

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR GRACE LAKE

ARTICLE I: DEFINITIONS

Section 1. "Additional Property" shall mean and refer to additional property as amended to and made a part of Grace Lake Subdivision. .

Section 2. "Association" shall mean and refer to Grace Lake Homeowners Association, Inc., its successors and assigns.

Section 3. "Board" shall mean and refer to the Board of Directors of the Association.

Section 4. "Common Area" shall mean all areas and personal property now or hereinafter owned by the Association for the common use of the Owners.

Section 5. "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration and the Bylaws and Articles of Incorporation of the Association.

Section 6. "Declaration" shall mean the covenants, conditions, restrictions and easements and all other provisions herein set forth in this entire document, as may from time to time be amended.

Section 7. "Developer" shall mean and refer to (1) JRH Properties or (2) any successor-in-title or any successor-in-interest to JRH Properties or any Property, provided in the instrument of conveyance to any such successor-in-title or interest, such successor-in-title is expressly designated as the "Developer" hereunder by the grantor hereunder at the time of such conveyance.

Section 8. "Lot" shall mean and refer to any parcel of land shown upon any recorded subdivision plat of the Property upon which a single-family residence may be constructed.

Section 9. "Owner" shall mean and refer to any record owner, whether one or more Persons, of the fee simple title to any Lot which is a part of the Property, but excluding performance of an obligation.

Section 10. "Person" shall mean and refer to a natural person, corporation, partnership, association, trust or other legal entity, or any combination thereof.

Section 11. "Plat" shall mean and refer to any subdivision plat for Grace Lake prepared and recorded of record. It is the express intentions of the developer to develop Grace Lake in units and, therefore, subsequent plats of surveys will be recorded which shall be subject to these

restrictions. The plat for Unit One shall refer to that certain subdivision plat for Grace Lake Prepared by Robert G. Vansant & Associates, dated the 11 day of September, 1986, and recorded in Plat Book 14, Page 263, in the office of the Clerk of the Superior Court of Douglas County, Georgia.

Section 12. "Property" shall mean and refer to that certain real property lying and being in Land Lot 56 of the 1st District, 5th Section, Douglas County, Georgia, which real property is more particularly described in Section 1 above, together with such additional real property as may by subsequent amendment be added to and subjected to this Declaration.

Section 13. "Structure" shall mean and refer to: (1) any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, gazebo, shed, greenhouse or bathhouse, coop, or cage, covered or uncovered patio, swimming pool, tennis court, fence, curbing, paving, wall, tree, shrub, sign, signboard, mailbox, driveway, temporary or permanent improvement to such Lot; (2) any excavation, grading, fill ditch, diversion dam or other thing, object or device which affects or alters the natural flow of surface waters from, upon or across any Lot or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across the Lot; and (3) any change in grade at any point on a Lot of more than six inches, whether or not subsection (2) of this Section Thirteen supplies to such change.

Section 14. "Boats" shall mean small open vessels, or water craft, movable by oars, rowing or electric motor.

Section 15. "Dam" shall refer to the work or structure raised to obstruct the flow of water which constitutes Grace Lake.

Section 16. "Docks" shall refer to and artificial basin used for the reception of boats in Grace Lake.

Section 17. "Lake" shall refer to that body of standing water occupying a natural basin or depression in the earth's surface below ordinary drainage level or region which is known as Grace Lake.

Section 18. "Stream" shall refer to a water course having a source and terminas, banks, and channel, through which water flows at least periodically.

Section 19. "Trail" shall refer to a path or area around Grace Lake that is to be used for hiking, jogging, bicycling and other related recreational uses.

ARTICLE II: ANNEXATION OF ADDITIONAL PROPERTY

Section 1. JRH Properties may annex additional properties without approval of the Homeowners Association for a period of not less than seven (7) years without consent of the Association. Developer shall have the unilateral right to transfer to any other person, said right, privilege and option to annex the Additional Property which is reserved to Developer herein.

Section 2. Additional property may be annexed to Grace Lake without the approval of the Homeowners Association.

Section 3. No Obligation. The option herein reserved by Developer to cause all or any portion of the Additional Property to become subject to the provisions of this Declaration shall in no way be construed to impose upon Developer any obligation to add all or any portion of the Additional Property to this Declaration or to construct thereon any improvements of any nature whatsoever.

Section 4. If the Additional Property or any portion thereof is made subject to the provisions of this Declaration, Developer and its successors and assigns shall have the right, but not the obligation, to construct, or use, the Additional Property for any purpose deemed appropriate by the Developer.

Section 5. Amendment. Any provision of this Declaration to the contrary notwithstanding, the provisions of this Article II may not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Developer.

Section 6. Interest Subject to Annexation. Every purchaser of a Lot shall purchase such Lot, and every mortgage and lien holder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of this Article. By acceptance of a deed conveying a Lot, each Owner acknowledges and agrees that, upon the filing of an amendment to this Declaration and a plat of survey showing the Additional Property or such portion thereof as is being subjected to this Declaration, the total votes outstanding in the Class B membership will automatically increase in accordance with the formula set forth in Section 2 of Article IV of this Declaration.

ARTICLE III: ARCHITECTURAL CONTROL COMMITTEE

Section 1. Purpose, Powers and Duties of the Architectural Control Committee. The purpose of the Architectural Control Committee is to assure that the installation, construction, or alteration of any Structure on any Lot is submitted to the Architectural Control Committee for approval (1) as to whether the proposed installation, construction or alteration is in conformity and harmony of external design and general quality with the existing standards of the neighborhood and with the standards of the development of the Property; and (2) as to the location of Structures with respect to topography, finished To the extent ground elevation and surrounding Structures. necessary to carry out such purpose, the Architectural Control Committee shall have all of the powers and duties to do each and every thing necessary, suitable, convenient or proper for, or in

connection with or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot.

Section 2. Meetings. The Architectural Control Committee shall hold regular meetings at least once every month or more often as may be established by the Architectural Control Committee. Special meetings may be called by the Architectural Control Committee. Regular and special meetings of the Architectural Control Committee shall be held at such time and place as the Architectural Control Committee shall specify. Notice of each regular or special meeting of the Architectural Control Committee shall be mailed to each member thereof at his residence or at his usual place of business at least three (3) days before the day the meeting is to be held. Notice of regular and special meetings need not specify the purpose or Notice of a meeting purposes for which the meeting is called. need not be given to any member of the Architectural Control Committee who signs a waiver of notice either before or after the meeting. Attendance of a member of the Architectural Control Committee at a meeting shall constitute a waiver of notice of such meeting and shall constitute a waiver of any and all objections with respect to the place of the meeting, the time of the meeting or the manner in which it has been called or convened, except when the member states, at the beginning of the meeting, any such objection or objections to the transaction of business. At each meeting of the Architectural Control Committee, the presence of a majority of the members then in office shall constitute a quorum for the transaction of business. Except as otherwise provided herein, the act of a majority of the members of the Architectural Control Committee present at any regular or special meeting thereof, at which a quorum is present shall constitute the act of the Architectural Control Committee. In the absence of a quorum, any member of the Architectural Control Committee present at the time and place of the meeting may adjourn the meeting from time to time until a quorum shall be present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Any action required to be taken at a meeting of the Architectural Control Committee, or any action which may be taken at a meeting of the Architectural Control Committee, may be taken without a meeting if written consent is obtained from all members of the Architectural Control Committee, setting forth the action so taken. Such consent shall have the same force and effect as unanimous vote.

Section 3. Action of Members of Architectural Control Committee. Any member of the Architectural Control Committee may be authorized by the Architectural Control Committee to exercise the full authority of the Architectural Control Committee with respect to all matters over which the Architectural Control Committee has authority as may be specified by resolution of the Architectural Control Committee. Such authority must be specifically directed by the Committee. The action of such member with respect to the matters specified shall be final and binding upon the Architectural Control Committee and upon any application for an approval permit by authorization, subject, however, to review and modification by the Architectural Control Committee on its own motion or appeal by the applicant to the Architectural Control Committee as provided herein. Written notice of the decision of such member shall, within five (5) days thereof, be given to any applicant for an approval permit or authorization. The applicant may,

within ten (10) days after receipt of notice of any decision which he deems to be unsatisfactory, file a written request, the matter with respect to which such request was filed, shall be submitted to, and reviewed promptly by, the Architectural Control Committee, but in no event later than thirty (30) days after the filing of such request. The decision of a majority of the members of the Architectural Control Committee with respect to such matter shall be final and binding.

Section 4. Submission of Plans and Specifications. No Structure shall be commenced, erected, placed, moved onto or permitted to remain on any Lot, nor shall any existing Structure upon any Lot be altered in any way which materially changes the exterior appearance of the Structure or Lot, unless plans and specifications therefor shall have been first submitted to and approved in writing by the Architectural Control Committee. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the Architectural Control Committee, including, without being limited to:

(a) a site plan showing the location of all proposed and existing Structures on the Lot, including building setbacks, open space, driveways, walkways and parking spaces including the number thereof;

(b) floor plans;

(c) exterior elevations of all proposed Structures and alterations to existing Structures, as such Structures will appear after all back-filling and landscaping are completed;

(a) specifications showing the nature, kind, shape, height, materials, basic exterior finishes and colors of all proposed Structures and alterations to existing Structures, and also showing front, side and rear elevations thereof; and

house

(e) plans for landscaping and grading.

Section 5. Approval of Builders. Any builder or landscaper, prior to performing any work on any Lot in the Property, must first be approved by the Architectural Control Committee as to financial stability, building or landscaping experiences and ability to build or landscape structures or grounds of the class and type of those which are to be built on sole and uncontrolled discretion of the Architectural Control Committee. No Person shall be approved as a builder unless such Person obtains his income primarily from construction of the type which builder is to perform upon the Property. No Owner will be permitted to act as his own builder or contractor except where such Owner obtains his income primarily from the construction of the type of Structures to be constructed on the Property and otherwise meets the qualifications for approval by the Architectural Control Committee as hereinabove set forth.

Section 6. Approval and Disapproval of Plans and Specifications.

(a) The Architectural Control Committee shall have the right to approve or disapprove any plans and specifications submitted to it in its sole and uncontrolled discretion, which approval or disapproval may be based upon any grounds, including purely aesthetic considerations which shall be deemed sufficient.

(b) Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to this Declaration, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the Architectural Control Committee and a copy of

such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same.

Approval of any plans and specifications for use in connection with any Lot or Structure shall not be deemed a waiver of the Architectural Control Committee's right, in its sole discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Lot or Structure. Approval of any such plans and specifications relating to any Lot or Structure, however, shall be final as to that Lot or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

(c) Neither Developer nor any member of the Architectural Control Committee shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architectural Control Committee, nor for any structural defects in any work done according to such plans and specifications approved by the Architectural Control Committee. Further, approval of plans and specifications by the Architectural Control Committee shall not be deemed to represent or warrant to any Person the quality, function or operation of the Structure or of any construction, workmanship, engineering, materials or equipment. Neither Developer nor any member of the Architectural Control Committee shall be liable in damages or in any other respect to anyone submitting plans or specifications for approval under this Article, or to any Owner, or to any other Person having an interest in any of the property by reason of mistake in judgment, negligence, misfeasance or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. By submission of such plans and specifications to the Architectural Control Committee, every owner of any Lot releases and agrees to hold harmless and to defend Developer and any member of the Architectural Control Committee from any such alleged liability, claim and/or damage.

Section 7. Obligation to Act. Committee shall take action on any plans and specifications submitted as herein provided within forty-five (45) days after receipt thereof. Approval by the Architectural Control Committee, if granted, together with any conditions imposed by the Architectural Control Committee, shall be placed in writing on the plans and specifications and shall be returned to the applicant. Failure by the Architectural Control Committee to take action within forty-five (45) days of the receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications. Applicant has thirty (30) days within which to file appeal. The Committee shall notify applicant within five (5) days from date of decision.

Section 8. Right of Inspection. The Architectural Control Committee, its agents and representatives, shall have the right during reasonable hours to enter upon and inspect any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and the Architectural Control Committee shall not be

deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection.

Section 9. Violations.

(a) If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the Architectural Control Committee such violation shall have occurred, the Architectural Control Committee shall be entitled and empowered to enjoin or remove any such construction. costs and expenses incurred by the Architectural Control Committee in enjoining and/or removing any construction or improvements shall be added to and become a part of the assessment to which the Owner and his Lot are subject.

(b) The Architectural Control Committee shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within twenty (20) days after the mailing of the aforesaid notice of violation, then the Architectural Control Committee shall have the right of abatement as provided in Section 1(b) of Article XI hereof. In addition to the right of abatement, the Board, upon being informed of such violation by the Architectural Control Committee, shall be entitled to seek equitable relief to enjoin such construction.

Section 10. Composition of Committee: Raymond L. Fowler, Howard J. Collier, John F. Salazar,

ARTICLE IV: MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to this Declaration shall be a mandatory member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration and shall pass automatically to an Owner's successor-in-title to the Lot.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Initially, the Class A members shall be all Owners, with the exception of the Developer, and shall be entitled to one vote for each Lot owner. When more than one person holds an interest in any Lot, all such Persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Developer and shall be entitled to three (3) votes for each Lot owned. Class B membership shall cease and be converted to Class A membership on the happening of any of the following events:

(a) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(b) seven (7) years from the date this Declaration is filed of record in the Office of the Clerk of the Superior Court of Douglas County, Georgia; or

(c) when, in its discretion, the Developer so determines.

Section 3. Initial Assessment. Every Person who purchases a Lot in Grace Lake for use as a permanent personal residence. shall pay to the Association the initial assessment fee of \$200.00 at the time of purchase of the Lot; provided, however, said initial assessment fee shall be due only from the Person who first purchases the Lot for use as a permanent residence. This initial assessment shall be a prepayment of the succeeding twelve months Assessment.

ARTICLE V: PROPERTY RIGHTS

Section 1. Member's Easement of Enjoyment. Subject to the provisions herein, every member of the Association shall have a right and easement of use and enjoyment in and to the Common Area (including, without limitation, the right of pedestrian (but not vehicular) access, ingress and egress to and from his Lot over those portions of the Common Area from time to time designated for such purposes and the right of use of such recreational facilities as may be erected and maintained by the Association for such purposes from time to time), which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

(a) the right of the Association to adopt and publish rules and regulations governing the use of the Common Area.

(b) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility now or hereafter located or constructed upon the Common Area and to impose reasonable limits on the number of guests who may use such recreational facilities.

(c) the right of the Association to suspend an Owner's voting rights and rights to use any recreational facilities within the Common Area for any period during which any assessment of the Association against said Owner's Lot remains unpaid.

(d) the right of the Association to borrow money for the purpose of improving the Common Area or any portion thereof, or constructing, repairing or improving any facilities located or to be located thereon and, upon the assent of two-thirds of the Class A members and the Class B member, if any, to give as security a mortgage conveying all or any portion of the Common Area. The lien and encumbrance of any such mortgage, however, shall be subject and subordinate to all rights, interests, easements and privileges herein reserved or established for

the benefit of Developer, any Owner, or the holder of any mortgage, irrespective of when executed, given by Developer or any Owner.

(e) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members, agreeing to such dedication or transfer, has been recorded.

(f) the easement reserved in Article VIII of this Declaration.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of use and enjoyment in and to the Common Area and the improvements thereof, if any, to the members of his family, his tenants, guests and invitees, subject to such regulations as may be established from time to time by the Association.

Section 3. Title to Common Area.

Developer may from time to time convey to the Association, at no expense to the Association, real and personal property for the common use and enjoyment of the Owners. The Association hereby covenants and agrees to accept from Developer all such conveyances of real and personal property. Notwithstanding any legal presumption to the contrary, the fee simple title to such real and personal property designated as Common Area or for public use, together with all rights therein, shall be reserved to Developer until such time as the real and/or personal property is conveyed to the Association or to any municipality or other governmental body, agency or authority.

Section 4. No Partition. There shall be no judicial partition of the Property or any part thereof, nor shall any Person acquiring any interest in the Property or any part thereof seek any such judicial partition unless the Property has been removed from the provisions of this Declaration.

ARTICLE VI: COVENANT FOR MAINTENANCE AND CAPITAL IMPROVEMENT ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, (1) is deemed to covenant and agree to pay to the Association: annual assessments which may or shall be levied by the Association, and (2) special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, including reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell

due. The personal obligation for delinquent assessments shall not pass to his successors-in-title unless expressly assumed by them. However, any annual assessments shall not begin until Class A members exceed Class B member voters as defined in Article IV supra. An initial assessment of \$200.00 will be taken from the purchase price of these lots, that being the lots as described in the paragraph next above and said \$200.00 will be placed in an account for the Homeowner's Association.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the health, safety, pleasure and welfare of the Owners of the Lots and the costs and expenses incident to the operation of the Association, including, without limitation, the maintenance and repair of the Common Area and improvements thereon, if any, the maintenance of services furnished by the Association, the purchase of insurance by the Association, the repair and replacement of improvements on the Common Area, payment of all taxes, insurance premiums and all costs and expenses incidental to the operation and administration of the Association, and establishment and maintenance of a reasonable reserve fund or funds.

Section 3. Computation of Annual Assessments. Association incurs ongoing Common Expenses, it shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses of operating the Association for the coming year, such budget to include a capital contribution or reserve account in accordance with the capital needs of the Association. The budget and the proposed annual assessments to be levied against each Lot shall be delivered to each Owner no later than ten (10) days prior to such annual meeting. annual assessments shall be equally divided among the Lots so that the annual assessments shall be the same for each Lot. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either (1) Developer, so long as there is a Class B member; or (2) a vote of a majority of the Owners voting in person or by proxy at such meeting. In the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then until a budget has been determined as provided herein, the budget and annual assessments in effect for the then current year shall continue for the succeeding year. If any budget at any time proves inadequate for any reason, the Board may call a meeting of the Association for the approval of a special assessment.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of at least two-thirds (2/3) of the Class A members and the Class B member, if any, voting in person or by proxy at a meeting duly called for such purpose. Special assessments may also be levied by the Association if for any reason the annual assessments prove inadequate to defray the expenses of the Association in fulfilling its duties and obligations hereunder, subject to the consent of the members as set forth above.

Section 5.

Notice and Quorum for Any Action Authorized under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 above shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Assessment.

Annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall be paid in such manner and on such dates as may be fixed by the Board. Anything contained herein to the contrary notwithstanding, Developer, on behalf of itself and its successors and assigns, covenants and agrees to pay the annual assessment for each Lot owned by Developer which has constructed thereon a residence; provided, however, Developer shall not be responsible for assessments on Lots which do not have a residence constructed thereon. Developer shall, however, fund any deficit which may exist between assessments and the annual budget for as long as there is a Class B member of the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a specified Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum legal rate per annum. In such case, the Association may accelerate, at its option, the entire unpaid balance of the assessment and may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of liens against real property, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage foreclosure on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with the foreclosure of said lien. The lien provided for in this Section 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 for the

interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, abandonment of his Lot or by renunciation of membership in the Association. An Owner may give to the Association, nevertheless, subject to acceptance thereof by the Association, a deed in lieu of foreclosure.

Section 9. Subordination of the Lien to Mortgages. lien of the assessments provided for herein shall be subordinate to the lien of any mortgage, purchase money security deed, or security deed representing a lien on said property. transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be excepted from the assessments, charges and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to the public use; (b) all Common Area; (c) all properties exempted from taxation by state or local governments upon the terms and to the extent of such legal exemption. Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VII: MAINTENANCE

Section 1. Association's Responsibility.

Except as otherwise provided for therein, the Association shall maintain and keep in good repair all portions of the Common Area and improvements thereon, if any. The Association's responsibility with respect to the Common Area shall be deemed to include the maintenance, repair and replacement of (1) all roads, driveways, walks, parking areas and buildings and other improvements, if any, situated within the Common Area; (2) such utility lines, pipes, plumbing, wires, conduits and systems which are a part of the Common Area; and (3) all lawns, trees, shrubs, hedges, grass and other landscaping situated within or upon the Common Area.

Section 2. Owner's Responsibilities. Each Owner of a Lot, whether vacant or occupied, shall keep and maintain his Lot and the exterior of any and all improvements located thereon in a neat, attractive and safe condition. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and care for roofs, gutters, downspouts, building surfaces, trees, shrubs, grass, walks and other exterior improvements. Should any Owner of a Lot fail to maintain his Lot or the improvements thereon as set forth hereinabove, the Architectural Control Committee, its agents and representatives, may, after, thirty (30) days written notice to the Owner of such Lot, enter upon his Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, or other unsightly growth, for removing garbage or trash, or for performing such exterior maintenance as the Architectural Control Committee, its agents and representatives, may, after thirty (30) days written notice to the owner of such Lot, enter upon

his Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, or other unsightly growth, for removing garbage or trash, or for performing such exterior maintenance as the Architectural Control Committee, in the exercise of its sole discretion, deems necessary or advisable. Such Owner shall be personally liable to the Architectural Control Committee for the direct and indirect cost of such maintenance, which costs shall be added to and become part of the assessment to which such Owner and his Lot are subject. Although notice given as herein provided shall be sufficient to give the Architectural Control Committee, its agents and representatives, the right to enter upon such Lot and perform such maintenance, entry for such purpose shall be only between the hours of 9:00 A. M. and 5:00 P. M. on any day except Sunday. The provisions hereof shall not be construed, however, as an obligation on the part of the Architectural Control Committee to mow, clear, cut or prune any Lot; to provide garbage or trash removal service, or to perform such exterior maintenance.

ARTICLE VIII: EASEMENTS

Section 1. Utility Easements. There is hereby created in favor of The Association an easement upon, across, over, through and under all of the Common Area for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and systems, including but not limited to, water, sewers, gas, telephones, electricity, television, cable or communication lines and systems. An easement is further granted to the Association, its officers, agents, employees and any management company retained by the Association, to enter in to cross over the Common Area and the Lots, to inspect and to perform the duties of maintenance and repair of the Common Area and the Lots, as provided for herein. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines or other utilities may be installed or relocated on the Property except as initially programmed and approved by the Developer or thereafter approved by Developer or the Board. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by a separate recordable document, Developer or the Association shall have the right to grant such easement on the Common Area without conflicting with the terms hereof.

Section 2. Easements for Developer. Developer hereby reserves for itself, its successors and assigns, the following easements and rights-of-way in, on, over, under and through any part of the Property owned by Developer and the Common Area for so long as Developer owns any Lot primarily for the purpose of sale:

(a) For the erection, installation, construction and maintenance of wires, lines and conduits, and necessary or proper attachments in connection with the transmission of electricity, gas, water, telephone, community antenna, television cables and other utilities;

(b) For the construction of improvements on the Lots;

(c) For the installation, construction and maintenance of storm-water drains, public and private sewers, and for any other public or quasi-public utility facility;

(d) For the use of the Common Area and any sales offices, model units and parking spaces in connection with its efforts to market Lots; and

(e) For the maintenance of such other facilities and equipment as in the sole discretion of Developer may be reasonably required, convenient or incidental to the completion, improvement and sale of Lots.

Section 3. Nuisances.

(a) No unlawful, noxious or offensive activities shall be carried on in any lot, or upon the Common Area, nor shall anything be done therein or thereon which, in the judgment of the Board, constitutes a nuisance, causes unreasonable noise or disturbance to others or unreasonably interferes with other Owners' use of their Lots and or the Common Area.

(b) No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of an Owner's Lot so as to render the same unsanitary, unsightly or offensive. No nuisance shall be permitted to exist upon any portion of the Property. Without limiting the generality of any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on the Property or any portion thereof.

(c) Pets which create unreasonable noises or disturbances to others or unreasonably interfere with others use of their Lots and the Common Area shall constitute a nuisance.

Section 4. Resubdivision of Property. No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, without the prior written approval of the Architectural Control Committee of plans and specifications for such split, division or subdivision.

Section 5. Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for the prevention and control of such erosion or siltation. The Architectural Control Committee may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitation) physical devices for controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscape and required landscaping as provided for in Section 6.

Section 6. Landscaping. No Construction or alteration of any Structure shall take place without the prior written approval by the Architectural Control Committee of plans and specifications or the landscaping to accompany such construction or alteration.

Section 7. Temporary Buildings. No temporary building, trailer, garage or building under construction shall be used, temporarily or permanently, as a residence on any Lot except as temporary sleeping or living quarters required or desirable for security purposes in accordance with plans and specifications therefor approved by the Architectural Control Committee. contractor or builder shall erect on any Lot any temporary building or shed for use in connection

with construction on such Lot without the prior written consent of the Architectural Control Committee.

Section 8. Signs.

(a) No signs whatsoever (including but not limited to commercial and similar signs) shall, without the Architectural Control committee's prior written approval of plans and specifications therefor, be installed, altered or maintained on any Lot, or on any portion of a Structure visible from the exterior thereof, except:

(1) Such signs as may be required by legal proceedings;

(2) a sign indicating the builder of the residence on the Lot;

(3) not more than one "For Sale" or "For Rent" sign; provided, however, that in no event shall any such sign be larger than four square feet in area; and

(4) directional signs for vehicular or pedestrian safety in accordance with plans and specifications approved by the Architectural Control Committee.

(b) Following the consummation of the sale of any Lot, the "For Sale" sign and the builder's sign located thereon, if any, shall be removed immediately.

Section 9. Setbacks. In approving plans and specifications for any proposed Structure the Architectural Control Committee may establish setback requirements for the location of such Structure which are more restrictive than those established by the Plat. No structure shall be erected or placed on any Lot unless its location is consistent with such setbacks. Such requirements shall be decided on a case by case basis.

Section 10. Fences. No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for such fences and walls.

Section 11. Roads and Driveways. No road or driveway shall be constructed or altered on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for such roads and driveways. Such specifications shall include the proposed substance to be used in constructing such roads and driveways, which substance shall be satisfactory to the Architectural Control Committee.

Section 12. Antennae. No Antenna, satellite dish or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on the exterior of any Structure without the prior written approval of the Architectural Control Committee. In no event shall freestanding transmission or receiving towers be permitted.

Section 13. Clotheslines. No outside clotheslines shall be placed on any Lot.

Section 14. Recreational Vehicles and Trailers. The Architectural Control Committee, in reviewing the plans and specifications for any proposed Structure, may require that special parking areas be made available for recreational vehicles. No trailer, trailer house, boat, or recreational vehicle shall be parked on any Lot, except on such parking areas as specified by the Architectural Control Committee pursuant to this Section 14 or within enclosures or behind screening erected in accordance with plans and specifications submitted to and approved by the Architectural Control Committee. While nothing contained herein shall prohibit the use of portable or temporary buildings or trailers as field offices by contractors during actual construction, the use, appearance and maintenance of such a building or trailer must be specifically approved by the Architectural Control Committee prior to its being moved onto the construction site.

Section 15. Recreational Equipment. No recreational and playground equipment shall be placed or installed on any Lot which is visible from the street abutting such Lot. Also, no gasoline operated boat will be allowed to be operated on the lake.

Section 16. Accessory Structures. A detached accessory structure may be placed on a Lot to be used for a playhouse swimming pool, tennis court, a tool shed, a mailbox, a dog house or a garage; a garage may also be an attached accessory structure. Such accessory structures shall not exceed twenty (20) feet in height and shall conform in exterior design and quality to the dwelling on the same Lot. With the exception of a garage that is attached to a dwelling and the mailbox, an accessory structure placed on a Lot shall be located only behind the dwelling as such dwelling fronts on the street abutting such Lot. Such accessory structures shall also be located within such side and rear setback lines as may be required hereby or by applicable zoning law. The Architectural Control Committee shall have the right to approve or disapprove the plans and specifications for any accessory structure to be erected on any Lot, and construction of an accessory structure may not be commenced until complete final plans and specifications shall have been submitted to and approved by the Architectural Control Committee in accordance with the provisions of these covenants. Any accessory structure shall be constructed concurrently with or subsequent to the construction of the dwelling on the Lot on which said accessory structure is located.

Section 17. Improvement of Lots. All construction of dwellings, accessory structures and all other improvements in Grace Lake shall be undertaken and completed in accordance with the following conditions:

(a) All Construction shall be carried out in compliance with the laws, code rules, regulations and orders of all applicable governmental agencies and authorities.

(b) All single-family residences constructed on the Lots shall be "traditional" in style specifically excluding log cabins, contemporary and earth homes. The determination of whether or not a

residence is "traditional" shall be decided by the Architectural Control Committee in its sole and uncontrolled discretion.

(c) Concrete or concrete block or cinder block or natural wood color siding shall not be used as a building material for the exposed exterior surface of any dwelling or accessory structure constructed or placed on any Lot and there shall be no chainlink fence or fences or walls of any other material which the Architectural Control Committee determines to be incompatible with dwellings or other structures in Grace Lake.

(d) Only one mailbox shall be located on any Lot, which mailbox shall be of the type selected by the Architectural Control Committee and consistent with the quality and design of surrounding dwellings and mailboxes. Said mailbox shall be placed and maintained to complement the dwelling to which it is appurtenant to the extent such mailbox is permitted to be located and maintained by the United States Postal Service, its successors and assigns.

(e) No lumber, bricks, stones, cinder blocks, scaffolding, mechanical devices, or any other materials or devices used for building purposes shall be stored on any Lot except for purposes of construction of a dwelling or accessory structure on such Lot, nor shall any such building materials or devices be stored on any Lot for longer than the length of time reasonably necessary for the construction in which such materials or devices are to be used.

(f) No exposed, aboveground tanks for the storage of fuel or water or any other substance shall be located on any Lot other than apparatus relating to solar energy, the location and design of which must first be approved by the Architectural Control Committee.

(g) Adequate off street parking shall be provided for each Lot.

(h) Containers for garbage and other refuse shall be located, if outside the garage or heated area of the structure, in a place not visible from the public right of way.

(i) All garages must have doors, and each garage door must be coordinated with the dwelling to which it is appurtenant.

(j) No window air conditioning unit may be located in any part of any dwelling or accessory structure which is visible from any street, and all exterior compressor units shall be ground mounted and screened by fencing or planting of a density and height to hide the unit effectively, which fencing or planting shall first be approved by the Architectural Control Committee.

(k) Any screen porch which is a part of any dwelling or accessory structure must have a dark color screen, and no bright color silver finish screens may be used.

(l) No plumbing vent or heating vent shall be placed on the front side of any roof of any dwelling or accessory structure.

(m) Any construction on a Lot shall be at the risk of the Owner of such Lot and the Owner of such Lot shall be responsible for any damage to any curbing or street resulting from construction on such Lot; repairs of such damage must be made within thirty (30) days after completion of such construction.

(n) The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulkstorage and basement) of one story dwellings shall contain not less than 2,200 square feet. The enclosed, heating living area (exclusive of garages, carports, porches, terraces, bulkstorage and basement) of all one and one-half story dwellings shall contain not less than 2,200 square feet. The enclosed, heating living area (exclusive of garages, carports, porches, terraces, bulkstorage and basement) of all two story and two and one-half story dwellings shall contain no less than 2,200 square feet. No dwelling shall be constructed exceeding two and one-half stories in height on any Lot.

Section 18. Animals. No animals, including birds, insects and reptiles, may be kept on any Lot unless kept thereon solely as household pets and not for commercial purposes. No animal shall be allowed to become a nuisance as defined in Article VIII, Section 3(c). No Structure for the care, housing or confinement of any animal shall be constructed, placed or altered on any Lot unless plans and specifications for said Structure have first been approved by the Architectural Control Committee.

Section 19. Water Supply. No individual water supply system shall be permitted on any Lot without the prior written approval of the Architectural Control Committee. If such approval is given, such system must be located, constructed and equipped in accordance with the requirements, standards and recommendations of federal, state and local public health authorities, and all necessary approvals of such system as installed shall be obtained from such authorities at the sole cost and expense of the Owner of the Lot to be served by such system.

Section 20. Trees and Shrubs. No hardwood trees measuring twelve (12) inches or more in diameter at a point two (2) feet above ground level, no flowering trees or shrubs, nor any evergreens on any Lot may be removed without the prior approval of the Architectural Control Committee unless located within twenty-five (25) feet of the approved site for a dwelling or with the right-of-way of driveways or walkways. Excepted herefrom shall be damaged or dead trees and trees which must be removed due to an emergency.

ARTICLE IX: INSURANCE

The Board, or its duly authorized agent, shall obtain such insurance policies upon the Common Area as the Board deems necessary or desirable in its sole discretion. The named insured on all policies or insurance shall be the Association.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement.

(a) The Association, the Architectural Control Committee, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, the Architectural Control Committee or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(b) The Architectural Control Committee shall have the right of abatement in all cases where an Owner of a Lot shall fail to take reasonable steps to remedy a violation or breach of any restriction contained in this Declaration within twenty (20) days after the mailing of written notice of such violation or breach. The right of abatement means the right of the Architectural Control Committee, through its agents and employees, to enter at all reasonable times upon any Lot or Structure as to which a violation or breach exists, and to take such action or actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation or breach, all without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions.

Section 2. Severability. If any provision of the Declaration, or any paragraph, subparagraph, article, section, sentence, clause, phrase, word or the application thereof in any circumstances, is held invalid, the validity of the remainder of this Declaration and the application of any such provision, paragraph, subparagraph, article, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration shall be construed as if such invalid part was never included therein.

Section 3. Headings. The headings of articles and sections in this Declaration are for convenience of reference only and shall not in any way limit or define the content or substance of such articles and sections.

Section 4. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a period of twenty (20) years from the date this Declaration is recorded, at the end of which period such covenants and restrictions shall be automatically extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) of the Owners at the time of the expiration of the initial period, or of any extension period, shall sign an instrument in which said covenants and restrictions are modified in whole or in part, which instrument is filed of record in the appropriate county.

Section 5. Rights and Obligations. Each grantee of the Developer, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having at

any time any interest or estate in the Property or any portion thereof, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

Section 6. Notices. Notices provided for in this Declaration shall be in writing and shall be addressed to any Owner at his Lot or at such other address as hereinafter provided. Notices to the Developer shall be in writing and shall be addressed to Raymond L. Fowler, 3205 Chapel Hill Road, Douglasville, Georgia 30134 or at such different address as disclosed in a written notice of change of address furnished to all Owners. Any Owner may designate a different address for notices to him by giving written notice to the Developer. Notices addressed as above shall be deemed delivered upon mailing by United States registered or certified mail, return receipt requested, or when delivered in person.

Section 7. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Developer (1) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (2) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (3) if such amendment is required to obtain the approval of this Declaration by an institutional lender, such as a bank, savings and loan association or life insurance company, or by a governmental lender or purchaser of mortgage loans, such as the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (4) if such amendment is necessary to enable any governmental agency, such as the Veterans Administration, or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not make any substantial changes in any of the provisions of this Declaration. Further, this Declaration may be amended at any time and from time to time by an agreement signed by at least seventy-five per cent (75%) of the Owners of Lots; provided, however, such amendment by the Owners shall not be effective unless also signed by Developer, if Developer is the owner of any real property then subject to this Declaration. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Every purchaser or grantee of any interest in any real property made subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that this Declaration may be amended as provided in this Section.

Section 8. No Liability. Developer has used its best efforts and acted with due diligence in connection with the preparation and recording of this Declaration to ensure that each Owner has the right and power to enforce the terms and provisions hereof against every other Owner. In the event this Declaration is unenforceable by an Owner or any other person for any reason whatsoever, Developer shall have no liability of any kind as a result of such unenforceability, and each Owner, by acceptance of a deed conveying a Lot, acknowledges and agrees that Developer shall have no such liability.

IN WITNESS WHEREOF, Developer has caused this Declaration to be executed in its name by its general partners on the day and year first above written.

Signed, sealed and delivered in the presence of:

Janet M thoward

Notary Public, Ga.

Notary Public, Douglas County, Georgia Commission Expires May 19, 1989

JRH PROPERTIES

Dec. 10, 1986

JANE C. WILLIAMS, CLERK

SUPERIOR COURT, DOUGLAS CO.

AMENDMENTS

WHEREAS as of the date of this Amendment Developer JRH Properties. Inc. was administratively dissolved by the Georgia Secretary of State and

WHEREAS neither JRH Properties. Inc. nor any successor to JRH Properties. Inc. having been expressly designated “Developer” in a conveyance is the owner of any real property to the Declaration and

WHEREAS the Association and the Owners desire to amend the Declaration as hereinafter provided and intend for this Amendment to be prospective only;

NOW THEREFORE the undersigned hereby adopt this Amendment to the Declaration of Covenants, Conditions, Restrictions, and Easements for Grace Lake hereby declaring that all the property now or hereafter subject to the Declaration shall be held, conveyed, encumbered, used, occupied, and improved subject to the Declaration, amended as follows:

1.

The title of Article VIII of the Declaration, entitled “Easements”, is hereby amended by adding the words “and Restrictions” , such that the caption to Article VIII of the Declaration reads “Easements And Restrictions.”

2.

The Declaration is hereby amended by deleting Article VIII, Section 4 of the Declaration, entitled “Re-Subdivision of Property” . in its entirety and substituting in lieu thereof a new Section 4 to read as follows:

Section 4. Re-Subdivision of Property Prohibited. No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise.

3.

The Declaration is hereby amended by deleting Article VIII Section 17(b) of the Declaration in its entirety and substituting in lieu thereof a new: Section 17(b) to read as follows:

(b) Only single-family residences may be constructed on Lots, and only one such single-family residence may be constructed on any single Lot. All single family residences constructed on the Lots shall be “traditional” in style and shall specifically exclude log cabins, contemporary and earth homes. The determination of whether or not a residence is “traditional” shall be decided by the Architectural Control Committee in its sole and uncontrolled discretion

4.

The Declaration is hereby amended by adding to the end of Article VIII of the Declaration a new

Section 17(o) to read as follows:

(o) No single-family residence constructed on any Lot may be subdivided to create two or more wholly separate living units, dwellings, or apartments.

5.

The Declaration is hereby amended by adding to the end of Article VIII of the Declaration a new Section 21, entitled "Uses Permitted", to read as follows:

Section 21. Uses Permitted. Each Lot shall be used exclusively for single-family residential purposes subject to and in accordance with the following:

- (a) Any improvements or Structures erected or constructed on a Lot shall be used only as a residence of the Lot Owner or of the Lot Owner's immediate family members; or, where the Lot is owned in trust then any improvements thereon shall be used only as a residence of a beneficiary of such trust or a residence of an aforesaid beneficiary's immediate family members.
- (b) Neither business, nor commercial improvements may be erected and neither business nor commercial use may be made of any Lot.
- (c) Neither a single-family residence on a Lot nor any Structure located on a Lot may be converted to business or commercial use.

6.

The Declaration is hereby amended by adding to the end of Article VIII of the Declaration a new Section 22, entitled "Leasing", to read as follows:

Section 22. Leasing. In order to protect the equity of the individual members, to carry out the purpose for which the Association was formed by preserving the character of the Property as a homogenous residential community of predominantly owner-occupied homes and by preventing the Property from assuming the character of a renter-occupied neighborhood, and to comply with the eligibility requirements for financing in the secondary mortgage market insofar as such criteria provide that the project be substantially owner-occupied, leasing of Lots shall be governed by the restrictions imposed by this Section. The Board of Directors shall have the power to make and enforce rules and regulations in order to enforce the provisions of this Section. Any lease which does not comply with this Section shall be voidable at the option of the Board of Directors. Except as provided herein, the leasing of Lots shall be prohibited.

- (a) Definitions. Leasing means regular, exclusive occupancy of a Lot by any Person(s) other than the Owner for which the Owner received any consideration or benefit, including, but not limited to, a fee, rent, service, gratuity or emolument. For purposes hereof the following shall not constitute leasing: (i) occupancy by a roommate of an Owner Occupant, (ii) occupancy by a member of the Owner's family, (iii) occupancy by one or more wards if the Lot is owned by their legal guardian, or (iv) occupancy by one or more beneficiaries of a trust if the Lot is owned by the

trustee.

- (b) General. No Owner of a Lot may lease his or her Lot except as provided in subsection (c) below for cases of undue hardship.
- (c) Undue Hardship. The Board of Directors shall be empowered to allow leasing of a Lot upon application and approval in accordance with this Section to avoid undue hardship, including, but limited to the following situations: (1) a Lot Owner must relocate his or her residence outside the Atlanta metropolitan area and cannot, within six (6) months from the date that the Lot was placed on the market, sell the Lot except at a price below the current appraised market value, after having made reasonable efforts to do so; (2) the Owner dies and the Lot is being administered by his or her estate; and (3) the Owner temporarily relocates and intends to return to reside in the Lot, in which case the Lot Owner must reapply every year for renewal of the hardship exception. Those Owners who have complied with this subsection, have demonstrated that the inability to lease their Lot would result in undue hardship and have obtained the requisite written approval of the Board of Directors may lease their Lots in accordance with subsection (d) below for such duration as the Board of Directors determines is necessary to prevent undue hardship. Each Owner permitted to lease his or her Lot in accordance with this subsection shall be required to reapply every year or with such other frequency as may be determined by the Board of Directors from time to time for renewal of the hardship exception.

Any Owner who believes that he or she must lease his or her Lot to avoid undue hardship shall submit a written application to the Board of Directors setting forth the circumstances necessitating the leasing, a copy of the proposed lease, and such other information as the Board of Directors may require in its sole discretion. Leasing in the case of undue hardship shall be permitted only upon the Board of Directors' written approval of the Owner's application. When an application is approved, the Owner shall provide the Board of Directors with the name and phone number of the lessee and the Owner's address other than at the Lot and other such information as the Board of Directors may require in its sole discretion within ten (10) days after a lease has been signed by both parties.

- (d) Leasing Provisions. Any leasing permitted under subsection (c) above shall be governed by the following provisions:

- (i) General. Lots may be leased only in their entirety; no fraction or portion of a Lot may be leased. All leases shall be in writing. The Board of Directors shall maintain in its files and, upon request, shall provide to any Owner a form which is deemed acceptable. There shall be no subleasing or assignment of leases unless approved in writing by the Board. Except as otherwise provided herein, all leases must be for an initial term of one (1) year, except with written approval by the Board of Directors. The Owner must provide the lessee copies of the Declaration, Bylaws, and the rules and regulations and the lease shall provide that the Owner has made available to the lessee copies of the Declaration, Bylaws, and the rules and regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lease.

(ii) Notice. Within ten (10) days after executing a lease agreement for the lease of a Lot, the Owner shall provide the Board of Directors with a copy of the lease of a Lot and the name of the lessee and all other people occupying the Lot, the phone number of the lessee and the Owner's address other than at the Lot and other such information as the Board of Directors may require in its sole discretion. The address of an Owner provided to the board pursuant to this subsection shall be the address to which any notices required under the Declaration or Bylaws are sent.

(iii) Liability for Assessments, Use of Common Area, and Compliance with Declaration, Bylaws, and Rules, and Regulations. Each Owner covenants and agrees that any lease of a lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Lot, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(1) Compliance with Declaration, Bylaws, and Rules and Regulations. Lessee shall abide and comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other Occupants and guests of the leased Lot in order to ensure compliance. Owner agrees to cause all Occupants of his or her Lot to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto and is responsible for all violations caused by such Occupants, notwithstanding the fact that such Occupants of the Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto. In the event that the lessee or a person living with the lessee violates the Declaration, Bylaws, or a rule or regulation of the Association, notice of the violation shall be given to the Owner and the lessee, and if the violation is not cured within ten (10) days of delivery of the notice, the Board shall have the right to enter said Lot and cure the violation and any costs thereof shall become part of the assessment to which the Owner and his Lot are subject.

a) Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any guest of the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee and/or Occupant(s) in accordance with Georgia law.

b) The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from violations of the Declaration, Bylaws, and rules and regulations of the Association adopted thereunder, including the power and authority to terminate the lease without liability upon such violations(s) and to evict the lessee and or the Occupant(s) as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof, it being hereby agreed that in such instance the

Association shall have standing to terminate the lease and initiate dispossessory proceedings against the lessee and or the Occupant(s). In the event the Association proceeds to evict the lessee and or the Occupant(s) of a Unit, any cost, including attorney's fees and court costs, associated with the eviction shall be an assessment and lien against the Unit.

(2) Use of Common Area. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Area.

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

(e) Mortgage Exemption. This Section shall not apply to any leasing transaction entered into by the Association.

7.

The Declaration is further amended by adding to Article VIII of the Declaration, a new Section, entitled "Enforcement" , to read as follows:

Section 23. Enforcement Notwithstanding any other provisions of the Declaration, the Board shall have the power and authority to enforce or defend the covenants, restrictions, and easements established by the Declaration. Any costs and expense incurred by the Board in so enforcing or defending these covenants, restrictions, and easements against a Lot or Lot Owner, shall be grounds for an action to recover sums due for damages or injunctive relief or both, including without limitation, reasonable attorneys' fees actually incurred, maintainable by the Association or an aggrieved Owner. Any costs incurred by the Association in enforcing the provisions of the Declaration and Bylaws shall be born by the Owner of the Lot and shall be added to and become

a part of the assessment to which the Owner and his Lot are subject. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

8.

Unless otherwise defined herein, the words used in this Amendment shall have the same meaning as set forth in the Declaration.

9.

This Amendment shall be effective only upon being recorded in the records of the Clerk of Superior Court of Douglas County, Georgia and shall be enforceable against current Owners of all Lots subject to the Declaration.

10.

Except as herein modified, the Declaration shall remain in full force and effect.