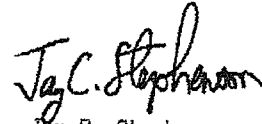


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233 Peachtree Street, N.E.
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404-688-2300

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Cobb County, Georgia records

AMENDED AND RESTATED
DECLARATION OF COVENANTS AND RESTRICTIONS
FOR PEPPERMILL SUBDIVISION

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**AMENDED AND RESTATED DECLARATION
OF COVENANTS AND RESTRICTIONS
FOR PEPPERMILL SUBDIVISION**

THIS DECLARATION is made this 18 day of June, 2008, by the Peppermill Homeowners Association, Inc., a Georgia non-profit corporation (hereinafter called the "Association").

WITNESSETH:

WHEREAS, that certain Declaration of Protective Covenants for Peppermill Subdivision, was first recorded on January 24, 1995 in Deed Book 8697, Page 359, and rerecorded July 21, 1995 in Deed Book 8985, Page 456, Cobb County, Georgia records (the "Original Declaration"); and

WHEREAS, the Association is a nonprofit corporation organized under the Georgia Nonprofit Corporations Code to be the Association named in the Original Declaration to have the power and authority set forth therein; and

WHEREAS, the Association and the Owners desire to amend the Original Declaration as set forth herein and intend for this Declaration to be prospective only; and

WHEREAS, the Georgia Property Owners' Associations Act, O.C.G.A. § 44-3-220, et. seq., (the "Act") has been enacted to provide for the governance and operation of property owners associations in Georgia; and

WHEREAS, the Association deems it desirable for the efficient operation of Peppermill Homeowners Association, Inc. that the property be submitted to and the Declaration be amended to take advantage of the provisions of the Act; and

WHEREAS, pursuant to Provision 1 of the Original Declaration, the Original Declaration may be amended by an instrument executed and acknowledged by a majority (51%) of the Lot Owners, which instrument shall be recorded among the Cobb County, Georgia records; and

WHEREAS, a majority (51%) of the Owners, or more, have evidenced their written consents to the amendment of the Declaration as set forth herein, which consents are attached hereto;

NOW, THEREFORE, the undersigned hereby adopt this Restated and Amended Declaration of Covenants and Restrictions for Peppermill Subdivision, and from and after the date of recording of this Restated and Amended Declaration of Covenants and Restrictions, the property as described in the Original Declaration shall henceforth be subject and governed by the provisions of the Act and shall be held, conveyed, encumbered, used, occupied and improved subject to the Declaration as follows:

ARTICLE I

STATUTORY PROVISIONS AND DEFINITIONS

1. Statutory Provisions. This Declaration is made pursuant to the Georgia Property Owners' Associations Act, O.C.G.A. § 44-3-220, et. seq., as the same may heretofore or hereafter be supplemented, amended or modified (the "Act").

2. Definitions. Words used in this Declaration, which are defined in the Act, shall have the same meanings as set forth therein, unless the context shall prohibit or otherwise require or unless such words are otherwise defined by this Declaration. When used in the Declaration, unless the context shall prohibit or otherwise require, the following words shall have the following meanings, whether or not capitalized, and all definitions shall be applicable to the singular and plural forms of such terms:

(a) "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of Peppermill Homeowners Association, Inc., as amended from time to time.

(b) "Association" shall mean and refer to Peppermill Homeowners Association, Inc., a nonprofit Georgia corporation, its successors and assigns.

(c) "Board of Directors" or "Board" shall mean and refer to the duly elected Board of Directors of the Association, which is the governing body of the Association.

(d) "Bylaws of the Peppermill Homeowners Association, Inc." or the "Bylaws" shall mean and refer to those bylaws governing the administration and operation of the Association.

(e) "Common Areas" shall mean and refer to all real property, whether improved or unimproved, owned or leased by the Association or otherwise available to the Association for the benefit, use and enjoyment of its Members and shall include all improvements located therein or thereon and all utilities which serve the Property and are to be maintained by the Association. The Common Areas shall include the front entryway, which incorporates all that property bordering Peppermill and running along Lower Roswell Road, and the related landscaping, lighting, and any improvements thereon.

(f) "Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of the Act or this Declaration.

(g) "Declaration" shall mean and refer to this document and all amendments hereof in accordance with this Declaration and the Act.

(h) "Director" shall mean and refer to a member of the Board of Directors.

- (i) "Easement Areas" shall mean those areas shown as landscape maintenance easements, detention areas, drainage easements, on the final subdivision plat for the Project recorded in the real property records of Cobb County, Georgia.
- (j) "Governing Documents" shall mean and refer to the Act, the Georgia Nonprofit Corporations Code, this Declaration, the Bylaws, the Articles of Incorporation, and such other rules and regulations promulgated by the Association hereunder.
- (k) "Lot" shall mean and refer to any lots or portions of the Property which are designated for separate ownership for the construction and occupancy of a single family residence as may be more particularly described in the Plats and shall include the undivided ownership in the Common Areas assigned to the Lot by this Declaration.
- (l) "Member" shall mean and refer to every individual, group of individuals, corporation, trust or other legal entity, or a combination thereof, who holds membership in the Association.
- (m) "Mortgage" shall mean and refer to a mortgage, deed to secure debt, deed of trust or other instrument conveying a lien upon or security title to a Lot or any portion of the Property.
- (n) "Mortgagee" shall mean and refer to the holder of a mortgage.
- (o) "Occupant" shall mean any person occupying all or any portion of a Lot for any period of time regardless of whether such person is a tenant or the owner of such property.
- (p) "Officer" shall mean and refer to an officer of the Association.
- (q) "Owner" or "Lot Owner" shall mean and refer to any record title holder of a Lot within the Property, but shall not include a Mortgagee.
- (r) "Person" shall mean and refer to a natural person, corporation, partnership, association, trust or other legal entity, or any combination thereof.
- (s) "Plat" shall mean and refer to the plat(s) of survey of Westover Subdivision filed with the Clerk of Superior Court of Cobb County, Georgia, as may be amended from time to time.
- (t) "Project" shall mean and refer to that certain subdivision developed in Cobb County, Georgia known as Westover Subdivision and located on the Property.
- (u) "Property" shall mean and refer to all real property described in Article II hereof.
- (v) "Record" or "file for record" shall mean and refer to filing for record with the Clerk of Superior Court of Cobb County, Georgia.

ARTICLE II

DESCRIPTION OF THE PROPERTY

1. Property Subject to Declaration. The Property which is, and shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Cobb County, Georgia, and is more particularly described in and as shown on the Plats for Peppermill Subdivision recorded with the Clerk of Superior Court of Cobb County.

2. Common Areas. The Common Areas consist of all portions of the Property not located within the boundaries of a Lot. The Common Areas shall remain undivided, and no Owner or any other Person shall have the right to bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as otherwise provided herein, each Owner and the Association may use the Common Areas for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners.

ARTICLE III

MEMBERSHIP

1. Voting Rights. The Association shall have one class of voting membership. All Lot Owners, by virtue of their ownership of an interest in a Lot, are members of the Association and shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to this Declaration and the Act and in accordance with the Bylaws. Subject to the provisions of the Governing Documents, each Owner shall be entitled to one (1) vote for each Lot in which such Owner holds the interest required for membership, provided that there shall be only one (1) vote for each Lot irrespective of the number of Owners for such Lot. The persons entitled to exercise such votes at meetings of the Association, the method by which such votes may be exercised, and the rights and obligations generally of Members of the Association with regard to voting shall be in accordance with the Act and the Bylaws.

ARTICLE IV

EASEMENTS

The easements described by this Article IV from each Lot Owner to each other Lot Owner and to the Association are hereby reserved and established.

1. Member's Right of Enjoyment. Subject to the easements and restrictions of record which affect or pertain to the Property and/or the Common Areas (including the Easement Areas), every Member shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the fee title to every Lot subject to the following:

(a) The right of the Association, in accordance with the Governing Documents, and with the consent of a majority of the Owners of the Lots eligible to vote, to borrow money for the purpose of maintaining or improving the Common Areas and the Easement Areas in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage any of the Common Areas;

(b) The right of the Association to take such steps as are reasonably necessary to protect the Property of the Association against Mortgage default and foreclosures; provided, however, that the same are in conformity with the other provisions of this Declaration;

(c) The right of the Association to adopt reasonable rules and regulations respecting use of the Common Areas;

(d) The right of the Association to suspend a Member's voting rights and the rights to use the Common Areas for any period during which any assessment remains unpaid and for a reasonable time for any infraction of any of the published rules and regulations of the Association;

(e) The right of the Association, acting by and through its Board of Directors, and after approval of the Owners of a majority of Lots eligible to vote, by execution of a recordable document, to dedicate or transfer all or any part of the Common Areas or the Easement Areas to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed by the Board of Directors; and

(f) The right of the Association, acting by and through its Board of Directors, without a vote of the Owners, by execution of a recordable document, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, or any other individual; provided, however, that no such licenses, rights-of-way or easements shall be unreasonably and permanently inconsistent with the rights of the Members to the use and enjoyment of the Common Areas.

2. Delegation of Right of Use. Any Member may delegate his rights to the use and enjoyment of the Common Areas to the members of his family who reside permanently with him and to his tenants, and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

3. Easements for Utilities and Related Purposes. The Association is authorized and empowered to grant (and shall from time to time grant) such other licenses, easements and rights-of-way over the Common Areas and the Easement Areas for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, cables, underground conduits and such other purposes related to the provision of utility services to the community as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the Common Areas and the Easement Areas and for the preservation of the health, safety, convenience and welfare of the Owners of the Lots.

4. Additional Easement Rights. The Association shall have the right to enter upon the Common Areas and the Easement Areas and, to the extent required, to enter upon each Lot and any portion thereof for the purpose of (a) installing, maintaining, repairing or replacing sanitary or storm sewer lines, water lines and such other utilities as may be located under or cross under any such Lot or Lots; (b) repairing, maintaining or replacing the Common Areas and the Easement Areas or any improvements or structures located on the Common Areas or Easement Areas; (c) repairing, maintaining or landscaping that portion of each Lot for which the Association has been given or may assume that responsibility or obligation; and (d) for those purposes an easement is hereby reserved in favor of the Association.

ARTICLE V

ASSESSMENTS

1. Creation of Lien and Personal Obligation. Each Owner of a Lot covenants and agrees to pay to the Association annual and special assessments or charges provided by this Declaration. All such assessments and other charges shall, from the time they become due and payable, be a charge against and continuing lien upon the Lot in favor of the Association and for the benefit of all Lot Owners. Each assessment or charge shall also be the personal obligation of the Lot Owner. No Lot Owner may waive or otherwise escape liability for such assessments for non-use of the Common Areas or abandonment of the Lot.

Each Lot Owner shall be liable for each assessment coming due while he is a Lot Owner, and any subsequent Owner of the Lot shall be jointly and severally liable for any assessment or portion thereof as may be due and payable at the time of conveyance to the subsequent Owner. The rights of any subsequent Owner to recover from the prior Owner any amounts due by the prior Owner and paid by the subsequent Owner shall not be prejudiced.

To the extent provided in the Act, in the event that the holder of a mortgage of record or other person acquires title to any Lot as a result of foreclosure of a first priority or secondary purchase money mortgage (provided that neither the grantee nor any successor grantee on any such secondary money mortgage was the seller of the Lot), such purchaser at the foreclosure sale or such mortgagee, as the case may be, his or its successors, successors in title and assigns, shall not be liable for, nor shall such Lot be subject to a lien for any assessment or charge otherwise chargeable to such Lot on account of any period prior to such acquisition of title. The unpaid share of an assessment or assessments that were due prior to the foreclosure under the above described circumstances shall be deemed to be common expenses collectible from the Owners of all Lots, including the Lot acquired at the foreclosure sale.

2. Annual Maintenance Assessments. Except as otherwise provided herein, each Lot is hereby allocated equal liability for common expenses, and the amount of all common expenses not specially assessed pursuant to the provisions of this Declaration, less the amount of all undistributed and unreserved common profits, shall be assessed against the Lots in equal proportion. The annual assessment payable by the Lot Owners shall be levied by the Board of Directors. During the year commencing with the first day of the month of the effective date of this Declaration, the annual assessment applicable to each Lot shall be as set forth in the budget for the Association delivered to

each purchaser of a Lot. Not later than thirty (30) days before the Association's annual meeting and not later than the end of the fiscal year of the Association, the Board of Directors of the Association shall prepare an estimated budget of the common expenses for the ensuing fiscal year. The Board shall submit the budget in writing to the Members, as provided in the Bylaws, together with notice of the amount of the annual assessment based on such budget payable by each Lot Owner during the new fiscal year. If for any reason an annual budget is not made as required hereby, a payment in the amount required by the last prior annual assessment shall be due and payable in the manner set forth in the prior budget until changed by a new assessment. The annual budget submitted by the Board shall become effective unless disapproved by a vote of the majority of the total Association membership.

If the estimated budget proves inadequate for any reason, then the Board of Directors may, at any time, levy a further assessment against the Lot Owners and notify the Owners accordingly. Except for special assessments which may be levied under Section 3 of this Article V, no special assessment levied by the Board made necessary by an inadequate budget, which exceeds \$200.00 per Lot in any fiscal year, shall go into effect unless approved by a majority vote of the Lot Owners, present at a special meeting called for this purpose.

Common expenses shall include, but not limited to, the following:

- (a) The cost of all operating expenses of the Common Areas and Easement Areas, and the services furnished to or in connection with those areas, including charges by the Association for any services furnished by it;
- (b) The cost of management and administration of the Common Areas and the Easement Areas, including fees to any Management Agent;
- (c) The amount of all taxes and assessments levied against the Common Areas;
- (d) The cost of hazard and liability insurance on the Common Areas and Easement Areas and the cost of such other insurance coverage as the Board of Directors determines to be in the interests of the Association and the Lot Owners;
- (e) The cost of utilities and other services which may be provided by the Association or for which the Association shall be responsible to maintain or repair for the Common Areas, and the maintenance, replacement or repair of such utilities;
- (f) The cost of maintaining, replacing, repairing and landscaping the Common Areas, entrance features and monuments, fences, irrigation systems, security systems, lighting, landscaping, pathways, or walkways upon the Common Areas and providing access to the Common Areas;
- (g) The cost of funding all reserves, including insurance deductibles, established by the Association, including, when appropriate, a general operating reserve and a reserve for replacements;

(h) The expenses of administration of the Association, including management, legal, and accounting fees;

(i) Charges for any utilities or services provided to the Lots and not separately metered; and

(j) Such other charges as may be determined from time to time by the Board of Directors to be common expenses, including, without limitation, taxes and governmental charges not separately assessed against each Lot.

Each Lot Owner shall be obligated to pay such assessments to the Association in such reasonable manner as the Board of Directors shall designate. In any year in which there is an excess of assessments or other income, the Board of Directors, by resolution and without the necessity of a vote of the Lot Owners, shall determine either to apply such excess or any portion thereof against and reduce the subsequent year's assessment, or to allocate the same to one or more reserve accounts of the Association described herein. In the event that the Association acquires title to any Lot, the Association shall be exempt from all assessments during the period of its ownership thereof.

3. Special Assessments. In addition to the regular maintenance assessments authorized by this Article, the Association may levy in any fiscal year a special assessment or assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction or repair or replacement of any improvement located upon or forming a part of the Common Areas. This may include the necessary fixtures and personal property relating thereto, or for such other purposes as the Board of Directors may consider appropriate; provided that any such assessment shall have the assent of a majority of the Members eligible to vote, in person or by proxy, or as allowed without a meeting as set forth in the Bylaw at Article IV, Section 10.

Any common expenses occasioned by the conduct of any Lot Owner or any family member, tenant, guest, licensee, or invitee of any Owner shall be specially assessed against such Owner's Lot or Lots. Any common expenses of the Association benefiting less than all of the Lots or significantly disproportionately benefiting all of the Lots shall be assessed equitably among the Lots so benefited; provided, however, nothing in this Section shall permit the Association to specially or disproportionately allocate common expenses for periodic maintenance, repair and replacement of any portion of the Common Areas or other portions of the Property which the Association has the obligation to maintain, repair or replace. Any expense relating to an optional service provided by or through the Association may be specially assessed against those Lots utilizing such service. The special assessments provided for in this Section shall be levied by the Board of Directors, and the amount and due date(s) of such special assessments so levied shall be as specified by the Board.

4. Reserves for Replacements. The Association shall establish and maintain a reserve fund for the purpose of effecting the replacement of improvements on the Common Areas, or major repairs or replacements necessary to any sidewalks, or areas developed as part of the Property or providing access to the Property, equipment replacement, insurance deductibles, and for start-up expenses and operating contingencies of a non-recurring nature relating to the Common Areas. The Association may establish such other reserves for such other purposes as the Board may from time to time consider necessary or

appropriate. Such fund(s) shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the State of Georgia or by any agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The proportional interest of any Owner in any such reserves shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

5. Non-Payment of Assessments; Remedies of Association. If any assessment, or portion thereof, is not paid within thirty (30) days after the due date, then a late charge, not in excess of the greater of Ten Dollars (\$10.00) or ten percent (10%) of the amount of each delinquent assessment shall be applied to the assessment. Any applicable lien shall include the assessment, late charges and interest described herein, and shall be due and payable to the Association. The lien for assessments shall also include interest at a rate of ten percent (10%) per annum (or such higher amount as may be permitted by the Act from time to time) on any assessment, installment, delinquency or late charge from the date such sum was first due and payable. The lien for assessments shall further secure costs of collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the Lot, and reasonable attorneys' fees actually incurred. The lien for assessments shall also include the fair rental value of the Lot from the time of the institution of suit until the sale of the Lot at foreclosure or until the judgment rendered in such suit is otherwise satisfied.

If any delinquent assessment or portion thereof is not paid within ten (10) days after written notice is given to the Lot Owner to make such payment, foreclosure proceedings may be instituted to enforce such lien. Such notice shall be sent by certified mail, return receipt requested, to the Lot Owner both at the address of the Lot and at any other address or addresses the Lot Owner may have designated to the Association in writing, specifying the amount of the assessments then due and payable, together with authorized late charges and interest accrued thereon. All actions for the collection of such assessments by suit, judgment and foreclosure of the aforesaid lien shall be brought in the same manner as other liens for the improvement of real property.

The Board of Directors, acting on behalf of the Association, shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, encumber and convey the same. The lien for assessments shall lapse and be of no further effect as to assessments or installments thereof, together with late charges and interest applicable thereto, first becoming due and payable more than four (4) years prior to the date upon which the notice contemplated herein is given or more than four (4) years prior to the institution of suit therefor, if suit is not instituted within ninety (90) days after the giving of such notice. The Board of Directors of the Association may suspend the voting rights of a Lot Owner and the rights of the Lot Owner to use certain of the Common Areas during the period in which any assessment or portion thereof remains unpaid and after at least ten (10) days' notice is given to the Lot Owner in the manner aforesaid.

6. Evidence of Payment. Any Lot Owner, mortgagee of a Lot, person having executed a contract for the purchase of a Lot, or lender considering the loan of funds to be secured by a Lot shall be entitled upon request to a statement from the Association or its management agent setting forth the amount of assessments past due and unpaid (with late charges and interest applicable thereto) against

that Lot. Such request shall be in writing, delivered to the registered office of the Association, and shall state an address to which the statement is to be directed. Failure on the part of the Association to mail to the address specified in such request or otherwise furnish such a statement within five (5) business days from the receipt of such request shall cause the lien against the specified Lot for assessments which are, as of the expiration of such five day period, due and payable to be extinguished and of no further force or effect as to the title or interest acquired by the purchaser or lender, as the case may be, and successors and assigns, in the transaction contemplated in connection with such request. The information specified in such statement shall be binding upon the Association and every Lot Owner. Payment of a fee of Ten Dollars (\$10.00), which shall accompany such request, shall be required as a prerequisite to the issuance of such a statement.

7. Priority of Lien. The lien created by this Article shall be prior and superior to all other liens except only (a) the lien for ad valorem taxes on the Lot, (b) the lien of any first priority mortgage, (c) the lien of any secondary purchase money mortgage to which the Lot is subject, provided that neither the grantee nor any successor grantee on the mortgage is the seller of the Lot, and (d) the lien of any mortgage recorded prior to the recording of this Declaration.

8. Exempt Property. No portion of the Common Areas shall be subject to assessment of any kind by the Association.

ARTICLE VI

ADMINISTRATION

1. Administration of the Association. Subject to the provisions hereinafter set forth in this Article, the administration of the Association, the maintenance, repair, renovation, replacement and operation of the Common Areas, and other duties imposed upon the Association by the Governing Documents shall be the responsibility of the Association, and the exercise of the powers and duties of the Association shall be in accordance with the Governing Documents.

2. Duties and Powers. The duties and powers of the Association shall be those set forth in the Governing Documents, together with those reasonably implied to effect the purposes of the Association. Except to the extent otherwise required by the Governing Documents, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through its officers, without any further consent or action on the part of the Lot Owners. Subject to and in accordance with the provisions and limitations set forth in the Bylaws of the Association, each Director and each Officer of the Association shall be entitled to be indemnified by the Association in connection with any threatened, pending or completed action, suit or proceeding with respect to which such person was or is a party by reason of the fact that such person is or was a Director or Officer of the Association. In addition to all other powers set forth in the Governing Documents and in the Act, the Board of Directors shall have the power to:

(a) designate, hire and dismiss the personnel necessary for the operation of the Association and the maintenance, repair and replacement of the Common Areas, Association property and the area of common responsibility, and, where appropriate, provide for the compensation of such

personnel, and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(b) borrow money for the purpose of performing maintenance, repair, restoration or improvement of the Common Areas and for other purposes, with approval of a majority of the members of the Association;

(c) grant permits, licenses, utility easements, and other easements over, through and under the Common Areas without a vote of the Owners; and

(d) acquire, hold and dispose of tangible and intangible personal property and real property.

3. Property. All funds received and title of all properties acquired by the Association and the proceeds thereof, after deducting the costs incurred by the Association in acquiring the same, shall be held for the benefit of the Lot Owners as herein provided and for the purposes herein stated. The shares of the Lot Owners in the funds and assets of the Association cannot be individually assigned, hypothecated or transferred in any manner except as an appurtenance to a Lot.

4. Rules and Regulations. Reasonable regulations, rules and requirements concerning the use of the Lots, appurtenances thereto, and the Common Areas may be made and amended from time to time by the Board of Directors of the Association. The Association shall provide copies of such regulations, rules and requirements and amendments to all Lot Owners. Such regulations, rules and requirements shall be binding upon and shall be complied with by the Lot Owners, their families, tenants, guests, invitees and agents, until and unless any such regulation, rule or requirement is specifically overruled and canceled in a regular or special meeting by the vote of Lot Owners present or by proxy, holding a majority of the total votes in the Association. Failure to abide by any such regulation, rule or requirement shall be grounds for an action by the Association and any aggrieved Lot Owner to recover damages or obtain injunctive and equitable relief or both and shall entitle the Association to assess fines as permitted by the Act and to any other remedies provided by the Act or this Declaration.

5. Management Agent. The Board of Directors may employ, on behalf of the Association, a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing, including, without limitation:

(a) To establish (with the approval of the Board) and provide for the collection of the annual maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with law and the provisions of this Declaration;

(b) To provide for the care, upkeep, maintenance and surveillance of the Common Areas;

(c) To designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Common Areas;

(d) To promulgate (with the approval of the Board of Directors) and enforce such rules and regulations and such restrictions or requirements, or the like as may be deemed proper respecting the use of the Common Areas; and

(e) To provide such other services (including accounting services) for the Association as may be consistent with law and the provisions of this Declaration.

Any management agreement entered into by the Association shall provide, *inter alia*, that such agreement may be terminated with or without cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any management agreement may be renewable by mutual agreement of the parties for successive one-year periods.

6. Limitation of Liability. The Association shall not be liable for the failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to individuals or property or Lots caused by the elements or resulting from water which may leak or flow from any portion of the Common Areas, or from any pipe, drain, conduit or the like. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, for articles that may be stored or left upon the Common Areas. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE VII

ARCHITECTURAL REVIEW AND USE RESTRICTIONS

To assure a community of congenial Owners and thus protect the value of the Lots, the Property, including all improvements, shall be subject to the restrictions set forth in this Article VII and in the published rules, regulations and standards of the Association. Each Owner of a Lot shall be responsible for ensuring that the Owner's family, guests, tenants, and occupants comply with all provisions of the Governing Documents and the rules, regulations and standards of the Association. In addition to any rights the Association may have against the Owner's family, guests, tenants, or occupants, as a result of such person's violation of the Governing Documents or the rules, regulations, or standards the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or occupants.

1. Architectural Control Committee. The Board of Directors shall appoint an Architectural Control Committee (the "ACC" or "Committee"), comprised of three (3) or more natural individuals designated from time to time by the Board of Directors. The ACC is hereby authorized to promulgate,

with the approval of the Board of Directors, from time to time, written architectural standards, policies, and guidelines (hereinafter, the "Design Standards") governing the construction, location, landscaping, and design of improvements on the Lots as it may consider necessary or appropriate, the contents and submission of plans and specifications, and other information required to evidence compliance with and obtain approval pursuant to Article VII, Section 2 hereof. Any Design Standards published by the ACC and approved by the Board shall be binding and enforceable on all Owners with respect to all improvements in the Property requiring the approval of the ACC. No such rules, regulations, statements, criteria, standards or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of this Declaration. The affirmative vote of a majority of the members of the ACC and the Board shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article. The ACC, with the approval of the Board, is authorized to retain the services of professionals in the field in order to advise and assist the ACC in performing its functions set forth herein.

2. Architectural Approval. To preserve the architectural and aesthetic appearance of the Property, no construction of any nature whatsoever shall be commenced or maintained by any Owner that affects the exterior appearance of any dwelling located on any Lot, or with respect to any other portion of the Property, including, without limitation, the construction or installation of sidewalks, driveways, parking lots, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, walls, fences, exterior lights, sculpture or yard art, home additions, garages, porch or patio enclosures, or other outbuildings, be constructed or installed without written approval of the ACC. Moreover, no exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface) without written approval of the ACC.

Such changes cannot be made until two (2) copies of the plans and specifications and related data (including, if required by the ACC, a survey showing the location of all property lines, buildings, structures, fences, trees of six (6) or more inches in diameter at a height of four (4) or more feet, and other significant vegetation on such Lot) showing the nature, color, type, shape, height, materials, and location of same and such other information as reasonably required by the ACC are submitted to and approved in writing by the ACC as to the compliance of such plans and specifications with this Declaration and such Design Standards as may be published by the ACC and approved by the Board of Directors, including the harmony of external design, location and appearance in relation to surrounding structures and topography.

One copy of such plans, specifications and related data so submitted shall be retained in the records of the Association, and the other copy shall be returned to the Owner marked "approved," "approved as noted," or "disapproved." The ACC may establish and charge a fee to cover the expense of reviewing plans and related data and to compensate any professional advisors retained in accordance with this Article. A Lot Owner may make interior improvements and alterations within his dwelling that do not affect the exterior appearance without the necessity of approval or review by the ACC. Upon approval of plans and specifications, no further approval under this Article VII shall be required with respect thereto unless required by Section 3 below or unless such plans and specifications are materially altered or changed. Refusal of approval of plans and specifications may be based by the ACC upon any

ground which is consistent with the objects and purposes of this Declaration, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

The decision of the ACC shall be final except that any Member who is aggrieved by an action or forbearance from action by the ACC (or by any policy, standards or guidelines established by the ACC) may within thirty (30) days from the date of such decision, action or forbearance from action, appeal the decision of the ACC to the Board of Directors. Upon such request, the Member shall be entitled to a hearing before the Board of Directors. The decision of the Board of Directors shall be final. The ACC, the Board of Directors, and representatives of the ACC or Board shall have the right during reasonable hours to enter upon and inspect any Lot or improvements in connection with the approval process or after the construction or alteration is underway to determine whether or not the plans and specifications therefor have been approved and are in compliance. In the event the ACC fails to approve or disapprove in writing any proposed plans and specifications within thirty (30) days after complete plans and specifications (and all other materials and information reasonably required by the ACC) have been submitted to the ACC, such plans and specifications will be deemed to have been expressly approved, provided the proposed improvements and alterations are generally in harmony with the scheme of the Property as set forth in this Declaration and the Design Standards.

Construction or alteration of any building shall not commence on any Lot in Peppermill until after plans for such construction have been approved by the ACC in writing. These plans shall show in detail the foundation, floor plan, all elevations, all exterior building material, and a plat plan showing location of residence, garage, patio, gas line stub out, and driveway with dimensions. In the event that approval or disapproval has not been given within thirty (30) days from the time of plan submission, this restriction will be deemed to have been received compliance.

3. Commencement. Construction or alterations in accordance with plans and specifications approved by the ACC pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the ACC (whether by affirmative approval or by forbearance from action as specified in Article VII, Section 2, above) and shall be substantially completed within twelve (12) months following the date of commencement, or within such other period as specified or approved by the ACC. In the event construction or alteration is not commenced within the period aforesaid, then approval of the plans and specifications by the ACC shall be conclusively deemed to have lapsed, and compliance with the provisions of this Article shall again be required. There shall be no deviation from the plans and specifications approved by the ACC without prior consent in writing from the ACC. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the ACC to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

In no event shall the approval of plans and specifications or the promulgation of Design Standards be construed as representing or guaranteeing that any construction, alteration or modification was constructed or installed in accordance with applicable state, county or municipal zoning, building codes or building restrictions or that such construction or alteration shall be completed in a good and workmanlike manner or be suitable for any particular purpose. Neither the Association nor the ACC shall be responsible or liable for any defects in any plans or specifications submitted, revised or

approved pursuant to the terms of this Article, any loss or damages to any person arising out of the approval or disapproval of any plans and specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances, codes or regulations, nor defects in construction undertaken pursuant to such plans and specifications.

4. Certificate of Compliance. Upon completion of any construction or alteration or other improvement to a Lot in accordance with plans and specifications approved by the ACC, the ACC shall, at the request of the Owner of such Lot, issue a certificate of compliance, which shall be prima facie evidence that such construction, alteration or other improvement referenced in such certificate has been approved by the ACC and constructed or installed in full compliance with the provisions of this Declaration.

5. Setbacks. No building shall be placed or maintained on any lot nearer to the street than the front or side street building setback lines shown on the recorded plat. No residences shall be placed or maintained nearer to any interior lot line than five (5) feet.

6. Garages. No garage shall be placed or maintained on any lot or building site near to a side or front street than the minimum building set-back line. No garage shall be placed or maintained on any side or rear easement. All garages shall have garage doors, with automatic openers, and garage doors are to remain closed except for ingress and egress.

7. Limitations. No building shall be erected, altered, placed, or permitted to remain on any lot, other than one detached single family dwelling, together with a garage with a capacity of at least two (2) cars.

8. Size of Residences. Residences may be one story, and shall not exceed two stories in height. The ground floor living area of the main structure of every residence, exclusive of porches, garages, or semi-finished storage rooms, shall not contain less than two thousand five hundred (2,500) square feet. There shall be no exposed concrete block, either painted or natural.

9. Structures. No trailer, tent, shack, garage, or barn erected in this subdivision shall at any time be used as a residence, temporarily or permanently. No structure of a temporary character shall be used as a residence, and no such residence shall be moved onto a residential lot. No structure of any nature, temporary or permanent, may be placed or built on any lot without permission of the ACC.

10. Exterior colors. Exterior colors must be approved by the ACC, and must remain as per original construction unless changes are approved by the ACC. Exact color samples must be submitted to the ACC with the approval request.

11. Landscaping. Changes in landscaping shall not be started until a plan has been approved by the ACC.

12. Use of Lots. Each Lot shall be restricted exclusively to single-family residential use, and no trade or business of any kind may be conducted in or from a Lot or any part of the Property. An

Owner or Occupant residing in a Lot may maintain a home office and/or conduct ancillary business activities within the Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside of the Lot, except for such signage as allowed under Article VII, Section 17; (b) the business activity does not involve visitation of the Lot by employees, clients, customers, suppliers or other business invitees in a greater volume than would normally be expected for guest visitation to a residential Lot without business activity; (c) the business activity conforms to all zoning requirements for the Property; (d) the business activity does not increase traffic in the Property in excess of what would normally be expected for residential Lots in the Property without business activity; (e) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; (f) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as determined in the Board's sole discretion; and (g) the business activity does not result in a materially greater use of Common Areas, Association services, or street parking.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) the activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the use of a Lot by an on-site management agent operating on behalf of the Association shall not be considered a trade or business within the meaning of this subparagraph.

If an Owner of a Lot is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board of Directors the name(s) of the person(s) who are authorized to occupy the Lot. The designated person(s) to occupy the Lot may not be changed more frequently than once every six (6) months.

13. Prohibited Activities. No noxious or offensive trade or activity shall be carried on at or within any Lot, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or other Owners. Each Lot Owner, his family, visitors, invitees, guests, servants and agents shall refrain from any act or use of his Lot or the Common Areas which could reasonably endanger the health or safety or cause embarrassment, discomfort, annoyance or nuisance to the Occupants of the Lots, or which could result in the cancellation or insurance on any portion of the Common Areas, or which would be in violation of any law or governmental code or regulation. 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 on any portion of the Property. Further, nothing herein shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

14. Maintenance: (a) Responsibilities of Owner. Each Owner shall be responsible for maintaining his Lot in a neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all dwellings, buildings and other structures, and all

lawns, trees, shrubs, hedges, grass, and other landscaping, including but not limited to the seeding, watering, mulching and mowing of all lawns and flower beds. Lot Owners shall be responsible for pruning and trimming of all trees, hedges, shrubbery on their own Lots, so that the same do not obstruct the view of street traffic for motorists or pedestrians. Dead, diseased, or damaged trees that might create a hazard to property or persons shall be promptly removed or repaired. Trash shall not be burned. As provided in Article VII, Section 14(c) hereof, each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining or cleaning any item which is the responsibility of such Owner but which responsibility such Owner has failed to or refused to discharge.

(b) Responsibility of Association. Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which responsibility shall include the maintenance, repair, and replacement of (a) all walks, landscaped areas, and other improvements made by the Association situated within the Common Areas or within easements encumbering Lots, pursuant to this Declaration; (b) such security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of the Common Areas and which are not maintained by a public authority, public service district, public or private utility, or other person; and (c) all lawns, trees, shrubs, hedges, grass and other landscaping and all ponds, walls, fences, and lighting fixtures situated within or upon the Common Areas.

The Association shall not be liable for injury or damage to any person or property (1) caused by the elements or by any Owner or any other person, (2) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (3) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of the Common Areas or any other portion of the Property. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration or for inconvenience or discomfort arising from the making of improvements or repairs 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 such assessments being a separate and independent covenant on the part of each Owner.

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

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

or repair within ten (10) days. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, then, the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Lot, and shall be collected as provided herein for the collection of assessments.

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

15. Trash, Garbage and Recycling Containers. Trash, garbage and recycling containers for garbage and other refuse shall be kept underground, situated in the garage, or in sanitary, out-of-sight enclosures that shall be: (1) constructed of materials which are of a like kind to the materials used in construction of the residence on such lot; or (2) constructed with fencing approved by the ACC; or (3) screened by shrubbery and appropriate landscaping. Moreover, garbage, trash and other refuse shall be placed in covered containers specially designed for such purpose, and such containers shall not be permitted to remain in public view except on the days of trash and recycling collection. No incinerators for garbage, trash, or other refuse shall be used.

16. Recreational and Motor Vehicles Parking: No boats, campers, trailers of any kind, commercial vehicles, or vehicles with commercial writings on their exteriors, or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Lot and except for such equipment and machinery as the Association may reasonably require in connection with the maintenance and operation of the Common Areas) shall be parked, kept, placed, stored, maintained or operated upon any portion of the Property. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Property during normal business hours for the purpose of serving any Lot or the Common Areas, but no such vehicle shall remain on the Property overnight or for any purpose except serving a Lot or the Common Areas without the written consent of the Board of Directors except for bona fide emergency situations.

Any such items that are owned by residents must be parked in the garage or basement. In amplification of provisions elsewhere set forth in this Declaration, the Board of Directors shall have the power and authority to establish reasonable rules and regulations governing the parking of vehicles on the Property. All residents, overnight guests, and employees of residents must park their vehicles in the resident's driveway or garage. Street parking is allowed only for short periods of time, such as for parties, deliveries, household maintenance, or lawn care services. Further, vehicles shall never be parked on any lawn or sidewalk. Abandoned, disabled, and stored vehicles shall not be parked on the Property, except within an enclosed garage on any Lot. For purposes of this Section, "abandoned vehicle" shall mean a vehicle that is both (a) obviously inoperable or does not have a current operating license and (b) remains parked for more than fourteen (14) days. "Stored vehicle" shall mean any

vehicle other than an abandoned vehicle which remains parked in the same spot for more than fourteen (14) days or which is put on blocks or covered with a tarpaulin and remains on blocks or covered overnight.

17. Signs. (a) No signs or advertising posters of any kind shall, without the ACC's prior approval, be installed or maintained on any Lot or on any portion of a structure visible from the exterior thereof, except:

(i) Entrance signs, directional signs for vehicular or pedestrian control or safety, and such other promotional signs as may be maintained by the Association;

(ii) Those signs required by legal proceedings;

(iii) Such signs as may be required by Cobb County; and

(iv) Not more than one "For Sale" or "For Rent" sign, such sign having a maximum face area of one (1) by two (2) square feet. Further, the use of any temporary "For Sale" or similar real estate sign shall be removed promptly following the sale of such Lot.

(b) In no event during construction or repair shall more than one (1) job identification sign be used, including such signs as termite, bank, lumber, or other sign advertising products used.

18. Fences. No fence or wall of any kind shall be erected, maintained, or altered on any lot without the prior written approval of the ACC of plans and specifications for such fences and walls. The exterior of the fence facing the street and all neighbors must be the finished side. An example photograph of the finished structure must be provided with the approval request. Chain link and other wire fencing is specifically prohibited.

19. Mailboxes. All mailboxes shall be maintained in good condition and repair, and if replacement is necessary, it shall be replaced with a mailbox of the same style, design and color in a manner to duplicate the original. If such style or design is no longer available, the mailbox shall be replaced by one that most closely resembles the present style, design and color.

20. Roads and driveways. No road or driveway shall be constructed or altered on any lot without prior written approval of plans and specifications for such roads and driveways from the ACC.

21. Antennas & Satellite Dishes. No exterior antenna, receiving dish or similar apparatus of any kind for the transmission or reception of television signals, radio signals, or any form of electromagnetic radiation shall be erected, used, or maintained outdoors on any portion of the Property, whether attached to a building or structure or otherwise unless approved in accordance with the provisions of Article VII, Section 2 hereof; provided, however, that no such approval shall be necessary to install (a) antennas designed to receive direct broadcast satellite services, including direct-to-home satellite services, that are one (1) meter or less in diameter or diagonal measurement; (b) antennas

designed to receive video programming services via multi-point distribution services that are one (1) meter or less in diameter or diagonal measurement; or (c) antennas that are designed and intended to receive television broadcast signals via multi-point distribution services that are one (1) meter or less in diameter or diagonal measurement; and, provided further, that the Association may adopt such additional rules and regulations that are consistent with state and federal law concerning the installation of satellite dishes on the Property.

22. Temporary Structures & Outbuilding. No structure of a temporary character, including but not limited to clotheslines or dryers shall be placed on any lot at any time, except as approved in writing by the ACC or the Board of Directors

23. Pets. No animals, including birds, and reptiles, may be kept on any lot unless kept thereon solely as household pets and not for commercial purposes, including breeding. 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 been approved by the ACC. No animal shall be allowed to become a nuisance, including, but not exclusive to, making an unreasonable amount of noise, such as barking. All dogs shall be on a leash and under the physical control of a responsible person at all times while outside the boundaries of the Lot where the animal resides. Feces left by any household pet on any portion of the Property other than the Lot where the animal resides, must be removed by the owner of the pet or the person responsible for the pet. Pets shall be registered, licensed and inoculated as may be required by law.

The Board of Directors shall have the authority to prohibit potbellied pigs, snakes, pit bulldogs, rottweillers, doberman pinchers, or other animals determined in the Board's sole discretion to be dangerous or destructive to property. Upon the written request of any Lot Owner or Occupant, the Board of Directors shall conclusively determine whether, in its sole and absolute discretion, for the purposes of this Section, a particular animal and its keeping is in conformity with the foregoing requirements, including determining whether such animal, bird or reptile is a generally recognized house pet, a danger, or a nuisance. The Board may require that any pet which, in the Board's opinion, endangers the health of any Owner or Occupant or creates a nuisance or unreasonable disturbance to be permanently removed from the Property upon seven (7) days' written notice. Any pet which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any Owner or Occupant may be removed by the Board without prior written notice to the pet's owner. Any Owner or Occupant who keeps or maintains any pet upon the Property shall be deemed to have agreed to indemnify and hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. The Board of Directors shall have the authority to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.

24. Recreational equipment. Recreational and playground equipment may be placed or installed only upon the rear of a resident's lot, except basketball goals, backboards, and poles, provided that they are maintained. All bicycles, tricycles, or any form of recreational equipment should not be left out overnight on the front of any property.

25. Governmental Regulations. All governmental building codes, health regulations, zoning restrictions, and the like applicable to the Property shall be observed. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

26. Nondiscrimination. No owner or person authorized to act for an owner shall refuse to sell or rent after receiving a bonafide offer, or refuse to negotiate for the sale or rental, or otherwise make unavailable or deny the purchase of any lot to any persons because of race, creed, color, religion, sex, or national origin, familial status or handicap.

27. Enforcement. Any construction, alteration or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request for the Board or the ACC, Owners shall, at their own cost and expense, remove such construction, alteration or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorneys' fees, may be assessed against the benefited Lot and collected as an assessment pursuant to the Act. In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Article. Any exterior change, alteration or construction (including landscaping) upon the Common Areas and Easement Areas made by an Owner in violation of this Declaration shall be at such Owner's sole risk and expense. The Board may require that the Owner remove the change, alteration or construction and restore the Common Areas or Easement Areas to its original condition, or it may require that the change, alteration or construction remain on the Common Areas or Easement Areas without reimbursement to the Owner for any expense incurred in making the change, alteration or construction.

ARTICLE VIII

INSURANCE

1. Common Areas and Easement Area Insurance.

(a) The Board shall have the authority to and shall obtain and keep in effect adequate property insurance, in such form as the Board of Directors deems appropriate, insuring all Common Areas against loss or damage by fire or other such hazards deemed appropriate by the Board, including, without limitation, extended coverage and vandalism and malicious mischief, and coverage usually provided by the standard "all risk" endorsement. Such insurance coverage shall be in an amount sufficient to cover the full replacement cost (without depreciation) of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) The Board of Directors shall conduct, at least once every two (2) years, an insurance review which shall include a replacement cost appraisal, without respect to depreciation, of all insured Common Areas.

(c) All Property insurance policies obtained by the Board may contain reasonable deductibles, and the amounts thereof shall be added to the face amounts of such policies in determining whether the insurance coverage equals at least the full replacement cost of such insured improvements.

Unless a higher maximum amount is required by State law, the maximum deductible for any policy or policies covering the Common Areas shall not exceed the lesser of \$10,000 or one percent (1%) of the face amount of such policy or policies, and the maximum deductible amount for each policy or policies covering any portions of the Lots insurable by the Association shall not exceed the lesser of \$1,000 or one percent (1%) of the replacement cost of such Lot or Lots.

(d) All such insurance coverage obtained by the Board on Common Areas shall be written in the name of the Association and costs of all such coverage shall be a common expense of the Association and subject to the provisions of Article 5, Section 2 of this Declaration. Exclusive authority to adjust losses under policies obtained by the Board and hereafter in force with respect to the Lots shall be vested in the Board. Insofar as permitted by law, the Association shall be required to make a good faith effort to secure insurance policies with the provisions hereinafter set forth:

(i) All policies shall be written with a company licensed to do business in the State of Georgia and holding a rating of A-XI or better in the financial category as established by Best's Insurance Reports, if such a company is available, and if not available, its equivalent rating or the best rating possible.

(ii) All property insurance policies shall be for the benefit of the Association.

(iii) All property insurance policies shall contain a waiver by the insurer of its right to repair and reconstruct instead of paying cash.

(iv) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by Owners or their Mortgagees.

(v) All policies shall contain a provision that no policy may be cancelled, invalidated, or suspended on account of the conduct of one or more of the individual Owners, or their respective families, tenants, agents, and guests or on account of the acts of any director, officer, employee, or agent of the Association or of its management agent without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(vi) All policies shall contain "Agreed Amount and Inflation Guard Endorsement" and a "Construction Code Endorsement."

2. Owner's Insurance. It shall be the responsibility and obligation of each Owner to obtain insurance, at his own expense, affording public liability coverage and/or fire and other hazard property damage covering his Lot.

3. Assessments. If the damage or destruction to Common Areas for which the insurance proceeds are paid to the Association is to be repaired or reconstructed, and such proceeds together with the deductible amounts maintained on reserve are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment or assessments against all Lots to provide sufficient funds to pay such excess cost of repair or reconstruction. Additional assessments, as needed, may be made in like manner at any time during or following the completion of such repair or reconstruction.

4. Repair and Reconstruction. If the damage or destruction to the Common Areas is to be repaired or reconstructed, the funds for the payment of repair or reconstruction shall consist of the proceeds of insurance, reserves for deductible amounts and funds collected by the Association from assessments as provided herein and shall be disbursed in payment of such costs in the discretion of the Board of Directors.

ARTICLE IX

LEASING

1. Leasing of Lots. In order to protect the equity of the individual Lot Owners, to carry out the purpose for which the development was formed by preserving the character of the development as a homogeneous residential community of owner-occupied homes and by preventing the development from assuming the character of a rental 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 Article. All 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 reasonable rules and regulations regarding leasing. The Board shall also have the authority to enforce these provisions in accordance with the Declaration and Bylaws, including assessing fines, in order to enforce the provisions of this Section. Except as provided herein, the leasing of Lots shall be prohibited.

(a) Definitions. "Leasing" shall mean the regular, exclusive occupancy of a Lot by any person(s) other than the Owner and the Owner's family, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. "Family member" is defined as set out in Section 11(a)(ii) as persons interrelated by blood, adoption, or marriage, and is deemed to encompass only children, grandchildren, grandparents, brothers, sisters, nieces, nephews, parents, aunts, uncles, and first cousins, and in-laws and step-relatives. For purposes hereof, the lease by a Lot Owner to a roommate while the Lot Owner continues to reside in the Lot shall not be considered in violation of this Article IX, Section 1.

(b) Leasing Restrictions. No Lot may be leased, except that a Lot may be leased by any Owner that is the owner of record as of the effective date of this Amendment until (i) the sale or

transfer of all of such Owner's ownership interest in the Lot or (ii) the Owner becomes an Occupant of the Lot.

(c) Undue Hardship. Notwithstanding the provisions of subsection (b) above, the Board of Directors shall have the authority, but shall not be obligated, to allow reasonable leasing of a Lot upon written application in accordance with this subsection (c) to avoid undue hardship, including, but not 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) where the Owner dies and the Lot is being administered by his or her estate; and (3) the Owner takes a leave of absence or 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 Board approval may lease their Lots for such duration as the Board reasonably determines is necessary to prevent undue hardship.

(d) Leasing Provisions. Leasing which is authorized hereunder shall be governed by the following provisions:

(i) General. Lots may be leased only in their entirety; no fraction or portion may be leased without prior written approval from the Board. All leases shall be in writing. There shall be no subleasing of Lots or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than one (1) year, except with written Board approval. No transient tenants may be accommodated therein. Within ten (10) days after executing a lease agreement for the lease of a Lot, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other persons authorized to occupy the Lot.

(ii) Compliance with Declaration, Bylaws and Rules and Regulations. The Lot Owner must make available to the tenant copies of the governing documents, including the Declaration, Bylaws and rules and regulations. Any lessee, by occupancy in a Lot, agrees to the applicability of this covenant and agrees to comply strictly with all provisions of the Declaration, Bylaws and rules and regulations adopted pursuant thereto, as any of the foregoing may be amended from time to time, and the lessee shall control the conduct of all other Occupants and guests of the leased Lot in order ensure compliance. The Owner shall cause all Occupants of their Lot to comply with the Declaration, Bylaws, and rules and regulations, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Lot are fully liable and may be sanctioned for such violation. If the lessee or other Occupant violates the Declaration, Bylaws or rules and regulations for which a fine is imposed, notice of the violation shall be given to both the Owner and the lessee, and such fine may be assessed against the lessee in accordance with this Declaration and the Bylaws. If the fine is not paid by the lessee within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Lot. Any lessee charged with a violation of the Declaration, Bylaws, or rules and regulations shall be entitled to the same rights to which an Owner is entitled as provided in the Bylaws.

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

(f) Applicability of this Article IX Section 1. This Article IX, Section 1 shall not apply to any lease entered into by a first priority mortgagee or secondary purchase money mortgage (provided that neither the grantee, nor any successor grantee on any such secondary purchase money mortgage, was the seller of the Lot) who becomes the Owner of a Lot at a judicial or foreclosure sale conducted with respect to the mortgage on such Lot or as transferee pursuant to any proceeding in lieu thereof, so long as the Lot is owned by such person, except that the occupancy of any Lot by any lessee of such person shall be otherwise subject to the provisions of this Declaration, the Bylaws, and the rules and regulations of the Association.

ARTICLE X

GENERAL

1. Amendment. This Declaration may be amended at any time and from time to time by the assent of Lot Owners having at least two-thirds (2/3) of the total eligible vote of the Association. In addition, this Declaration may be amended in such respects and in such manner as may be expressly permitted by the provisions of the Act and this Declaration. So long as the same shall not (a) adversely affect the title to any Lot, (b) change the percentage of undivided ownership interest in and to the Common Areas appurtenant to any Lot, (c) materially alter or change any Lot Owner's right to the use and enjoyment of his Lot or the Common Areas as set forth in this Declaration, or (d) otherwise make any material change in this Declaration, each Lot Owner agrees that, if requested to do so, such Lot Owner will consent to the amendment of this Declaration or the other Association instruments or the Bylaws or Articles of Incorporation of the Association if

(i) such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with, or remove any conflict or inconsistency with, the provisions of any applicable governmental statute, rule, regulation, or judicial determination which shall be in conflict therewith,

(ii) such amendment is required by the governmental statutes, laws, rules or regulations applicable to or promulgated by a governmental or quasi-governmental lender or purchaser of

mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot, or

(iii) any such amendment is necessary to enable any governmental agency to insure mortgage loans on the Lots based on the statutes, laws, rules or regulations applicable to or promulgated by such agency.

Except as expressly permitted or required by the Act and the provisions of this Declaration, any amendment to this Declaration which would change the undivided interest in the Common Areas, the number of votes in the Association, or the liability for common expenses appertaining to any Lot shall be approved in writing by all Lot Owners and all holders of all mortgages encumbering the Lots. Any provision in this Declaration which may be construed to the contrary notwithstanding, any amendment to this Declaration which would materially change, alter, modify or rescind any right, title, interest or privilege herein expressly granted to the holder of any mortgage affecting any of the Lots shall require the prior written approval of such holder. Amendments to this Declaration or the other Governing Documents may be proposed by the Board of Directors of the Association or by petition signed by Lot Owners having at least fifty percent (50%) of the total votes of the Association. Agreement of the required majority of Lot Owners to any amendment of the Governing Documents shall be evidenced by their execution of the amendment, or, in the alternative, the sworn statement of the President, any Vice President or Secretary of the Association, attached to or incorporated in an amendment executed by the Association, in which sworn statement it is stated unequivocally that agreement of the required majority of Lot Owners was otherwise lawfully obtained, and that all required notices were given.

Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself. The written consent of any mortgagee required with respect to such amendment shall also be recorded with such amendment. The approval of any amendments by a mortgagee shall be deemed implied and consented to if the mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after the mortgagee receives notice of the proposed amendment sent by certified or registered mail, return receipt requested.

2. Duration. The term of this Declaration shall be perpetual. In the event Georgia law does not permit the right of perpetual duration for any provisions of the Declaration, the term of this Declaration shall be twenty (20) years from the date on which the Declaration is filed for record in the Office of the Clerk of Superior Court of Cobb County, Georgia, unless sooner terminated. This Declaration shall remain in effect and shall inure to the benefit of and be enforceable by any owner of any Lot subject to this declaration, their respective legal representatives, heirs, successors and assigns. If perpetual duration is not permitted, upon the expiration of said twenty (20) year term, this Declaration shall be automatically extended, as permitted by the laws of the State of Georgia, for successive renewal periods of ten (10) years each, unless terminated as hereafter provided. This Declaration may be terminated, in whole or in part, if any agreement for termination is signed by two-thirds (2/3) of all members and approved by two-thirds (2/3) of any eligible first mortgage holders, as provided in Section 1 of this Article. The termination, shall be effective when filed for record in the Office aforesaid.

3. Construction and Interpretation. In all cases, the provisions set forth or provided in this Declaration shall be construed together and given the interpretation or construction which, in the opinion of the Board of Directors, will best implement the intent of the general plan of the Property. The provisions hereof shall be liberally interpreted, and if necessary, they shall be so extended or enlarged by implication as to make them fully effective. In the event of any conflicts or inconsistencies between the Act, the Georgia Nonprofit Corporation Code, this Declaration, and the Bylaws, the terms and provisions of the Act or the Georgia Nonprofit Corporation Code, as may be applicable, and this Declaration, in that order, shall prevail.

4. Enforcement. Each Lot Owner shall comply strictly with the covenants, conditions and restrictions set forth in this Declaration, the Bylaws and the rules and regulations of the Association now or hereafter adopted, as the same may be lawfully amended from time to time. In the event of a violation or breach, or threatened violation or breach, of any of the same, the Association or, in a proper case, any aggrieved Lot Owner or Owners, jointly and severally, shall have the right to proceed at law or in equity to compel compliance therewith or to prevent a threatened violation or breach thereof. In addition to all other remedies, the Association, or a duly authorized agent thereof, shall have the right to enter upon any portion of the Property where a violation exists, pursuant to Article VII, Section 14(c) and Article VII, Section 27, and, at the expense of the violating Lot Owner and using such force as may be reasonably necessary, summarily abate or remove any erection, thing or condition that may be or exist contrary to the intent and meaning of the provisions hereof or of the Bylaws, Design Standards or rules and regulations, if after ten (10) days' written notice of such violation, it shall not have been corrected by such Lot Owner; provided, however, that no further notice other than this Declaration shall be required prior to imposition of fines for violation of this Declaration or rules or standards adopted pursuant to Article IV, Section 1(c), Article VI, Section 4, Article VII and Article IX, Section 5, if notice of said rules and standards has been provided to the Lot Owner to be fined.

Neither the Association nor its agents shall be deemed guilty or liable for any manner of trespass for such entry, abatement or removal. Should the Association employ legal counsel to enforce any of the foregoing or any other rights or remedies of the Association, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the violating Lot Owner. Inasmuch as the enforcement of the provisions of this Declaration and the Bylaws and such rules and regulations is essential for the protection of present and future Lot Owners, it is hereby declared that, for any breach thereof which cannot be adequately compensated by recovery of damages, the Association or, in any proper case, any aggrieved Lot Owner or Owners, in addition to all other remedies, may require and shall be entitled to the remedy by injunction to restrain any such violation or breach or threatened violation or breach.

Further, and except as otherwise provided in this Declaration, in any case of flagrant or repeated violation by a Lot Owner, then, in addition to the foregoing remedies, the Association may suspend temporarily the voting rights of a Lot Owner, suspend temporarily the right of a Lot Owner to use certain of the Common Areas and/or levy summary charges against the Lot Owner for such violation, provided that no summary charges may be levied for more than \$25.00 for any one violation, but each day or time a violation is continued or repeated after written notice is given to the Lot Owner to cease and desist, it shall be considered a separate violation. Collection of summary charges may be enforced against a Lot Owner as if such charges were a common expense owed by the Lot Owner involved, and

such charges may be added to and thereupon shall become part of that portion of any assessment next coming due to which the Lot Owner is subject. No delay, failure or omission on the part of the Association or any aggrieved Lot Owner or Owners in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to do so thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, of the provisions and regulations, however long continued, or for the imposing of provisions which may be unenforceable.

5. Fining and Suspension Procedures. Except with respect to the failure of an Owner to pay assessments, the Board shall not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other Occupant of a Lot for violations of the Declaration, the Bylaws, or any rules, regulations or standards of the Association, unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist the alleged violation shall be served upon the Owner of the Lot responsible for such violation or where such violation exists specifying:

(i) The alleged violation;

(ii) The action required to abate the violation;

(iii) A time period of not less than ten (10) days from the date of such demand during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the Bylaws, the rules, regulations or standards of the Association may result in the imposition of sanctions without further notice;

(iv) The proposed sanction to be imposed; and

(v) A statement that the proposed sanction shall become effective automatically if the violation continues past the period allowed in the demand for abatement without penalty or if the same violation subsequently occurs.

(b) Notice of Sanction. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board may, upon notice, impose a fine or suspend voting rights or the rights to use the Common Areas. Any such fine or other sanction shall be effective or commence upon the sending of such notice or such later date as may be set forth in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge such fine under subsection (c) below. In the event of a continuing violation; each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. The notice shall state:

- (i) The nature of the alleged violation;
- (ii) The sanction imposed;
- (iii) That the alleged violator may, within ten (10) days from the date of the notice, request a hearing to contest the violation or the sanction imposed;
- (iv) That, if a hearing is requested, the alleged violator may produce statements, evidence, and witnesses on his behalf at the hearing; and
- (v) That all rights to challenge the alleged violation or the sanction or to have the sanction reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

(c) Hearing. If a request for a hearing is received from the violator within ten (10) days of the date of the violation notice provided above, then the Board shall schedule a hearing and send notice to the violator of the time, date and location of the hearing. The hearing shall be held before the Board in executive session, and the alleged violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time.

6. Sale of Lots. In the event any Owner sells or otherwise transfers any Lot, any deed purporting to implement such transfer shall contain a provision incorporating by reference this Declaration. In the event a deed fails to contain the provision as provided herein, this Declaration shall be incorporated into such deed by reference and all transfers shall be subject to the provisions contained herein.

A Lot Owner intending to make a transfer or sale of a Lot or any interest in a Lot shall give written notice to the Board of Directors of such intention within seven (7) business days after execution of the transfer or sales documents. The Lot Owner who sells his Lot shall furnish written notice to the Board: (i) the name and address of the intended grantee and (ii) such other information as the Board may reasonably require. This paragraph shall not be construed to create a right of first refusal in the Association or in any third party. Within seven (7) business days after receiving title to a Lot, the purchaser of the Lot shall give written notice to the Board of Directors of his or her ownership of the Lot. Upon failure of an Owner to give the required notice within the seven day time period provided herein, the Board may levy fines against the Lot and the Owner thereof and assess the Owner for all costs incurred by the Association in determining his or her identity.

7. Notices. Notices provided for in this Declaration or in the Articles of Incorporation or the Bylaws shall be in writing and shall be addressed to any Owner at the address of the Lot and to the Association at the address of their respective registered agent in the State of Georgia. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association, including an electronic address. Notices addressed as above shall be deemed delivered three (3) business days after mailing United States regular, Registered or Certified mail, postage prepaid, or upon

delivery when delivered in person, including delivery by Federal Express or other reputable courier service.

8. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Areas by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Areas.

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

10. Rights of Holders, Insurers and Guarantors of First Mortgages, Secondary Purchase Money Mortgages, and Secondary Mortgages Held by Institutional Lenders. In addition to the rights of mortgagees elsewhere provided, the holder, insurer and guarantor of each first mortgage, secondary purchase money mortgage, and secondary mortgage held by institutional lenders, or any insurer or guarantor of such mortgage, of a Lot shall be entitled, upon request, to (a) written notice from the Association of any default by a Lot Owner in the performance of his obligations under this Declaration or the Bylaws or rules and regulations of the Association which is not cured within sixty (60) days, (b) receive notice of and to designate a representative to attend and observe all meetings of Lot Owners, but not meetings of the Board of Directors of the Association, (c) copies of annual financial reports made to the Lot Owners, and (d) timely written notice of any action that requires the written consent of a specified percentage of mortgage holders; provided, however, that such holder, insurer or guarantor shall first file with the Association a written request that notices of default, notices of meetings and copies of financial reports be sent to a named agent or representative of the holder, insurer or guarantor at an address stated in such notice.

Further, each holder, insurer or guarantor which is an institutional lender (i.e., a bank, savings and loan association, insurance company, FHA-approved mortgage lender, pension fund, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, mortgage banker or other lender generally recognized in the community as an institutional lender) or a generally recognized commercial or governmental insurer or guarantor (including, without limitation, the U.S. Veterans Administration and the Federal Housing Administration) shall, upon request, be entitled to inspect the books and records of the Association during normal business hours, and may, at the sole expense of such holder, insurer or guarantor, have an audited statement of the Association's books and records prepared if one is not otherwise available. Each Owner of a Lot, by acceptance of a deed or other conveyance therefor, consents to such notifications and information to be provided to any such party by the Association. Any notice rights given in other provisions of this Declaration to Mortgagees are hereby granted to all insurers or guarantors of the mortgages held by said Mortgagees.

11. Eminent Domain. In the event that all or part of the Property shall be taken by any authority having the power of eminent domain, the allocation of the award of such condemnation and all

related matters, such as the reallocation of undivided interests in the Common Areas, liabilities for assessments and votes, shall be handled pursuant to and in accordance with the then applicable provisions of the Act. If there are no such provisions of the Act then in effect, the allocation of the award and related matters shall be handled pursuant to and in accordance with those provisions of the Act relating thereto in effect as of the date hereof. If any Lot or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any first mortgage on a Lot will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of this Declaration or of any other document establishing the Property will entitle the Owner of a Lot or other party to priority over such holder with respect to the distribution of the proceeds of any award or settlement relating to such Lot.

12. Rights of Third Parties. This Declaration shall be recorded pursuant to the provisions of the Act for the benefit of the Lot Owners and their mortgagees as herein provided, and no adjoining property owner or third party shall have any right, title or interest whatsoever in the Property or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and, subject to the rights of such mortgagees as herein provided, the Lot Owners shall have the right to cancel, extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission or approval of any adjoining owner or third party.

13. Suspension of Use of Common Areas or Services. The Association may suspend the rights of a Lot Owner to use the Common Areas as provided in this Declaration. No such suspension shall deny any Lot Owner or Occupants access to the Lot owned or occupied. Except as hereinafter set forth, no suspension shall cause any hazardous or unsanitary condition to exist. Any services provided to a Lot or Lot Owner by the Association that are paid for as a common expense may be terminated for failure to pay assessments and other amounts due to the Association pursuant to O.C.G.A. § 44-3-223 subject to the suspension standards and notice requirements imposed on the institutional providers providing such services to the Association. The Association shall not be required to restore any terminated services until the amounts owed to the Association are paid in full. All expenses for termination of any services pursuant to this Section shall become part of the lien and assessments due by and changeable to the Lot Owner.

14. Right of Action. Each Owner hereby acknowledges and agrees that the Association shall not be entitled to institute any legal action against anyone on behalf of any or all of the Lot Owners which is based on any alleged defect in any Lot or any damage allegedly sustained by any Lot Owner by reason thereof, but rather, that such actions shall be instituted by the Lot Owners owning such Lots or allegedly sustaining such damage.

15. Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Property. However, each Owner, for himself or herself and his or her tenants, guests, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security on the Property. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide such security shall lie solely with each Lot Owner. The Association shall not be liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of

safety measures undertaken.

16. Gender and Grammar. The singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

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

18. Author. This Restated Declaration was prepared by Randall M. Lipshutz and Jody L. Peskin, Lipshutz, Greenblatt & King, 2400 Harris Tower, Peachtree Center, 233 Peachtree Street, N.E., Atlanta, Georgia 30303.

IN WITNESS WHEREOF, the Association has executed this Restated Declaration under seal on the date first written above.

Signed, sealed and delivered in the presence of:

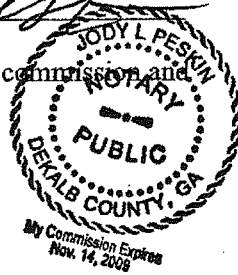
PEPPERMILL HOMEOWNERS ASSOCIATION, INC., a Georgia nonprofit corporation

[Signature]
Unofficial Witness

By: [Signature]
Robert Haley, President

[Signature]
Notary Public
[Affix date of expiration of commission and notarial seal]

Attest: [Signature]
Marty Bosworth, Secretary



[Corporate Seal]