantial modification without at least ten (10) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, steam boiler coverage, and flood insurance, if and to the extent necessary to satisfy the requirements of The Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, the U.S. Department of Veterans Affairs ("VA") or the U.S. Department of Housing and Urban Development ("MUD").

Section 2. Damage and Destruction — Common Property.

(a) **In General.** Immediately after the damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty allowing for any changes or improvements necessary to comply with applicable building codes. The Board of Directors shall have all enforcement powers specified in Article XII, Section 1, of this Declaration necessary to enforce this provision.

(b) **Repair and Reconstruction.** Any damage or destruction to property required to be covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five percent (75%) of the Total Association Vote otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's members, levy a special assessment against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association.

In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

Section 3. Damage and Destruction — Lots.

The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy—five (75) days after such damage or destruction or, where repairs cannot be completed within seventy—five (75) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris there from within seventy—five (75) days after such damage or destruction. In the event of noncompliance with this provision, the Board of Directors shall have all enforcement powers specified in Article XII, Section 1 of this Declaration.

Section 4. Insurance Deductible.

The deductible for any casualty insurance policy carried by the Association shall, in the event of damage or destruction, be allocated among the Persons who are responsible hereunder, or under any declaration or contract requiring the Association to obtain such insurance, for maintenance of the damaged or destroyed property.