

Declaration
For
Valhalla Townhomes

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Declaration
for
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Exhibit	Matter
A	Legal Description of Submitted Property
B	Legal Description of Additional Property
C	By-Laws of Valhalla Townhome Association, Inc.
D	Townhome Plat

STATE OF GEORGIA
COUNTY OF WHITE

DECLARATION
FOR
Valhalla Townhomes,

THIS DECLARATION is made by Valhalla Resort Hotel, Inc., a Georgia Corporation (hereinafter called the "Declarant").

WITNESSETH

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being in Land Lot 25 of the 3rd Land District of White County, Georgia, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, hereinafter called the "Property"; and

WHEREAS, certain improvements have been constructed on the Property as shown on the Plat and the Plans which are referenced in Section 5.01(a) and (b) hereof; and

WHEREAS, Declarant has duly incorporated Valhalla Townhomes Association, Inc. as a nonprofit membership corporation under the laws of the State of Georgia; copies of the Bylaws being attached hereto as Exhibit "C"; and

WHEREAS, the Declarant desires to submit the Property to ownership pursuant to the provisions of the Georgia Property Owners' Association Act, as the same is in effect on the date hereof (O.C.G.A. Section 44-3-220, et. Seq., as amended, hereinafter called the "Act"), the terms, conditions and provisions of which are incorporated herein by express reference, and the terms and conditions hereinafter set out.

NOW, THEREFORE, the Declarant does hereby make, declare and publish its intention and desire to submit, and does hereby submit, the Property subject to and in accordance with the provisions of the Act and the terms and conditions hereinafter set forth.

ARTICLE 1

Name

1.01 The name of the association shall be Valhalla Townhomes Association, Inc., and is hereby submitted by the Declarant to the Georgia Property Owners' Association Act, as the same is in effect on the date hereof (O.C.G.A. Section 44-3-220, et. Seq., as amended).

ARTICLE 2

Description of Submitted Property

2.01 The Property is located in White County, Georgia, in Land Lot 25 of the 3rd Land District, and is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

ARTICLE 3

Definitions

3.01 Generally, terms used in this Declaration, the By-Laws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the Georgia Nonprofit Corporation Code. Unless the context otherwise requires, certain terms used in this Declaration, the By-Laws and the Articles of Incorporation shall be defined as follows:

- (a) *Act* shall mean the Georgia Property Owners' Association Act, as the same is in effect on the date hereof (O.C.G.A. Section 44-3-220, et. Seq., as amended and as such may be amended from time to time).
- (b) *Architectural Control Committee* or *ACC* shall mean the committee established to exercise the architectural review powers set forth herein.
- (c) *Area of Common Responsibility* shall mean and refer to the Common Elements, together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any other person or entity become the responsibility of the Association.
- (d) *Articles* or *Articles of Incorporation* shall mean the Articles of Incorporation of Valhalla Townhomes Association, Inc., which have been filed with the Secretary of State of the State of Georgia.
- (e) *Association* shall mean Valhalla Townhomes Association, Inc., a Georgia nonprofit corporation, its successors or assigns.
- (f) *Board* or *Board of Directors* shall mean the body responsible for management and operation of the Association.
- (g) *Bylaws* shall mean the Bylaws of Valhalla Townhomes Association, Inc., attached to this Declaration as Exhibit "C" and incorporated herein by this reference.
- (h) *Common Elements* shall mean those portions of the property subject to this Declaration which are not included within the boundaries of a Unit, as more particularly described in this Declaration.
- (i) *Common Expenses* shall mean the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Association, including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements.
- (j) *Community-Wide Standard* shall mean the standard of conduct, maintenance, or other activity generally prevailing within the Association. Such standard may be more specifically determined by the Board of Directors and the Architectural Control Committee.
- (k) *Townhome* shall mean all that property described in Exhibit "A" attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Declaration.
- (l) *Association Instruments* shall mean this Declaration and all exhibits to this Declaration, including the Bylaws of the Association, and the Survey and Floor Plans, all as may be supplemented or amended from time to time.
- (m) *Declarant* shall mean Valhalla Resort Hotel, Inc., a Georgia corporation, its respective successors and assigns.
- (n) *Eligible Mortgage Holder* shall mean those holders of first Mortgages secured by Units in the Association who have requested notice of certain items as set forth in this Declaration.
- (o) *Floor Plans* shall mean the floor plans for Valhalla Townhomes filed in the White County, Georgia records.
- (p) *Limited Common Elements* shall mean a portion of the Common Elements

reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as more particularly set forth in this Declaration.

(q) *Majority* means those eligible votes, Owners, or other groups the context may indicate totaling more than fifty percent (50%) of the total eligible number.

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

(s) *Mortgagee* or *Mortgage Holder* shall mean the holder of any Mortgage.

(t) *Occupant* shall mean any Person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

(u) *Owner* shall mean the record title holder of a Unit within the Association, but shall not include a Person who is only a Mortgage holder.

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

(w) *Survey* shall mean the plat of survey for Valhalla Townhomes filed in the White County, Georgia records.

(x) *Unit* shall mean that portion of the Association intended for individual ownership and use as more particularly described in this Declaration and shall include the undivided ownership in the Common Elements assigned to the Unit by this Declaration.

ARTICLE 4

Convertible Space; Expandable Association

4.01 *Convertible Space.* The Association does not contain any convertible space.

4.02 *Expansion of Association.* This Association shall initially contain eight (8) residential units;

(a) Declarant does hereby reserve unto itself an option (or multiple options) to expand the Association (the "Expansion Option").

(b) The Expansion Option shall expire on the seventh (7th) anniversary of the recording of this instrument, however the unit owners of units to which two-thirds (2/3) of the votes in Association pertain, exclusive of any vote or votes appurtenant to any unit or units then owned by Declarant, may consent to the extension of the Expansion Options within one year prior to the date on which such option would otherwise have expired; there are no other limitations on the option to expand the Association.

(c) The property to which the Association may be expanded is located in White County, Georgia, in Land Lot 25 of the 3rd Land District;

(d) At the option of Declarant portions of the Additional Property may be added to the Association at different times without limitation as to the boundaries of such portions or the order in which such portions are annexed;

(e) The maximum number of units that may be created on the Additional Property is unlimited.

(f) All units created on the Additional Property shall be subjected to the same

use restrictions set forth in Article 11 hereof; and

(g) No assurances are made as to:

(i) the quality of construction, the principle materials to be used, or the architectural style of a unit to be constructed on portions of Additional Property;

(ii) what other improvements (if any) may be made on any portions of the Additional Property; or

(iii) whether any units created on any portion of the Additional Property will be substantially identical to the units on the submitted property.

(h) No limitations are placed on Declarant's reserved right to create limited common elements within any portion of the Additional Property or to designate common elements therein which may subsequently be assigned as limited common elements.

(i) Upon the creation of additional units on the Additional Property, there shall be re-allocated among all units of the Association the undivided interests in the common elements, the votes in the Association, and the liability for common areas in a manner such that each unit shall have appurtenant thereto an undivided interest equal to a fraction, the numerator of which shall be one (1) and the denominator of which shall equal the total number of units in the Association, including units created on the Additional Property.

ARTICLE 5

Unit Information and Boundaries

5.01 The buildings and structures situated upon the property are:

(a) located thereon as shown on that certain plat of Valhalla Townhomes, dated May 13, 2021, revised May 25, 2021, prepared by Lovell, Stroud and Associates, LLC, bearing the signature and seal of J. Scott Stroud, Registered Land Surveyor No. 3094, which plat has been prepared in accordance with Official Code of Georgia Annotated, containing 1.69 acres, more or less, including parcels designated as Units A1-A8, and has been filed in Plat Book 2021, Page 108, White County, Georgia Records a copy of which is attached hereto as Exhibit "D" (hereinafter said plat as recorded is referred to as the "Plat" or the " Association Plat");

(b) divided into eight (8) residential units intended for independent ownership and use and as substantially shown upon those certain Plans for Valhalla Townhomes, dated 9/9/2019 prepared by George R. Hlavenka, Architect and filed contemporaneously herewith (hereinafter said plans are referred to as the "Plans" or the " Association Plans").

5.02 *Unit Number.* Each unit shall have the identifying number allocated to it in accordance with the Plat and the Plans.

5.03 *Boundaries.* The boundaries of the units are the floors, ceilings and walls delineated in the Plans. The Association will be divided into 8 separate units. (Subject to the expansion options set forth in section 4.02). Each unit consists of a dwelling and its appurtenant percentage of undivided interest in the common elements. Each unit shall be conveyed as a separately designated and legally described freehold estate subject to be at the Association instruments. The units are depicted on the survey and floor plans. Each unit includes that part of the structure, which lies within the following boundaries:

(a) *Vertical Boundaries.* The vertical boundaries of each unit shall be the vertical planes of the finished exterior wall surfaces and all attachments of the external walls of the unit as it expands to its intersections with the upper and lower horizontal boundaries of the Unit.

(b) *Horizontal Boundaries.* The upper horizontal boundaries of each Unit shall be the upper most surface of the exterior finished roof or other material comprising the roof of the Unit. The lower horizontal boundary of each Unit shall be the lower most surface of the unfinished flooring of the unit, with the flooring and subflooring constituting part of the Unit.

(c) *Additional information to interpret unit boundaries.* Entry doors and exterior glass surfaces including but not limited to windows and glass doors serving the Unit shall be included within the boundaries of the Unit. Heating and air conditioning systems serving a single Unit (including any part of any such system located outside the boundaries of the Unit), all duct work for heating and air conditioning systems and appliances and plumbing fixtures within a Unit shall be part of the unit.

If any chutes, flues, ducts, conduits, wires, pipes, or other apparatus lies partially within and partially outside of the designated boundaries of the Unit, any portion thereof which serve only that Unit shall be deemed to be a part of that Unit.

In interpreting these floor plans, the existing physical boundaries of the Unit as originally constructed in substantial accordance with the original floor plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or floor plan, regardless of settling or lateral movement of the building in which the Unit is located, and regardless of minor variance between boundaries shown in the floor plan or in a deed in those of the Unit.

The ownership of each Unit shall include, and there shall pass with each unit, whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association.

5.04 *Subdivision and Partition of Units; Relocation of Boundaries.* Subject to the By-Laws of the Association, the boundaries between adjoining units may be relocated from time to time, but no unit may be subdivided for the purpose of creating two or more units therefrom and no owner shall have the right of partition of a unit.

ARTICLE 6

Common Elements and Limited Common Elements

6.01 *Common Elements.* The Common Elements consists of all portions of the Association not located within the boundaries of a Unit. The Common Elements include, without limitation, certain utilities, fences, entry features and lighting for same, paving, walls, retaining walls, the foundation, roof, and exterior walls of the buildings, detention pond, landscape areas, courtyards, hardscape areas, outside parking areas and mechanical rooms.

The Common Elements shall remain undivided, and no Owner nor any other person shall bring any action for partition or division of the whole or any part thereof except as provided in the

Act. Except as provided for herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners.

6.02 *Limited Common Elements.*

(a) The Limited Common Elements are:

- i. the portion of the Common Elements on which there is located any portion of the air conditioning or heating system exclusively serving a particular Unit or Units is assigned as Limited Common Element to the Unit or Units so served;
- ii. any utility meter which serves only one Unit is assigned as a Limited Common Element to the Unit so served;

ARTICLE 7

Reserved.

ARTICLE 8

Allocation of Votes in the Association

8.01 *Generally.* In accordance with Official Code of Georgia, Annotated, the number of votes in the Association shall be such that each unit shall be allocated one (1) vote in the Association; the total number of votes in the Association shall be equal to the total number of units within the Association. The votes in the Association hereby allocated shall not be altered except to the extent otherwise expressly provided in section 4.02 hereof, or the Act.

8.02 *Method of Voting.* 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 Official Code of Georgia Annotated and the By-Laws of the Association.

ARTICLE 9

Allocation of Liabilities, Common Expenses and Utility Fees

9.01 *Derivation of Amounts.* In accordance with Official Code of Georgia, Annotated, the share of liability for each unit of the common expenses of the Association are allocated to the units equally, such that each unit shall be allocated a share of the common expense of the Association equal to a fraction the numerator of which shall be one (1) and the denominator of which shall be equal the total number of units contained within the Association. The share of each unit of the common expenses of the Association hereby allocated shall not be altered except to the extent otherwise expressly provided in section 4.02 hereof, or the Act.

9.02 *Liability for Assessments.* The owner of each unit shall, by acceptance of a deed from the Declarant or any direct or remote successor-in-interest to Declarant in any unit, be personally liable for and shall pay to the Association:

(a) any assessment with respect to all expenditures made or incurred by or on behalf of the Association in the operation, management and maintenance of the Property, including but not limited to: fees for management and supervision; printing, mailing, office equipment, all legal and accounting fees as required, secretarial and other expenses related to the conduct of the affairs of the Association and the Board of Directors; insurance; all expenses in connection with maintenance and repair of all common elements; security and other similar charges for all units.

(b) pursuant to Official Code of Georgia Annotated and in conjunction with the By-Laws of the Association, assessments may be made more often than annually, may be made for the purpose of defraying, in whole or in part, operating expenses, the cost of any construction or reconstruction, or unexpected repair or replacement of capital improvements in respect to the common elements.

The Declarant shall be liable for all common area and other assessments and utility fees on units owned by Declarant. The Declarant shall not be liable for any other assessments or expenses provided in this Article 9 of this Declaration prior to the date of the closing of the *sale* of the first unit.

If assessments levied by the Association are not paid when they are due, the assessments, including interest, costs and reasonable attorneys fees, shall become a lien against the Unit. Each assessment against a Unit shall be the personal obligation of the Owner at the time the assessment became due, and shall also pass to successors-in-title whether or not such successor-in-title has agreed to assume the obligation.

9.03 *Equitable Assessment/or Limited Common Area Expenses.* Any common expenses which:

(a) are incurred through or occasioned by the use or enjoyment of any common elements which benefits or is intended to benefit less than *all* the units, shall not be assessed against all the units pursuant to Section 9.01 hereof, but shall be specifically assessed equitably among those units which are so benefited or intended to be benefited; and

(b) are incurred by the conduct of less than all of those entitled to occupy all of the units or by the licensees or invitees of any such unit or units shall be especially assessed against the townhome unit or units, the conduct of any occupant, licensee or invitee of which occasioned any such common expenses.

9.04 *Assessment/or Exclusive Benefit of Particular Units.* Any common expenses, which relate to limited common elements assigned to any unit or units and reserved for the exclusive use of those entitled to the use of such unit or units shall be assessed against such unit or units only.

9.05 *Lien Rights of Association.* Pursuant to the provisions of Official Code of Georgia Annotated, the Board of Directors shall have the authority to establish general rules applicable to all units providing that the lien for assessments shall include any one or more of the following: (i) a late or delinquency charge (not in excess of \$25.00 or eighteen percent (18%) of the amount of each assessment or installment thereof not paid when due, whichever is greater), (ii) interest on each assessment or installment thereof, and any delinquency or late charge appertaining thereto, from the date the same was first due and payable, at a rate not in excess of ten percent per annum, (iii) the costs of collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the unit, and reasonable attorneys' fees actually incurred, and (iv) the fair rental value of the townhome

unit from the time of the institution of suit until the sale of the townhome unit at foreclosure (or until the judgment rendered in such suit is otherwise satisfied).

9.06 *Priority of Lien.* The Lien for assessments shall have the priority set forth in Official Code of Georgia Annotated. Notwithstanding anything to the contrary herein, the lien for delinquent assessments or other charges that the Association has on the Unit will be subordinate to a first mortgage on the Unit, if the mortgage was recorded before the delinquent assessment was due.

Further a lien for common expense assessment will not be affected by the sale or transfer of the Unit, unless foreclosure of the first mortgage is involved, in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but will not relieve any subsequent Unit owner from paying further assessments.

ARTICLE 10

Association

10.01 *Creation.* The Declarant has caused the Valhalla Townhomes Association, Inc., to be duly incorporated as a nonprofit membership corporation.

10.02 *Powers Generally.* The limitations and restrictions on the powers of the Association and on the Board of Directors of the Association are set out in the By-Laws of the Association.

10.03 *Enforcement.* Pursuant to the provisions of Official Code of Georgia Annotated, the Association shall be empowered, in order to enforce compliance with the lawful provisions of the association instruments, including any rules or regulations contained in or promulgated in accordance with the By-Laws of the Association, to impose and assess fines and to suspend temporarily voting rights and the right of use of certain of the common elements.

10.04 *Restrictions on Powers.* The Association shall have, except to the extent restricted herein, all those powers permitted by the provisions of Official Code of Georgia Annotated, and except to the extent that it may not without the written consent of two-thirds of the unit owners (excluding Declarant) sell or transfer the common elements (excluding the grant of easements for utilities or for any other public purposes consistent with the intended use of the common elements by the unit owners).

ARTICLE 11

Easements, Covenants and Use of the Townhomes

11.01 *Use of Units.* Each Unit shall be used for residential purposes only, which may include short term or long term rental of the Townhome to third parties, and no trade or business of any kind may be conducted in or from a Unit or any part of the Townhome, except that the Owner or Occupant residing in a Unit may conduct ancillary business activities within the Unit so long as:

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

(iv) the business activity does not unreasonably increase traffic in the Townhome in excess of what would normally be expected for residential Units in the Townhome without business activity (other than by a reasonable number of deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services);

(v) 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;

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

(vii) the business activity does not result in a materially greater use of common element facilities or Association services.

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) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

Notwithstanding the above, the use of a Unit 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. The Board of Directors shall have the sole discretion to determine what, if anything, is unreasonable about a particular business activity.

11.02 *Common Elements.* All occupants of units and their guests shall have a nonexclusive right to use the common elements for the purposes for which they are intended, subject, however, to the following provisions:

(a) No such use shall enter or encroach upon the lawful rights of other persons; and

(b) The right of the Association to restrict the use and govern the operation of the common elements by promulgating reasonable rules and regulations with respect thereto, including, without limitation, the right to charge reasonable monthly fees for the use thereof by unit owners as the Association deems necessary or appropriate.

11.03 *Strict Compliance.* The owners of the units shall be entitled to all of the rights but shall be subject to all of the obligations provided for in the Act and all owners shall comply strictly with the provisions of the Association instruments including any restrictions, rules or regulations contained in or promulgated in accordance with the By Laws of the Association.

11.04 *Maintenance of Offices.* The provisions of Section 10.01 hereof shall not affect the right of the Declarant and its duly authorized agents, representatives and employees to enjoy the easement provided for in Official Code of Georgia Annotated Section 44-3-85(c) for the maintenance of sales and leasing offices and/or model units on the submitted property.

11.05 *Construction Easement.* The Property shall be subject to a nonexclusive easement in favor of Declarant and its officers, employees, agents, independent contractors and invitees for entry upon and passage over the Property for purposes of constructing the units and other

improvements described herein.

11.06 *Utility Easements.* There shall be appurtenant to each unit a nonexclusive easement for use of all pipes, wire cables, conduits, utility lines, flues and ducts serving such unit and situated in any other unit. Each unit shall be subject to an easement in favor of other units for use of all pipes, wire, cables, conduits, utility lines, flues and ducts situated in such unit and serving such other *units*.

11.07 *Encroachments.* If any portion of the common elements now encroaches upon any unit, or if any *unit* now encroaches upon any other unit or upon any portion of the common elements, or if any such encroachment shall occur hereafter as a result of (i) settling of a unit or units; (ii) repair, alteration or reconstruction of the common elements made by or with the consent of the Association; (iii) repair or reconstruction of a unit or units following damage by fire or other casualty; or (iv) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Property remains subject to the Act.

11.08 *Right of Access.* The Association shall have the irrevocable right, to be exercised by the Board of Directors, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common elements or to another unit.

11.09 *Maintenance of Common Elements.* The necessary work of maintenance, repair and replacement of the common elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Declaration and the Bylaws.

11.10 *Prohibited Work.* No owner shall do any work which would jeopardize the soundness or safety of the Property, reduce the value thereof or impair any easement or hereditament without in every such case unanimous consent of all other owners being first obtained.

11.11 (a) *Use of Limited Common Elements, Storage Spaces, Balconies and Patios.* Except as otherwise provided herein, the use of the Limited Common Elements assigned to the Units is restricted exclusively to the Owners of the Unit to which such Limited Common Elements are assigned, and said Owner's family members, guests, tenants and invitees. The Limited Common Elements are reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Elements in general, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

(i) *Storage Spaces.* Storage spaces shall be used solely for the purpose of storing any personal property belonging to the Owner or Occupant of the Unit to which such storage space is assigned as a Limited Common Element. No Owner or Occupant shall store any explosives, or any flammable, odorous, noxious, corrosive, hazardous or pollutant materials or any other goods in the space which would cause danger or nuisance to the storage space or the Townhome. The storage space shall not be used for any other purposes unlawful or contrary to any ordinance, regulation, fire code, or health code. If hazardous substances are stored, used, generated or disposed of on or in the storage space or if the storage space or if the storage space becomes contaminated in any manner for which the Owner or Occupant thereof is legally liable, Owner or Occupant shall indemnify and hold harmless the Declarant, Association and Board of Directors from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses and

any and all sums paid from settlement of claims, attorneys' fees, consultant and expert fees, arising as a result of that contamination by Owner or Occupant.

(ii) *Balcony.* No objects other than potted plants, grills, and patio furniture shall be placed on a balcony. This prohibition applies to objects such as, but not limited to, bicycles, laundry garments and towels. Penetration of a balcony also is prohibited.

(b) *Prohibition of Damage, Nuisance and Noise.* Without the prior written consent of the Board of Directors, nothing shall be done or kept on the Townhome, or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

It is the nature of multi-family properties (of which this Townhome is a part) that dwelling Units are built in close proximity to one another (resulting in sharing of common walls, floors and ceilings) and noise is frequently audible from one Unit to the next no matter how much sound proofing is attempted. It is therefore mandatory, for the mutual interest and protection of all Owners, lessees through understanding and compliance with certain limitations and restrictions. It is also recognized that sound insulation from an adjacent occupancy in a manner comparable to a single-family residence is impossible to attain and Owners and Occupants could alter the insulation and therefore are regulated by this Declaration. Owners and Occupants should review the Declaration for further information with respect to sound attenuation. Additionally, all furniture parts in contact with the floor should have rubber castors or felt pads to minimize noise and vibration attributable to moving furniture as well as scratching finishes.

Noxious, destructive or offensive activity shall not be carried on within the Townhome. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Townhome at any time, in any way or for any purpose which may endanger the health, unreasonably annoy or disturb or cause embarrassment, or discomfort to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. In addition, no Owner or Occupant of a Unit may use or allow the use of a Unit or the Common Elements in any manner which creates disturbing noises, including, without limitation, use of stereo speakers or equipment that will in the sole discretion of the Board of Directors interfere with the rights, comfort or convenience of the other Owners or Occupants. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

All Owners, Occupant acknowledge and understand that the Declarant will be renovating and rebuilding certain portions of the Townhome Property and no such construction or noise associated therewith shall be deemed a nuisance or discomfort pursuant to the terms hereof

No Owner, Occupant or agent of such Owner or Occupant shall do any work which, in the reasonable opinion of the Association's Board of Directors or its designee, would jeopardize the soundness or safety of the Townhome or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto, without in every such case the unanimous, prior written consent of all members of the Association and their Mortgages.

No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any Owner or member of his or her family or any invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste cause by such Owner,

members of his or her family, guests, invitees, or Occupants of his or her Unit.

(c) *Firearms and Fireworks.* The display or discharge of firearms or fireworks on the Common Elements or Limited Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements or Limited Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements or Limited Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. section 25-10-1, as amended.

(d) *Pets.* No Owner or Occupant may keep any pets other than generally recognized household pets on any portion of the Townhome, and no Owner or Occupant may keep more than a total of two (2) dogs and/or cats per Unit. Notwithstanding the above, a reasonable number of generally recognized household pets, as determined in the Board's sole discretion, weighing less than two (2) pounds each may be kept in Units.

No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Elements, including Limited Common Elements, without prior written ACC approval. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors, except that dogs need not be leashed within fenced patio areas when attended by a person. No dogs shall be kept on a balcony or patio unless attended by a person. Feces left upon the Common Elements by dogs must be removed by the owner of the dog or the person walking the dog. Dogs may only be walked in the designated dog walk area and any feces left in the designated dog walk area or upon the Common Elements by dogs must be removed immediately by the owner of the dog or the person responsible for the dog.

No potbellied pigs, snakes, pit bulldogs, rottweilers, Doberman pinchers, or other animals determined in the Board's sole discretion to be dangerous may be brought onto or kept on the Townhome at any time. The Board may require that any pet which, in the Board's opinion, endangers the health of any Owner or Occupant or created a nuisance or unreasonable disturbance, be permanently removed from the Townhome upon seven (7) days written notice. If the Owner or Occupant fails to do so, the Board may remove the pet. Any pet which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any community member may be removed by the Board without prior notice to the pet's owner.

Any Owner or Occupant who keeps or maintains any pet upon the Townhome 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 Townhome.

(e) *Heating of Units in Colder Months.* In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Townhome, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five (55) degrees Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two (32) degrees Fahrenheit or below. Owners and Occupants of Units shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. The Board of Directors may fine any

Owner or Occupant and/or may cause the water service to the violator's Unit to be discontinued for violation of this subparagraph, in addition to any other remedies of the Association.

(f) *Signs.* Except as may be provided for herein or as may be required by legal proceedings, and except for signs which may be erected by Declarant related to the development and sale of Units, no signs, advertising posters, political placards or billboards of any kind shall be erected, placed, or permitted to remain on the Townhome without the prior written consent of the Board or its designee, except that one (1) professional security sign not to exceed six (6") inches by (6") inches in size may be displayed from within a Unit. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

(g) *Rubbish, Trash and Garbage.* All rubbish, trash and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily or otherwise, except in trash dumpsters. Rubbish, trash, and garbage shall be disposed of in sealed bags and either placed in the trash dumpsters, or proper receptacles designated by the Board for collection or removed from the Townhome.

(h) *Unsightly or Unkept Conditions.* The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Townhome. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit.

(i) *Garage Sales.* Garage sales, yard sales, flea markets, or similar activities are prohibited unless approved in writing by the Board of Directors.

(j) *Window Treatments.* All units shall have window treatments and the color of all treatments visible from outside the Unit must be white or off-white. Bed sheets shall not be used as window treatments.

(k) *Antennas and Satellite Dishes.* Except as provided as below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Townhome, including the Unit or Limited Common Elements; provided, however, that the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Unit Owners:

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

(ii) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed or maintained upon the Townhome, including the Units and the Limited Common Elements.

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

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

(1) *Abandoned Personal Property.* Personal property, other than vehicles as provided for in subparagraph (I) shall not be kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements, other than on a Limited Common Element, without prior written Board permission. If the Board determines that a violation exists, then not less than two (2) days after written notice is placed on the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the property. The notice shall include the name and telephone number of the person or entity, which will remove the property, and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed. Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

11.12 *Architectural Controls.*

(a) *During Declarant Control.* During the time in which the Declarant has the right to appoint directors and officers of the Association under the Bylaws there shall be no Architectural Control Committee and all encroachments onto the Common Elements or Limited Common Elements, exterior change, alteration or construction (including painting and landscaping), and any erection, placement or posting of any object, sign, clothesline, speaker, playground equipment, light, fountain, flag, or thing on the exterior or roof of the building, in any windows (except window treatments as provided herein), or on any Limited Common Elements or any Common Elements, must receive the prior written approval of the Declarant. However, a mezuzah or other comparable religious symbol not longer than three inches (3') in width and nine inches (9") in height may be posted on the door frame of the Unit and reasonable seasonal decorative lights may be displayed between Thanksgiving and January 15th. Granting or withholding such approval shall be within the sole discretion of the Declarant. All references in the Association Instruments to the Architectural Control Committee or ACC shall refer to the Declarant during the period the Declarant has the right to appoint the officers and directors of the Association.

(b) *After Declarant Control.* After such time as the Declarant's rights to appoint officers and directors of the Association as provided in Article III, Section 2 of the Bylaws has expired, an Architectural Control Committee shall be appointed by the Board of Directors and except for the Declarant, so long as the Declarant shall own a Unit for sale, no Owner, Occupant, or any other person may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, alteration, or construction (including painting and landscaping), nor erect, place or post any object, sign, clothesline, speaker, playground equipment, light, fountain, flag, or thing on the exterior or roof of the buildings, in any windows (except window treatments as provided herein), on any Limited Common Elements, or on any other Common Elements, without first obtaining the written approval of the ACC. However, a mezuzah or other comparable religious symbol not longer than three inches (3") in width and nine inches (9") in height may be posted on the door frame of the Unit and reasonable seasonal decorative lights may be displayed between Thanksgiving and January 15th. The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings, Units and structures, and the location in relation to surrounding structures and topography. Notwithstanding the above, Declarant shall not be required to obtain any approvals under this Paragraph.

(c) *Alteration of Units.* Subject to the other provisions of this Declaration alterations to the interiors of the Units, relocation of the boundaries between adjoining Units, and subdivision of Units are subject to the following restrictions:

(i) *Alterations to the Interiors of the Units.* Except as provided herein, no Owner or Occupant may make any alteration within a Unit which involves connecting to Common Element pipes, lines, conduits and/or other apparatus for access to common utilities without prior written ACC approval (including, but not limited to installation of washers and dryers). Except as provided herein, no Owner or Occupant shall make any interior modifications to or place an excessive load on any structural or load bearing portions of a Unit without first obtaining the prior written approval of the ACC. Such approval shall not be granted by the ACC unless the Owner has presented to the ACC a report or drawing prepared by a licensed structural engineer showing that compensating measures will be taken to ensure the structural integrity of the Unit and the Townhome. All building codes requirements must be complied with and necessary permits and approvals secured for any modifications.

Notwithstanding the above, if any Owner acquires an adjoining Unit, such Owner shall have the right (subject to the prior written approval of the Mortgagees of the Units involved) to remove all or any part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or part, be part of the Common Elements, so long as no portion of any structural or load bearing portions of the Unit(s) are materially weakened or removed and the ACC has approved the plans described above and no portion of any Common Elements is damaged, destroyed or endangered, other than that partition and any chutes, flues, ducts, conduits, wires or other apparatus

contained therein which shall be relocated by such Owner is such facilities serve any other part of the Townhome. Notwithstanding the above, Declarant shall not be required to obtain any approvals under this Paragraphs. The alterations permitted in this section shall not be deemed an alteration or relocation of boundaries between adjoining Units.

(ii) *Relocation of Boundaries.* Boundaries between adjoining Units shall not be relocated, except that the Declarant shall have the right to relocate boundaries between Units owned by the Declarant without the approval of the Board of Directors, and the Board of Directors shall execute the required amendment to the Declaration.

(iii) *Subdivision of Units.* No Unit shall be subdivided into a smaller Unit or Units, except that the Declarant shall have the right to subdivide Units owned by the Declarant without the approval of the Board of Directors, and the Board of Directors shall execute the required amendment to the Declaration.

(d) *Applications.* Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ACC may reasonably require. The ACC shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The ACC may publish written architectural standards for exterior and Common Element alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Units and the location in relation to surrounding structures and topography of the vicinity. Balconies and patios shall not be enclosed.

In the event that the ACC fails to approve or to disapprove such application within forty-five (45) days after the application and all information as the ACC may reasonably require have been submitted, its approval will not be required and this subparagraph will be deemed complied with; provided, however, even if the requirements of this subparagraph are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, the Bylaws, or the rules and regulations.

(e) *Encroachments onto Common Elements and Limited Common Elements.* The ACC subject to this paragraph may permit Unit Owners to make encroachments onto the Common Elements as it deems acceptable. The ACC also may allow encroachments onto the Limited Common Elements by the Owner(s) of the Unit(s) to whom the Limited Common Element is assigned.

(f) *Condition of Approval.* As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for

maintenance, repair, replacement and insurance of such change, modification, addition, or alteration, unless otherwise agreed to in writing by the ACC. It is the responsibility of every Owner of a Townhome Unit to determine for himself or herself what architectural modifications have been made to his or her Unit by any predecessor-in-interest. In the discretion of the ACC, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

(g) *Limitation of Liability.* Review and approval of any application pursuant to this Paragraph is made on the basis of aesthetic considerations only, and neither the Declarant, the Board of Directors or the ACC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the ACC, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction or modifications to any Unit.

(h) *No Waiver of Future Approvals.* Each Owner acknowledges that the members of the Board of Directors and ACC will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. Each Owner further acknowledges that the ACC may adopt different architectural standards may vary accordingly. Each Owner further acknowledges that the ACC may adopt different architectural standards for different parts of the Townhome, based on street visibility and location of the proposed modification in the building. The approval of either the Board of Directors or the ACC of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors, or the ACC shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

(i) *Enforcement.* Any construction, alteration, or other work done in violation of this Paragraph shall be deemed to be nonconforming. Upon written request from the Board of 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 attorney's fees, may be assessed against the benefited Unit and collected as an assessment pursuant to this Declaration.

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 Paragraph and its

decisions. Furthermore, the Board shall have the authority to record in the White County, Georgia land records notices of violation of the provisions of this Paragraph.

If any Owner or Occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Elements or Limited Common Elements in violation of this Paragraph, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction be removed or that it remain on the Common Elements or Limited Common Elements without reimbursement to the Owner or Occupant for any expense he or she may have incurred in making the change, alteration or construction.

(j) *Commencement of Construction.* All changes, modifications and improvements approved by the ACC hereunder must be commenced within one (1) year from the date of approval. If not commenced within one (1) year from the date of such approval, then such approval shall be deemed revoked by the ACC, unless the ACC gives a written extension for commencing the work. All work approved by the ACC hereunder shall be completed in its entirety within ninety (90) days from the date of commencement, unless otherwise agreed in writing by the ACC. All approved changes, modifications, and improvements must be completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement.

ARTICLE 12

Insurance and Casualty Losses

12.01 *Insurance Coverage.* The Association shall obtain and maintain in full force and effect, at all time, the following insurance coverages:

(a) Comprehensive public liability insurance covering all of the common elements and insuring against all damage or liability caused by the acts of the Association, its officers, directors, agents and employees, all unit owners and other persons entitled to occupy any unit or any other portion of the Townhomes, with liability limits in amounts authorized from time to time by the Board of Directors of the Association, but in no event less than the amounts required in the Act;

(b) Such other types and amounts of insurance as may from time to time be deemed necessary, desirable or proper, and be authorized by the Association by action of the Board of Directors or in its ByLaws.

12.02 *Payment of Insurance Premiums.* Premiums for all insurance carried by the Association shall be common expenses and shall be paid by the Association.

12.03 *Policy Standards.*

(a) All insurance coverage obtained by the Association shall be written in the name of the Association as trustee for, and for the use and benefit of, each of the *unit* owners and their mortgagees as their interest may appear, and their respective percentages of undivided interest in and to the common elements. Each such insurance policy shall be issued by an insurer authorized under the laws of the State of Georgia to do business in Georgia and to issue the coverage provided by the policy, and shall provide for the issuance of a certificate of insurance to each unit owner and its mortgagee, if any, which shall specify the

proportionate amount of such insurance attributable to the particular unit owner's interest in the property.

(b) The Association shall use its best efforts to cause all of such insurance policies to contain: (i) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the unit owners and their employees, agents, tenants and invitees, and a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured; (ii) a waiver by the insurer of its right to repair and reconstruct instead of paying cash; (iii) a provision that the policy cannot be cancelled, invalidated or suspended on account of the conduct of any unit owner or any employee, agent, tenant or invitee of any unit owner, or any officer, director, agent or employee of the Association, without a prior demand in writing and delivered to the Association to cure the defect and the allowance of reasonable time thereafter within which the defect may be cured by the Association, any unit owner or any mortgagee; (iv) a provision that any "other insurance" clause in the policy shall exclude from its scope any policies of the individual unit owners; (v) a provision that the coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty days written notice to any and all of the insured thereunder, including mortgagees; and (vi) a provision that the coverage will not be prejudice by any act or neglect of the owners of the units when said act or neglect is not within the control of the Association, or any failure of the Association to comply with any warranty or condition regarding any portion of the property over which the Association has no control.

12.04 *Adjustment of Losses.* Exclusive authority to adjust losses under insurance policies obtained by the Association shall be vest in the Association; provided, however, that no mortgagee shall be prohibited from participating in the settlement negotiations, if any, related thereto.

12.05 *Individual Insurance by Unit Owners.* It shall be the individual responsibility of each unit owner, at its sole cost and expense, to provide, as it sees fit any insurance coverage not required to be maintained by the Association. Any unit owner who obtains an individual insurance policy rejecting any risk as to which insurance is carried by the Association shall file a copy of such individual policy with the Association within thirty days after the purchase thereof.

12.06 *Handling of Casualty Insurance Proceeds.* All insurance policies purchased by and in the name of the Association shall provide that proceeds covered in casualty loss shall be paid to the Association. The Association shall receive such proceeds as are paid and delivered to it and hold the same in trust for the benefit of the unit owners and their mortgagees as follows:

(a) Proceeds on account of damage to the common elements not involving a unit shall be held to the extent of the undivided interest of each unit owner, for each unit owner, such interest to be equal to the undivided interest of each unit owner in and to the common elements.

(b) Proceeds on account of damage to units (or on account of damage to common elements involving a unit) shall be held for the owners of the damaged units in proportion to the cost of repairing the damage suffered by each unit owner, which cost shall be determined by the Board of Directors.

(c) In the event a mortgagee endorsement has been issued as to any unit under the policy under which such proceeds are paid, the share of that unit owner shall be held in trust for the unit owner and the mortgagee, as their interest may appear. Unless a determination is

made not to repair or reconstruct pursuant to Section 12.07(b) hereof, and such proceeds, or such portion thereof as may be required for such purpose, shall be disbursed by the Association as payment of the cost and any expenses of repair or reconstruction, as hereinafter provided. Any proceeds remaining after payment of all cost and expenses of repair or reconstruction shall be common profits.

12.07 Damage and Destruction.

(a) Immediately after any damage or destruction by fire or other casualty to all or any portion of the property covered by insurance written in the name of the Association, the Association shall proceed with the filing and adjustment of all claims and losses arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damage or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition that existed prior to the fire or other casualty with each unit and the common elements having the same vertical and horizontal boundaries as before the casualty.

(b) Any damage or destruction shall be repaired or reconstructed unless: the unit owners of the damaged or destroyed units, if any, and their mortgagees, together with the unit owners of other units to which two-thirds of the votes in the Association appertain and the mortgagees, exclusive of the votes appertaining to any damaged or destroyed units, agree not to repair or reconstruct such damage or destruction, pursuant to, subject to and in accordance with the provisions of the Act. Any such determination shall be conclusively made, if at all, not more than ninety days after the date of the casualty. Should a determination be made to terminate the Townhome Association, then the insurance proceeds paid to the Association and held by it on account of such casualty shall be common profits, to be held and disbursed pursuant to, subject to and in accordance with Section 12.06 hereof. Should a determination be made to withdraw from the Townhome the damaged portion of the property or not to repair or reconstruct the damage or destruction, as herein provided, then the insurance proceeds paid to the Association and held by it on account of such casualty shall be disbursed by the Association in accordance with the manner in which such proceeds are held by the Association, pursuant to Section 12.06 hereof. Any remittances with respect to units as to which mortgagee endorsements have been issued on the policies under which the proceeds were paid shall be payable to the unit owner and its mortgagee jointly, as their interest may appear.

(c) If the damage or destruction for which the insurance proceeds are paid is to be repaid and such proceeds are not sufficient to defray the cost thereof, the Association may levy an additional assessment against all unit owners in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Further, additional assessments may be made in a like manner and any time during or following the completion of any repair or reconstruction. The proceeds from insurance and assessments if any, received by the Association hereunder when the damage or destruction is to be repaired or reconstructed shall be disbursed as provided for in Section 12.06 hereof.

12.08 Non-Liability and Indemnity of Officers and Directors of the Association and Declarant. The officers and directors of the Association and Declarant shall not be personally liable to any unit owner for any mistake of judgment or for any other act or omission of any nature whatsoever in administering the Association, except for acts or omission which constitute gross negligence or willful misconduct. The Association shall indemnify and hold harmless each of the officers and directors of the Association and Declarant and their respective legal representatives,

successors and assigns, from any liability, cost or expense arising out of any act or omission in administering the Association which is not deemed to be gross negligence or willful misconduct.

ARTICLE 13

Damage or Destruction

13.01 *Obligation to Rebuild.* In the event of damage to or destruction of the whole or any part of the building, the Association may repair, rebuild or restore the building or such part as has been damaged or destroyed unless the necessary agreement of unit owners not to restore is obtained.

13.02 *Compliance with Association Instruments.* Such reparation, rebuilding or restoration shall be carried out in accordance with the provisions of the Act and the By-Laws of the Association.

ARTICLE 14

Sale, Leasing or Rental of Units

14.01 *Notice Provisions.* Any owner who sells or who leases or rents his unit shall give notice in writing to the Board of Directors of such sale or of such lease stating the name and address of the purchaser or rental agent and such other information as the Board may reasonably require. The Board of Directors shall have authority to make and to enforce reasonable rules and regulations in order to enforce this provision, including the right to impose fines constituting a lien upon the unit sold or leased, pursuant to the Act; provided, however, no rule or regulation may create a right of first refusal in the Association or any other third party, this paragraph solely creating the obligation of an owner to give notice to sell or lease. Notice, as required herein, shall be given, in the case of a lease, not later than fifteen (15) days after commencement of the lease or agreement of leasing agent and, in the case of a sale, not later than the closing of the sale.

14.02 *Leasing Provision.* Units may be leased and/or rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of units or assignment of leases. All leases and lessees are subject to the provisions of the Townhome units and rules and regulations adopted pursuant thereto. Any lease agreement shall be required to provide that the terms of a lease shall be subject in all respects to the provisions of the Declaration and By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

14.03 Any unit owner or person having executed a lease, a rental agreement or a contract for the purchase of a Townhome unit requesting a recordable statement certifying to the receipt by the Association of the notice herein specified, or the waiver of the Association's rights to receive such notice shall be furnished such a statement. Any such statement shall be binding on the Association and every unit owner. Payment of a fee, not exceeding \$25.00, may be required as a prerequisite to the issuance of such a statement.

ARTICLE 15

Eminent Domain

15.01 If any portion of the Townhome property is taken by eminent domain, the award shall be allocated as provided in Official Code of Georgia Annotated.

ARTICLE 16

Amendment of Association Instruments

16.01 During such time as the Expansion Options provided in section 4.02 hereof remain unexpired, or during such time as Declarant has the right to control the Association, the Association instruments, including this declaration, shall be amended only by the agreement of Declarant and the owners and the mortgagees of units to which two-thirds (2/3) of the votes in Association pertain. Thereafter, the Association instruments, including this Declaration, shall be amended only by the agreement of both the owners and mortgagees of units to which two-thirds (2/3) of the votes in the Association pertain, all as provided in the By-Laws and Official Code of Georgia Annotated.

ARTICLE 17

Reserved.

ARTICLE 18

Control by Declarant

18.01 *Generally.* Pursuant to and in accordance with the provisions of Official Code of Georgia Annotated, the Declarant is hereby authorized in accordance with the By-Laws of the Association, incorporated herein by reference, to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association with or without cause until the first of the following two occur:

- (a) The third anniversary of the date of recording of this Declaration, or
- (b) The date as of which units to which seventy percent (70%) of the undivided interests in the common elements have been conveyed by Declarant to unit owners other than a person or persons constituting Declarant, or
- (c) The date as of which the Declarant surrenders the authority to appoint and remove all members of the Board of Directors by express amendment to the Declaration executed and recorded by the Declarant.

ARTICLE 19

Perpetuities

19.01 Should any of the provisions of this Declaration be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until the last allowable date that does not violate the Rule Against Perpetuities as adopted and defined by the official code of the state of Georgia as of the date of this Declaration.

ARTICLE 20

Miscellaneous

20.01 *Notices.* Notices provided for in the Act, this Declaration or the Articles or By-Laws shall be in writing, and shall be addressed to any unit owner at his/her or their unit at the

Townhome or at such other address as hereinafter provided. Notices to the Association shall be in writing and addressed to the President of the Association at his or her unit at the Townhome, or to such other address as may hereafter be provided for and a written notice of such change of address furnished to all unit owners. Any unit owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered three business days after mailing by United States Registered or Certified Mail, or when delivered in person. Upon written request to the Association, the holder of any interest in any unit shall be given a copy of all notices to be given to the owner whose unit is subject to such interest.

20.02 Right to Notice, Attend Meetings and Inspection of Records. The owner of any interest in any unit, including any mortgagee, and any insurer or grantor of such mortgage, in addition to the rights set forth in the Act, shall have the right to inspect the books and records of the Association, including financial records, upon reasonable notice, and the right to attend and speak at any meeting of the Association, provided, however, no person other than a member as such shall have any voting rights. If the owner of any such interest files with the Association a written request, the Association shall have the right to notify such party of any violation by the owner of such unit, provided, however, that in no event shall the Association agree with any such party to furnish such notice unless such party agrees in writing that in no event shall the Association be liable for any claim or damages as a result of any failure to give such notice. Upon written request, any mortgagee shall have the right to receive a financial statement for the immediately preceding fiscal year.

20.03 Notice to Mortgage Holder. The Holder, insurer or guarantor of any mortgage of any Unit shall have the right to timely written notice of any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage; any sixty day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage; a lapse cancellation or material modification of any insurance policy maintained by the Owners Association; and any proposed action that requires consent of a specified percentage of eligible mortgage holders, upon written request for such information to the Association by the mortgage holder, insurer or guarantor, stating both its name and address and the Unit number or address of the Unit on which it has or insures or guarantees any mortgage.

20.04 Headings. The headings, sections and subsections in this Declaration and the Articles and By-Laws are for convenience or reference only and shall not in any way be deemed to limit or construe the intent of the parties or interpret the meaning of any document.

20.05 Number and Gender. As used in this Declaration, the singular shall include the plural, the masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

20.06 Severability. If any provision of this Declaration or the Articles or By-Laws is held invalid, the validity of the remainder of this Declaration and the Articles and By-Laws shall not be affected thereby, and the remainder thereof shall be construed as if such invalid part was never included herein or therein.

20.07 Rights and Obligations. Each successor in title of the Declarant with respect to any part of the property, by the acceptance of a Deed of Conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges created or reserved by this Declaration. All rights, benefits and privileges hereby imposed shall be deemed and taken to be covenants running with the land, and shall be binding inure to the benefit of any person having any interest or estate in the property, or any portion thereof.

20.08 *Declarant Rights.* Notwithstanding anything to the contrary herein, and in addition to Declarant's right to appoint and remove officers and directors under Article 5, Section I of the Bylaws and other rights set forth herein, Declarant shall have the following rights, as long as Declarant owns at least one Unit:

(i) to conduct sales, marketing, leasing, administrative and other activities at the Townhome as Declarant deems appropriate for the sale, marketing, leasing of any Unit;

(ii) Declarant shall have a nonexclusive easement right across the Common Elements to erect signs, banners, balloons and other marketing materials and to conduct such other sales, marketing and leasing activities as provided herein.

20.09 *Amendments.* Except where a higher vote is required for action under any other provisions of this Declaration or by the Act, in which case such higher vote shall be necessary to amend such provision, this Declaration may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Association holding two-thirds (2/3) of the total Association vote. As long as Declarant has the right to appoint the directors and officers of the Association as provided in the Bylaws, or in O.C.G.A., any amendment to this Declaration or the Bylaws shall require the written consent of Declarant. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the White County, Georgia land records.

In addition to the above, material amendments to this Declaration must be approved by Eligible Mortgagee Holders who represent at least fifty-one percent (51 %) of the votes of Units that are subject to Mortgagees held by Eligible Mortgage Holders. Notwithstanding the above, the approval of any proposed amendment by an Eligible Mortgage Holder shall be deemed implied and consented to if the Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within thirty (30) days after the Eligible Mortgage Holder receives notice of the proposed amendment sent by certified or registered mail, return receipt requested. Material amendments are those, which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Elements;
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the Common Elements;
- (f) Responsibility for maintenance and repair of the Townhome;
- (g) Expansion or contraction of the Townhome or the addition, annexation or withdrawal of property to or from the Townhome;
- (h) Boundaries of any Unit;
- (i) The interests in the Common Elements or Limited Common Elements;
- (j) Convertibility of Units into Common Elements or of Common Elements into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Townhome;
- (m) Establishment of self-management by the Townhome Association where professional management has been required by any of the agencies or corporations set forth below; and
- (n) Amendment of any provisions which are for the express benefit of Eligible

Mortgage holders or insurers or guarantors of first mortgages on Townhomes.

Notwithstanding the foregoing, Declarant or the Board of Directors, without the necessity of a vote from the owners, may amend this Declaration to correct any scrivener's errors, comply with any applicable state, city or federal law, and/or to bring the Association into compliance with applicable rules and regulations of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA") pursuant to federal law.

Any action to challenge the validity of an amendment adopted under this Paragraph must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.

ARTICLE 21

Author

21.01 This Declaration was prepared by W. Spencer Carr, with an office address of 113 Grant Street, Clarkesville, GA 30523.

IN WITNESS WHEREOF, the Declarant has executed this Declaration under seal on the _____ day of _____, 2021.

Signed, sealed and delivered in the presence of:

DECLARANT:

Valhalla Resort Hotel, Inc.

Unofficial Witness

By: _____
F. Jerry Murdock, President

Notary Public

(CORPORATE SEAL)

Expiration of Commission

Exhibit "A"

LEGAL DESCRIPTION OF SUBMITTED PROPERTY

ALL THAT TRACT OR PARCEL of land lying and being in Land Lot 25 of the 3rd Land District, White County, Georgia, consisting of 1.69 acres, more or less, including Units A1-A8 as shown thereon, prepared for Valhalla Resort Townhomes Phase 1, dated May 13, 2021, Revised May 25, 2021, by J. Scott Stroud, RLS 3094, recorded in Plat Book 2021, Page 108, White County, Georgia Records, said plat being incorporated herein by reference for a more complete description.

Exhibit "B"
Legal Description of Additional Property

Reserved for Future Addition.

Exhibit "C"
By-Laws of Townhome Association

BY-LAWS OF
Valhalla Townhomes Association, Inc.

ARTICLE I

Name and Location

Section 1. Name. The name of the association is Valhalla Townhomes Association, Inc., a Georgia nonprofit membership corporation, hereinafter referred to as the "Association."

Section 2. Location. The principal office of the Association shall be located in White County, Georgia. Meetings of members and directors may be held at such places within the State of Georgia, County of White as may be designated from time to time by the Board of Directors.

ARTICLE 2

Definitions

Section 1. General. The terms used in these Bylaws, unless otherwise specified or unless the context otherwise requires, shall have the meanings specified in Official Code of Georgia Annotated Section 44-3-220, et. Seq. (the "Act") and the Declaration for Valhalla Townhomes (hereinafter called the "Declaration"). Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

ARTICLE 3

Membership and Voting Rights

Section 1. Membership. Each unit owner shall automatically be a member of the Association, which membership shall continue during the period of ownership by such unit owner.

Section 2. Voting Rights. The Association shall have one class of voting membership, which shall consist of all unit owners. Such owners shall be entitled to exercise voting rights as provided in the Act, the Declaration and as prescribed herein. The number of votes allocated to each unit is as set forth in the Declaration. When a unit is owned by other than one or more natural persons, the person entitled to cast the vote for such unit shall be designated by a certificate signed by the record owner of such unit and filed with the Secretary. Each such certificate shall be valid until revoked, superseded by a subsequent certificate or a change occurs in the ownership of such unit. When a unit is owned by more than one natural person, they may, without being required to do so, designate the person entitled to cast the vote for such unit as provided above. In the event they do not designate such a person, the following provisions shall apply:

(a) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the vote for the unit, just as though he owned it individually, and without establishing the concurrence of the absent person or persons.

(b) If more than one of such owners, whether or not all of them, are present at a meeting and concur, any one of the owners may cast the vote for the owners.

(c) If more than one of such owners, whether or not all of them, are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose

their right to vote on that subject at that meeting. The votes of the unit owners shall be cast under such rules and procedures as may be prescribed in the Declaration or in these Bylaws, as amended from time to time, or by law.

Section 3. Suspension of Voting Rights. During any period in which a unit owner shall be in default in payment of any assessment, the voting rights of such unit owner may be suspended by the Board of Directors until such assessment has been paid. Such rights of a unit owner may also be suspended, for a period not to exceed 30 days, for violation of any rules and regulations established by the Board of Directors.

ARTICLE 4

Meetings of Unit Owners

Section 1. Annual Meetings. The first annual meeting of the unit owners shall be called by the President upon request of the Declarant and shall be held within 12 months following the incorporation of the Association. Each subsequent regular annual meeting of the owners shall be held on the same day of the same month of each year thereafter unless otherwise provided by the unit owners at any previous meeting. If the day for the annual meeting of the unit owners is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the unit owners may be called at any time by the President or by the Board of Directors, or upon written request of the unit owners who are entitled to vote at least FIFTY PER CENT (50%) of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the unit owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting at least 21 days in advance of any annual or regularly scheduled meeting, and at least seven days in advance of any other meeting, stating the time, place and purpose of such meeting. Such notice shall be delivered personally or sent by United States mail, postage prepaid, to all unit owners of record at such address or addresses as any of them may have designated, or, if no other address has been so designated, at the address of their respective units. Such notice shall also be sent by United States mail, postage prepaid, to each institutional holder of a first mortgage on a unit having theretofore requested same in writing. Each such holder shall be permitted to designate a representative to attend each such meeting without voice or vote except pursuant to Section 5 of this Article 4.

Section 4. Quorum. The presence at the meeting of unit owners and/or proxies entitled to cast more than one-third of the votes of the membership shall constitute a quorum for any action except as otherwise expressly provided in the Act or in the Declaration. If, however; such quorum shall not be present or represented at any meeting, the unit owners and/or proxies entitled to cast a majority of the votes thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. Subject to the provisions of Article 3, Section 2, hereof, at all meetings of the unit owners, each unit owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable, shall automatically cease upon conveyance by a unit owner of his unit and shall be effective only for the meeting specified therein and any adjournment thereof.

Section 6. Order of Business. The order of business at all annual meetings of the owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.

Section 7. Decisions of Unit Owners. Unless otherwise expressly provided in the Act, the Declaration or these Bylaws, a majority of the votes cast on any particular issue shall be necessary to adopt decisions at any meeting of the unit owners. When the Act, the Declaration or these Bylaws require the approval or consent of all or a specified percentage of mortgagees and/or other lien holders, no decision or resolution duly adopted by the unit owners shall be effective or valid until such approval or consent shall be obtained.

During such time as the Declarant has the right to control the Association pursuant to the provisions of the Act, no decision or resolution duly adopted by the unit owners shall be effective or valid until the Declarant's approval or consent shall have been obtained.

Section 8. Conduct of Meetings. The President shall preside over all meetings of the unit owners and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions duly adopted as well as a record of all transactions occurring at such meetings. The latest edition of Roberts Rules of Order shall govern the conduct of all meetings of the unit owners when not in conflict with the Act, the Declaration or these Bylaws.

ARTICLE 5

Board of Directors

Section 1. Number and Qualifications. The Board of Directors of the Association shall be composed of no fewer than three nor more than eleven persons. With the exception of those persons appointed as directors by the Declarant pursuant to the provisions of the Act, each such person shall be a member of the Association or the spouse of a member.

Section 2. Election and Term of Office. Upon the termination of the Declarant's right to control the Association pursuant to the provisions of the Act, the Declarant shall give at least seven days' written notice to each member of a special meeting of the members, to be held not more than 30 days after the date of such termination, to elect a new board of directors. At such meeting, and at each annual

meeting thereafter the unit owners shall elect not less than three nor more than eleven (as established by the directors) directors for a term of one year each. Except in the case of death, resignation or removal, each director elected by the members shall serve until the annual meeting at which his term expires and until his successor has been duly elected and qualified. Persons receiving the largest number of votes at any election of directors shall be elected whether or not such number constitutes a majority of the votes cast. Cumulative voting shall not be permitted.

Notwithstanding anything to the contrary herein, Declarant shall have exclusive authority to appoint or remove directors and officers until the earlier of:

- (a) The expiration of seven (7) years after the recording of the Declaration;
- (b) The date as of which Units to which eighty percent (80%) of the undivided interest in the Common Elements pertain shall have been conveyed by Declarant to Unit Owners other than a Person constituting the Declarant, unless at such time the Declarant has an unexpired option to add additional property;
- (c) The surrender in writing by Declarant of the authority to appoint and remove officers and directors of the Association.

Section 3. Removals; Vacancies. Following expiration of the period of the Declarant's right to control the Association pursuant to the provisions of the Act, any director may be removed from the Board of Directors with or without cause, by a majority vote of the unit owners theretofore entitled to elect such director. In the event of death or resignation of a director, his successor shall be selected by the remaining members of the board. In the event of removal of a director, his successor shall be elected by the unit owners theretofore entitled to elect such director. Any such successor shall serve for the unexpired term of his predecessor.

Section 4. Annual Organization Meeting. The first meeting of the Board of Directors following each annual meeting of the unit owners shall be held within ten days thereafter, at such time and place as shall be fixed by the newly elected directors at such annual meeting, and no notice shall be necessary in order legally to constitute such meeting.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board of Directors. Notice of the time and place of regular meetings shall be given to every director by mail or telephone at least three days prior to the date of such meeting.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by the President on two days notice to every director given by mail or telephone and stating the time, place and purpose of the meeting. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of directors entitled to cast at least two votes at such meetings.

Section 7. Waiver of Notice; Action without Meeting. Whenever notice of a meeting of the Board of Directors is required to be given under any provision of these Bylaws, a written waiver thereof, executed by a director before or after the meeting and filed with the Secretary, shall be deemed equivalent to notice to the director executing the same. Attendance at a meeting by the director shall constitute a waiver of notice of such meeting by the director if such director attends the meeting without protesting prior thereto or at the meeting's commencement the lack of notice to him. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in any written waiver of notice. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting provided that all

directors consent to the action in writing and the written consents are filed with the records of the proceedings of the Board of Directors. Such consents shall be treated for all purposes as a vote at a meeting.

Section 8. Voting; Quorum of the Board; Adjournment of Meetings. At all meetings of the Board of Directors, each director shall be entitled to cast one vote. The presence in person of directors representing at least two-thirds of the votes of the Board of Directors shall be a quorum at any Board of Directors meeting and a majority of the votes present and voting shall bind the Board of Directors and the Association as to any matter within the powers and duties of the Board of Directors.

Section 9. Powers and Duties. The Board of Directors shall have the powers and duties necessary for administration of the affairs of the Association and may do all such acts and things except as by law or the Declaration may not be delegated to the Board of Directors by the unit owners. In exercising its powers and duties, the Board of Directors shall take as its standard the maintenance of the general character of the Association as a residential community of the first class in the quality of its maintenance, use and occupancy. Such powers and duties of the Board of Directors shall be exercised in accordance with and subject to all provisions of the Act, the Declaration and these Bylaws and shall include, without limitation, powers and duties to:

(a) Operate, care for, maintain, repair and replace the common elements and employ personnel necessary or desirable therefor.

(b) Determine common expenses of the Association, including Association Dues and Sewer and Water Fees.

(c) Collect assessments from the unit owners.

(d) Adopt and amend rules and regulations covering the details of the operation and use of the Townhomes.

(e) Open bank accounts on behalf of the Association and designate the, signatories required therefor.

(f) Manage, control, lease as lessor, and otherwise deal with the common elements, including power to make shut-offs of common services and other interruptions of the normal functioning of the buildings to facilitate performance of any maintenance or repair work or the making of additions, alterations or improvements by the Association or the unit owners pursuant to provisions of the Declaration. The Board of Directors shall use reasonable efforts to disrupt the unit owners and occupants as little as possible in exercising such authority to effect shut-offs and other interruptions.

(g) Purchase, lease or otherwise acquire units offered for sale or lease or surrendered by their unit owners to the Association.

(h) Own, sell, lease, encumber, and otherwise deal in, but not vote with respect to, units owned by the Association.

(i) Obtain and maintain insurance for the Association pursuant to the provisions of

the Declaration.

(j) (1) Make additions and improvements to and alterations of the common elements, and (2) make repairs to and restoration of the property after damage or destruction by fire or other casualty, or as a result of condemnation.

(k) Enforce by any legal or equitable remedies available all obligations of the unit owners or any of them to the Association. Such enforcement power shall include, without limitation, the power to levy, as assessments, fines against unit owners for default in the performance of said obligations in such amounts as from time to time the Board of Directors may deem proper in the circumstances, but not in excess of \$100.00 for any one violation, counting each day a violation continues after notice from the Board of Directors as a separate violation. If any owner fails to pay a fine within ten days after notification thereof, the Board of Directors may levy, as assessments, additional fines to enforce payment of the initial fine.

(l) Appoint auditors of the Association to perform the type of audit determined, from time to time, by the directors.

(m) Employ a manager or managing agent and delegate thereto any duties of the Board of Directors under subparagraphs (a), (c), (e), (i) and (o) of this Section 9.

(n) Conduct litigation and be subject to suit as to any cause of action involving the common elements or arising out of the enforcement of the provisions of the Act, the Declaration or these Bylaws.

(o) Make contracts in connection with the exercise of any of the powers and duties of the Board of Directors.

(p) Take all other actions the Board of Directors deems necessary or proper for the sound management of the Association and fulfillment of the terms and provisions of the Act, the Declaration and these Bylaws.

In the case of those powers and duties specified in the foregoing clauses (d), (g), (h), (j), (l), and (m), the Board of Directors need exercise the same only to the extent, if any, it deems necessary or desirable or is required to do so by vote of the unit owners. The Board of Directors shall not be obligated to take any action or perform any duty imposed upon it requiring an expenditure of funds unless in its opinion it shall have funds of the Association sufficient therefor.

ARTICLE 6

Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. One person may hold the office of Secretary and Treasurer simultaneously. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The Vice President may also hold the office of assistant secretary and perform the functions thereof in the absence of the Secretary. The President and Vice President shall be members of the Board of Directors. Any other officers may be, but shall not be required to be, members of the Board of Directors.

Section 2. Election of Officers. The officers of the Association shall be elected annually by

the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors. Any vacancy in an office shall be filled by the Board of Directors at a regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the votes of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors. or at any special meeting of the Board of Directors called for such purpose.

Section 4. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section I of this Article 6.

Section 5. President. The President shall be the chief executive of the Association. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a corporation, including, but not limited to, the power to appoint committees from among the unit owners from time to time as he may, in his sole discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 6. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board of Directors or by the President.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct. He shall, in general, perform all the duties incident to the office of secretary of a corporation and such other duties as shall, from time to time, be imposed upon him by the Board of Directors or by the President.

Section 8. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and, accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; he shall be responsible for the deposit of all monies and other valuable effects in the name of the Association, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a corporation and such other duties as shall, from time to time, be imposed upon him by the Board of Directors or by the President. The Board may assign these duties to the manager of the Association.

Section 9. Compensation. Unless otherwise expressly provided by the Board of Directors, no officer shall receive compensation from the Association for acting as such, but shall be entitled to reimbursement from the Association as a common expense for reasonable out-of-pocket disbursements made by him in the performance of his duties. No officer shall be obligated to make any such disbursements.

ARTICLE 7

Officers and Directors: General Provisions

Section 1. Contracts with Interested Parties. No contract or transaction between the Association and one or more of its officers or directors, or between the Association and any other entity in which one or more of the Association's officers or directors are officers, directors, partners or trustees, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Association's officer or director is present at or participates in the meeting of the Board of Directors which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if (a) the material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board of Directors in good faith authorized the contract or transaction by a vote sufficient for such purpose without counting the vote or votes of the interested director or directors; or (b) the material facts as to his interest and as to the contract or transaction are disclosed or are known to the unit owners entitled to vote thereon, and the contract or transaction is specifically approved or ratified in good faith by vote of such unit owners; or (c) the contract or transaction is fair as to the Association as of the time it is authorized, approved or ratified by the Board of Directors or the unit owners. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes the contract or transaction.

Section 2. Indemnification. Pursuant to the provisions of Section 12.08 of the Declaration, the Association shall indemnify its officers and directors to the extent provided in and subject to the limitations of the Declaration.

ARTICLE 8

Books and Records

Section 1. Books and Records. The Association shall keep such books and records as by law provided and shall make same available for inspection by any unit owner, any institutional holder of a first mortgage on a unit, and their respective agents and attorneys, for any proper purpose at any reasonable time. In addition, an annual report of the receipts and expenditures of the Association, based upon an audit made by an independent public accountant, shall be rendered by the Board of Directors to all unit owners, and to each institutional holder of a first mortgage on a unit having theretofore requested same in writing, within three months after the end of each fiscal year.

ARTICLE 9

Amendments

Section 1. Amendments. These Bylaws may be amended only by the owners of the units to which two-thirds (2/3) of the votes in the Association cast their vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall be delivered or sent to all unit owners not less than 21 days in advance of the meeting stating the time, place and purpose of such meeting and the subject matter of the proposed amendment or, in lieu of such vote, these Bylaws may be amended by an instrument duly executed by unit owners having at least two-thirds (2/3) of the entire voting interest of all unit owners. Amendments to these Bylaws for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity authorized to fund or guarantee mortgages on individual Townhome units, as such requirements may exist from time to time, may be effected by an instrument duly executed by a majority of the directors of the Association. Each such amendment shall be effective when adopted or at such later date as may

be specified therein.

ARTICLE 10

Miscellaneous

Section 1. Conflicts. In the event of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 2. Association Seal. The Association shall have a seal in circular form having within its circumference the words: "Valhalla Townhomes Association, Inc."

Section 3. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date on which the Association was incorporated under the laws of the State of Georgia.

Exhibit "D" Townhome Plat

