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BOOK 1191 PAGE 510-511
DENA M. ADAMS, CLERK
WHITE COUNTY, GA

When Recorded Return To:

Art Connor
Tuscany Villas Condominium Association, Inc.
P. O. Box 1132
Helen, Georgia 30545

FIRST AMENDMENT
TO THE
DECLARATION OF CONDOMINIUM
FOR
TUSCANY VILLAS, A CONDOMINIUM

STATE OF GEORGIA
COUNTY OF WHITE

THIS FIRST AMENDMENT to the Declaration of Condominium for Tuscany Villas, a Condominium, is made this 28 day of MAY, 2007, by TUSCANY VILLAS CONDOMINIUM ASSOCIATION, INC., a Georgia Non-Profit Corporation (hereinafter called the "Association"). This Amendment is an amendment of the Declaration of Condominium for Tuscany Villas, a Condominium, dated December 2, 2005, recorded December 29, 2005, in Deed Book 1076, pages 356-412, Office of Clerk, Superior Court, White County, Georgia.

WITNESSETH:

WHEREAS, pursuant to Article 10 of the aforesaid Declaration of Condominium for Tuscany Villas, a Condominium, an Association has heretofore been formed and organized; and

WHEREAS, on December 19, 2005, the Secretary of State of Georgia recognized the Tuscany Villas Condominium Association, Inc. as a duly organized domestic Non-Profit Corporation; and

WHEREAS, the Tuscany Villas Condominium Association, Inc., has amended certain provisions of said Declaration of Condominium in accordance with the powers vested in said Association and pursuant to the requirements for such amendments stated in said Declaration; and

WHEREAS, the Tuscany Villas Condominium Association, Inc., has submitted written ballots to the Unit owners sent by certified mail in accordance with Article 24 of said Declaration and in Compliance with Article 2, Paragraph 2.13 of the Bylaws of the Tuscany Villas Condominium Association, Inc.; and

WHEREAS, at least two-thirds (2/3rds) of the Unit owners of the Tuscany Villas Condominium have approved the hereinafter set out amendments to said Declaration in accordance with the requirements of Article 18 of said Declaration (copies of the minutes of the meeting of the Association at which the votes (ballots) of the Unit owners were tallied and at which the Association acted are on file at the office of the Association); and

NOW, THEREFORE, the said Declaration of Condominium for Tuscany Villas, a Condominium, dated December 2, 2005, recorded December 29, 2005, in Deed Book 1076, pages 356-412, Office of Clerk, Superior Court, White County, Georgia, is hereby amended as follows:

1. That Article 13, Paragraph 13.01 shall be and is hereby amended as follows: Paragraph 13.01(a) shall be and is hereby deleted in its entirety and in its place is inserted as Paragraph 13.01(a) the following: "(a) Units. A Unit owner may occupy or use his Unit, or permit the same, or any part thereof, to be occupied or used as a residence."


2. That Article 13, Paragraph 13.01 shall be and is hereby amended as follows: Paragraph 13.01(b) shall be and is hereby deleted in its entirety and in its place is inserted as Paragraph 13.01(b) the following: "(b) Agency Agreement. Every Unit owner shall have the right, in conjunction with the purchase of a Unit, to enter into an Agency Agreement with the Hotel Management Firm or its agent as the Unit owner's exclusive agent to manage and rent the said owner's Unit as a transient hotel accommodation."

3. That Article 15, Paragraph 15.01 shall be and is hereby amended as follows: Paragraph 15.01 shall be and is hereby deleted in its entirety and in its place is inserted as Paragraph 15.01 the following: "No Unit shall be let, rented or hired out except in conformity with the provisions of the condominium instruments, and if applicable, the Hotel Agency Agreement."

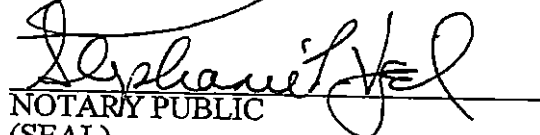
This First Amendment to said Declaration of Condominium for Tuscany Villas, a Condominium, dated December 2, 2005, is hereby approved, adopted and declared by the Tuscany Villas Condominium Association, Inc., acting by and through its duly authorized officers.

IN WITNESS WHEREOF, the undersigned has set its hand and seal to these presents on the day and year first above written.

Signed, sealed and delivered
in the presence of:



WITNESS



NOTARY PUBLIC
(SEAL)


My Commission Expires:



TUSCANY VILLAS CONDOMINIUM
ASSOCIATION, INC. (SEAL)

By: 

Art Connor, as President (Seal)

Attest: 

Lou Ann Connor, as Secretary (Seal)

2005 DEC 29 PM 1:41
BOOK 1076 PAGE 356-412
DENA M. ADAMS, CLERK
WHITE COUNTY, GA

This page attached hereto and made a part of the following document to provide required three-margin for recording information.
(Additional recording fee applies)

Please type the following information.

Title of Document: DECLARATION OF CONDOMINIUM FOR TUSCANY VILLAS, A CONDOMINIUM

Date of Document: December 2, 2005

Grantor(s): EDELWEISS RIVER TOWN HOMES, LLC, Grantee(s): TUSCANY VILLAS, A CONDOMINIUM
a Georgia Limited Liability Company

After Recording, Please Return to: K. Grant Keene
Attorney at Law
Post Office Box 246
Cleveland, Georgia 30528

*
STATE OF GEORGIA
COUNTY OF WHITE

DECLARATION OF CONDOMINIUM
FOR
TUSCANY VILLAS, A CONDOMINIUM

THIS DECLARATION is made this 2nd day of December, 2005, by EDELWEISS RIVER TOWN HOMES, LLC, a Georgia Limited Liability Company (hereinafter called the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being in White County, Georgia, and in the City of Helen, Georgia, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, hereinafter called the "Property" or the "Submitted Property" subject to the matters set forth in Exhibit "B" attached hereto; 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 Tuscanly Villas Condominium Association, Inc. as a nonprofit membership corporation under the laws of the State of Georgia; and

WHEREAS, the Declarant desires to submit the Property to the condominium form of ownership pursuant to the provisions of the Georgia Condominium Act, as the same is in effect on the date hereof (O.C.G.A. Section 44-3-70 through Section 44-3-116, 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 to the condominium form of ownership pursuant to, 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 condominium shall be TUSCANY VILLAS, A CONDOMINIUM (the "Condominium").

ARTICLE 2
DESCRIPTION OF SUBMITTED PROPERTY

2.01 The Property is located in White County, Georgia, and in the City of Helen, Georgia, and is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

2.02 The Property is subject to the easements and other matters which are set forth in Exhibit "B" attached hereto and by reference made a part hereof.

ARTICLE 3
DEFINITIONS

3.01 Generally, the terms used in this Declaration, the Bylaws, 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 Bylaws, and the Articles of Incorporation shall be defined as follows:

(a) Act shall mean the Georgia Condominium Act, O.C.G.A. Section 44-3-70 et seq. (Mitchie 1982), as such act may be amended from time to time.

(b) Additional Property shall mean the property described in Exhibit "C" attached hereto and incorporated by reference herein, which Declarant may, but shall have no obligation to, submit to the Condominium as provided in this Declaration.

(c) Architectural Control Committee or ACC shall mean the committee established to exercise the architectural review powers set forth in Article 12 hereof.

(d) Articles or Articles of Incorporation shall mean the Articles of Incorporation of Tuscany Villas Condominium Association, Inc. filed with the Secretary of State of the State of Georgia.

(e) Association shall mean Tuscany Villas Condominium Association, Inc., a Georgia nonprofit corporation, its successors or assigns, formed for the purpose of exercising the powers of the Association pursuant to this Declaration and the Act.

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

(g) Bylaws shall mean the Bylaws of Tuscany Villas Condominium Association, Inc., a copy of which is attached hereto as Exhibit "D".

(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, including, but not limited to paved sidewalks and paved parking areas.

(i) Common Expenses shall mean the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Condominium, including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements.

(j) Common Profits shall mean all income collected or accrued by or on behalf of the Association other than income derived from Assessments pursuant to this Declaration and the Act.

(k) Condominium shall mean all that real property described in Exhibit "A" attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Declaration.

(l) Condominium Instruments shall mean this Declaration and all exhibits

to this Declaration, including the Bylaws of the Association, and the plats and plans, all as may be supplemented or amended from time to time.

(m) Declarant shall mean EDELWEISS RIVER TOWN HOMES, LLC, a Georgia Limited Liability Company, its successors and/or assigns.

(n) Eligible Mortgage Holder shall mean those holders of first mortgages secured by Units in the Condominium who have requested notice of certain items as set forth in this Declaration.

(o) Expandable Condominium shall mean a condominium, such as this Condominium, to which additional property may be added in accordance with the provisions of the Act and this Declaration.

(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 as the context may indicate totaling more than fifty (50%) percent 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 Condominium, 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) Property or Submitted Property means the property lawfully submitted to the Act by the recordation of the Condominium Instruments.

(x) Survey shall mean the plat of survey for Tuscan Villas, A Condominium, filed in the records of the Office of Clerk of Superior Court of White County, Georgia.

(y) Unit shall mean that portion of the Condominium intended for individual ownership and use as more particularly described in this Declaration and shall include the undivided ownership interest in the Common Elements assigned to the Unit by this Declaration, and property taxes on a Unit shall be paid by the Owner thereof.

ARTICLE 4 CONVERTIBLE SPACE

4.01 Convertible Space. The Condominium does not contain any convertible

space.

4.02 Expansion of Condominium. This Condominium shall initially contain eighteen Units. This Condominium may be expanded to include all or any part of the property described in Exhibit "C" hereof.

ARTICLE 5
UNIT INFORMATION AND BOUNDARIES

5.01 Buildings. The two buildings situated upon the Property are:

(a) Located on the Tract 3 shown on that certain Plat of Survey dated January 5, 2005, revised April 6, 2005, revised September 22, 2005, revised October 25, 2005, revised November 10, 2005, revised November 16, 2005, revised November 17, 2005, revised November 29, 2005, prepared for Edelweiss River Town Homes, LLC, by Technical Land Services, Inc., d/b/a Richard Webb & Associates, Land Surveying Consultants, Cumming, Georgia, and Richard J. Webb, Georgia Registered Land Surveyor No. 2507, recorded in Condominium Plat Book _____, page _____, Office of Clerk, Superior Court, White County, Georgia, which plat has been prepared in accordance with Official Code of Georgia Annotated Section 44-3-83 and has been filed contemporaneously herewith in said Condominium Plat Book, which is incorporated herein by this reference (hereinafter said condominium plat as recorded is referred to as the "Plat" or the "Condominium Plat");

(b) Divided into eighteen (18) Units intended for independent ownership and use, and as substantially shown upon those certain plans for Tuscany Villas, a Condominium, dated August 17, 2005, by Wright Mitchell & Associates, Inc., Roswell, Georgia, containing eight sheets in total, and filed contemporaneously herewith in the Condominium Plat Book _____, pages _____-_____, Office of Clerk, Superior Court, White County, Georgia, which are incorporated herein by this reference (hereinafter said plans are referred to as the "Plans" or the "Condominium 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. Each Unit shall include that part of the Condominium Building containing such Unit that lies within the following boundaries:

(a) Upper and lower boundaries. The upper and lower boundaries of a Unit shall be the boundary of the horizontal plane of the unfinished ceiling surface of the upper level of a Unit extended to an intersection with the perimetrical boundaries as an upper boundary, and the boundary of the horizontal plane of the unfinished surface of the floor of the lower level of a Unit extended to an intersection with the perimetrical boundary as a lower boundary.

(b) Perimetrical Boundary. The perimetrical boundary of each Unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

(i) Exterior Building Walls: The intersecting vertical planes adjacent to and which include the unfinished surface of the interior of the outside walls of the Condominium Building bounding a Unit;

(ii) Interior Building Walls: The vertical planes of the interior unfinished surface of the walls bounding a Unit (excluding interior partitions

within Units) extended to intersections with other perimetrical boundaries.

(c) The owner of a Unit shall not be deemed to own any spaces or improvements lying beneath the unfinished inner surfaces of the perimeter walls and floors, and above the lowest horizontal plane of the uppermost structural elements of each Unit, nor any spaces or improvements lying beneath the uncoated and/or unfinished inner surface of all interior columns, bearing walls and/or bearing partitions, nor any pipes, ducts, vents, wires, conduits or other facilities, equipment and/or fixtures running through any interior wall or horizontal or vertical portion of a Unit, for the furnishing of utility services, heating and cooling and/or ventilation to Units, Common Elements and/or Limited Common Elements. All glass and other transparent and/or translucent material, insect screens and screening in windows and doors, the material covering other openings in the exterior or interior walls of Units and air conditioning compressors serving each Unit, where applicable, shall be construed to be within the boundaries or limits and part of the Unit exclusively served by such windows, doors, other openings and air conditioning compressors.

5.04 Subdivision and Partition of Units; Relocation of Boundaries. Subject to the provisions of the Official Code of Georgia Annotated Section 44-3-91 and the By-Laws of the the Association, the boundaries between adjoining Units may be relocated from time to time, but no one 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 LIMITED COMMON ELEMENTS

6.01 Generally. The Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of those persons who are entitled to the use of any Unit to which such Common Elements are assigned. The Limited Common Elements and the Units to which they are assigned, for the use of a certain Unit or Units to the exclusion of other Units, consisting of the following:

(a) To each Unit in the Condominium, the deck or balcony designated for the exclusive use of a particular Unit as shown in the Condominium Instruments, including but not limited to, the assigned parking spaces shown and designated on the above-referenced Plat of Survey of the Condominium; and

(b) To certain Units in the Condominium the right of the ground space occupied by the air conditioning compressor and propane tank serving that Unit.

6.02 Other Limited Common Elements. Any shutter, awning, window box, doorstep, porch, balcony, patio and any other apparatus described in the Official Code of Georgia Annotated Section 44-3-75(a) (5) designed to serve a single Unit shall be deemed to be a Limited Common Element appertaining to that Unit exclusively.

ARTICLE 7 COMMON ELEMENTS

7.01 Each condominium unit shall be allocated an equal undivided interest in the Common Elements.

7.02 Common Elements. The term "Common Elements", as used herein, shall mean and comprise all of the real property and improvements of the Condominium, except

the Units, and including without limitation:

(a) Easements through Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to Units and Common Elements;

(b) Easements of support in every portion of a Unit which contribute to the support of other Units and/or Common Elements;

(c) Installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing the installations;

(d) The property and installations in connection therewith required for the furnishing of services to more than one Unit or to the Common Elements;

(e) Fixtures owned or held for the common use, benefit and enjoyment of all owners of Units in the Condominium;

(f) All parking areas not assigned as Limited Common Areas and the roadways through the Condominium Property;

(g) Such porches, stairways and landings and other improvements owned or held for the common use, benefit and enjoyment of all the owners of Units in the Condominium, their families, guests, invitees, and leasees, and not otherwise designated as Limited Common Areas; and

(h) Non-exclusive easements for ingress and egress serving the Condominium Property.

ARTICLE 8
ASSOCIATION MEMBERSHIP AND
ALLOCATION OF VOTES IN THE ASSOCIATION

8.01 Association Membership. All Unit Owners, by virtue of their ownership of a fee or undivided fee interest in any Unit in the Condominium, excluding Persons holding such interest under a Mortgage, are members of Tuscany Villas Condominium Association, Inc., and, except as otherwise provided herein, or in the Bylaws, shall be entitled to vote matters upon which members of the Association are entitled to vote pursuant to the Declaration and in accordance with the Bylaws. Each condominium unit shall be allocated an equal vote in the association.

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 the Official Code of Georgia Annotated Section 44-3-79 and the By-Laws of the Association.

ARTICLE 9
ALLOCATION OF LIABILITIES, COMMON EXPENSES AND UTILITY FEES

9.01 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 utility charges in connection with the Common Elements, including gas, electric, water, sewerage, cable and telephone charges; all expenses in connection with maintenance and repair of all Common Elements; security; and water, sewer, sanitary, gas and electric services and other similar charges for all Units;

(b) Any assessment, payable monthly or as otherwise billed, for utility fees chargeable to each Unit for the providing of electricity, gas and such other utility service as may from time to time be provided to or for the Unit;

(c) Pursuant to the Official Code of Georgia Annotated Section 44-3-80(c), 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, utilities, operating expenses, the cost of any construction or reconstruction, or unexpected repair or replacement of capital improvements in respect to the Common Elements;

(d) Fines as provided herein; and

(e) Reasonable charges made to any Owner or Unit for materials furnished or services rendered by the Association at the Owner's request to or on behalf of the Owner or Unit.

Except as otherwise provided in this Article 9, each condominium unit shall be allocated an equal liability for common expenses.

9.02 Special Assessments. The Board of Directors shall have the power to make special assessments pursuant to this Section and to Section 44-3-80(b) of the Act, as, in its discretion, it shall deem appropriate. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section.

(a) Any Common Expenses benefiting less than all of the Units or significantly disproportionately benefiting all Units may be specially assessed equitably among all of the Units which are benefited according to the benefit received.

(b) Any Common Expenses occasioned 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 may be specially assessed against such Unit or Units, the conduct of any Occupant, licensee, or invitee of which occasioned any such Common Expenses.

9.03 Equitable Assessment for 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 this Declaration, but shall be specifically assessed equitably among those Units which are so benefited or intended to be benefited; and

(b) Are incurred through or occasioned 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 Condominium Unit or Units, the conduct of any Occupant, licensee or invitee of which occasioned any such Com

9.04 Assessment for 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 Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

(a) If any monthly installment of annual assessments or any part thereof is not paid in full by the tenth (10th) day of the month or if any other charge is not paid within ten (10) days of the due date, a late charge equal to the greater of ten (\$10.00) dollars or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed, without further notice or warning to the delinquent Owner and interest at the rate of ten (10%) percent per annum or such higher rate as may be permitted by the Act shall accrue on each assessment and any late charge from the due date of the assessment or part thereof.

(b) If partial payment of assessments and related charges is made, the amount received may be applied first to costs and attorney's fees, then to late charges, then to interest, then to delinquent assessments, and then to current assessments.

(c) If assessments, fines or other charges or any part thereof due from an Owner remain delinquent and unpaid for a period greater than fifteen (15) days from the date due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment and of any special assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment and of any special assessment, without any further notice being given to the delinquent Owner. Upon acceleration that Owner shall thereby lose the privilege of paying the annual assessment in monthly installments for that fiscal year.

(d) If assessments and other charges or any part thereof remain unpaid for more than thirty (30) days after the assessment payments first become delinquent, the Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the Bylaws, the Act and Georgia law and suspend the Owner's and/or Occupant's right, to vote and the right to use the Common Elements; provided, however, the Board may not limit ingress or egress. Enforcement under this subsection is not dependent upon or related to other restrictions and/or other actions.

(e) If any assessment or other charge is delinquent for thirty (30) days or more, in addition to all other rights provided in the Act and herein, the Association shall have the right upon ten (10) days written notice, and in compliance with any requirements set forth in the Act, to suspend any utility or service, the cost of which are an Association Common Expense, including, but not limited to, water, electricity, heat, air conditioning and cable television, to that Unit until such time as the delinquent assessments and all costs permitted under this Section, including reasonable attorney's fees, are paid in full. Any costs incurred by the Association in discontinuing and/or reconnecting any utility service, including reasonable attorney's fees, shall be an assessment against the Unit.

Notwithstanding the above, the Board may suspend any utility or service, including cable television, paid for as a Common Expense only after: (1) a final judgment or judgments in excess of a total of \$750.00, or such other amount as required by the Act, are obtained in favor of the Association from a court of competent jurisdiction; (2) the Association provides the notice required to be provided by the institutional provider of such service prior to suspension of such service; and (3) the Association complies with any other requirements of O.C.G.A. Section 44-3-76. The utility services shall not be required to be restored until all judgments are paid in full, at which time the Association shall direct the utility provider to restore the service. All Common Expenses for termination of any services pursuant to this Section shall be an assessment and a lien against the Unit.

9.06 Computation of Operating Budget and Assessment. It shall be the duty of the Board at least twenty-one (21) days prior to the beginning of the Association's fiscal year to prepare a budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the Association's annual meeting. The budget and the assessment shall become effective unless disapproved at a duly called and constituted annual meeting of the Association by a vote of a Majority of the total Association vote; provided, however, if a quorum is not obtained at the annual meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at this meeting.

Notwithstanding the foregoing, in the event that the Owners disapprove the proposed budget or the Board fails for any reason to so determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year. In such case, the Board may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and assessment shall be delivered to the Owners at least thirty (30) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

Enforcement under this Section is not dependent upon or related to other restrictions and/or other actions.

9.07 Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or

replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by equal annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section 9.06. A copy of the capital budget shall be distributed to each Owner in the same manner as the operating budget.

Notwithstanding any other provisions of this Declaration, during the time the Declarant appoints the directors and officers of the Association, Declarant: (i) may collect a non-refundable contribution to the capital fund of the Association from the initial purchaser of each Unit in the amount of two (2) months of the general assessments, or the sum of \$250.00, whichever is greater; and (ii) shall not be required to prepare a capital budget, set any other capital contribution, or otherwise collect amounts for capital reserves. Any capital contribution collected by the Declarant shall not be collected against a Mortgagee which takes title to a Unit pursuant to foreclosure.

9.08 Surplus Funds and Common Profits. Pursuant to Section 44-3-108 of the Act, Common Profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such Common Profits to the payment of Common Expenses shall, at the option of the Board of Directors, either be distributed to the Owners or credited to the next assessment chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit or added to the Association's reserve account.

9.09 Lien Rights of Association. All sums lawfully assessed by the Association against any Unit shall constitute a lien in favor of the Association on the Unit prior and superior to all other liens whatsoever except: (1) liens for ad valorem taxes on the Unit; (2) the lien of any first priority Mortgage covering the Unit and the lien of any Mortgage recorded prior to the recording of the Declaration; and (3) the lien of any secondary purchase money Mortgage covering the Unit, provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Unit. Pursuant to the provisions of the Official Code of Georgia Annotated Section 44-3-109(b), 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 ten dollars (\$10.00) or ten percent (10%) 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 (10%) 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 attorney's fees actually incurred; and (iv) the fair rental value of the Condominium Unit from the time of the institution of suit until the sale of the Condominium Unit at foreclosure (or until the judgment rendered in such suit is otherwise satisfied).

ARTICLE 10 ASSOCIATION

10.01 Creation. The Declarant has caused the Tuscany Villas Condominium Association, Inc., to be duly incorporated as a Georgia 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 the Official Code of Georgia Annotated Section 44-3-76, the Association shall be empowered, in order to enforce compliance with the lawful provisions of the Condominium 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. In no event shall the fine imposed for any single infraction of the provisions of the Condominium Instruments exceed an amount which is equal to one fourth (1/4th) of the amount of the annual assessment against an individual unit for the year in which such infraction shall take place. If the voting right of a Unit Owner has been suspended, then that Unit Owner's vote shall not count for purposes of establishing a quorum or taking any action which requires a vote of the Owners under the Act or the Condominium Instruments.

10.04 Restrictions on Powers. The Association shall have, except to the extent restricted herein, all those powers permitted by the provisions of the Official Code of Georgia Annotated Section 44-3-106, and except to the extent that it may not without the written consent of two-thirds (2/3rds) of the Unit Owners (excluding Declarant) sell or transfer the Common Elements (excluding the grant of easements for public 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 CONDOMINIUM

11.01 Purposes. The Condominium is formed for the purpose of creating a condominium hotel. Without derogating from the generality of the foregoing, no business shall be maintained or conducted in or from any Unit, except that the Owner may conduct ancillary business activities within the Unit so long as:

(a) The existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Unit;

(b) 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;

(c) The business activity conforms to all zoning requirements for the Condominium;

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

(e) The business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;

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

(g) The business activity does not result in a materially greater use of Common Element facilities or Association services; and

(h) The business activity does not have a material negative effect on the operation of the Condominium as a condominium hotel.

The term "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 therefore. 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 Section.

11.02 Common Elements. All Owners and 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 to Common Elements by promulgating reasonable rules and regulations with respect thereto.

11.03 Strict Compliance. The Owners of the Units shall be entitled to all of the rights, but shall be subject to all the obligations provided for in the Act, and all Owners shall comply strictly with the provisions of the Condominium Instruments, including any restrictions, rules or regulations contained in or promulgated in accordance with the Bylaws of the Association.

11.04 Maintenance of Offices. The provisions of Section 11.01 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 or renovating 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 By-Laws.

ARTICLE 12 ARCHITECTURAL CONTROLS

12.01 During Declarant Control. During the time in which the Declarant has the right to appoint directors and officers of the Association as provided in this Declaration, there shall be no Architectural Control Committee and all encroachments onto the Common Elements or Limited Common Elements, exterior changes, alteration or construction (including painting and landscaping), and any erection, placement or posting of any object, sign, clothesline, light, 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. Granting or withholding such approval shall be within the sole discretion of the Declarant.

12.02 After Declarant Control. After such time as the Declarant's rights to appoint officers and directors of the Association as provided in this Declaration has expired, an Architectural Control Committee (the "ACC") shall be appointed by the Board of Directors and except for the Declarant, 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, playground equipment, light, fountains, flags, or thing on the exterior or roof of the buildings, in any windows (except window treatments as provided herein and reasonable seasonable decorative lights displayed between Thanksgiving and December 31st) on any Limited Common Elements, or on any Common Elements, without first obtaining the written approval of the ACC. 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 Section.

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). No Owner or Occupant shall make any interior modifications to any structural or load bearing portions of a Unit. Interior modifications may only be made in accordance with any construction guidelines as may be adopted by the ACC. All building code requirements must be complied with and necessary permits and approvals secured for any modifications.

12.03 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 Board of 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.

The Board, subject to this Section 12.03, may allow such encroachments on the Common Elements and Limited Common Elements as it deems acceptable.

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 has been submitted, its approval will not be required and this Section 12.03 will be deemed complied with; provided, however, even if the requirements of this Section 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.

12.04 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. In the discretion of the Board or 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.

12.05 Limitation of Liability. Review and approval of any application pursuant to this Section is made on the basis of aesthetic considerations only, and neither the Declarant, the Board of Directors, nor 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, nor 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.

12.06 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. 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.

12.07 Enforcement. Any construction, alteration, or other work done in violation of this Section shall be deemed to be nonconforming. Upon written request from the Board or the ACC, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the Unit 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 Unit, remove the violation and restore the Unit 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 Section and its decisions. Furthermore, the Board shall have the authority to record in the land records of the Office of the Clerk of Superior Court of White County, Georgia, notices of violation of the provisions of this Section.

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 Section, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction 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.

12.08 Commencement of Construction. All 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 within ninety (90) days of commencement, unless otherwise agreed in writing by the ACC.

ARTICLE 13 USE RESTRICTIONS

13.01 Use Restrictions.

(a) Units. No owner shall occupy or use his Unit, or permit the same or any part thereof, to be occupied or used for any purpose other than as a transient hotel guest accommodation which shall be rented and managed by a Hotel Management Firm or an agent thereof; provided however, that the Unit owner shall have such rights of personal use of his Unit as shall be agreed upon by such Unit owner and such Hotel Management Firm or its agent.

(b) Agency Agreement. Every owner shall, in conjunction with the

purchase of a Unit, enter into a mandatory Agency Agreement with the Hotel Management Firm or its agent as the owner's exclusive agent to manage and rent the owner's Unit as a transient hotel accommodation. No Unit can be sold, conveyed, transferred or assigned free of the restrictions, terms and conditions of the Agency Agreement, which shall attach to each Unit and continue as long as such Unit shall exist.

(c) Insurance. No use shall be made of any Unit of the Common Elements or Limited Common Elements which will increase the rate of insurance upon the Condominium Property without the Board's consent. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in cancellation of insurance on any Unit or any part of the Common Elements, or which will be in violation of any law. No waste shall be committed in the Common Elements.

(d) Each Owner of a Unit shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of the Condominium Instruments and the rules and regulations of the Association. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or Occupants as a result of such person's violation of the Condominium Instruments, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or Occupants.

(e) In addition to the following use restrictions, the Board of Directors may promulgate, modify or amend from time to time reasonable rules and regulations concerning the use of the Condominium Property; provided however, all such rules and regulations and modifications shall be approved by not less than fifty-one percent (51%) of the members of the Association before the same shall become effective. The Hotel Management Firm shall have the right to institute controls, operating procedures and such other regulations ("House Rules") as it may deem necessary in order to operate the Condominium as hotel accommodations; provided, however, that such controls and regulations may be overridden by the affirmative vote of the Owners of not less than eighty percent (80%) of the Units. Copies of such House Rules, regulations and amendments thereto shall be furnished by the Hotel Management Firm and Association, respectively, to all unit Owners and Occupants of the Condominium upon request.

(f) Boundaries between adjoining Units shall not be relocated. Boundaries between adjoining Units may be relocated only in accordance with the provisions of O.C.G.A. Section 44-3-91 and, for so long as Declarant owns a Unit, only with the prior written consent of the Declarant. The Declarant shall have the right to relocate boundaries between Units owned by the Declarant or its affiliates without the approval of the Association, and the Association shall execute the required amendment to the Declaration.

(g) No Unit shall be subdivided into a smaller Unit or Units.

(h) No structure of a temporary character, or trailer, tent, shack, carport, garage, barn or other outbuilding shall be erected by any Owner or Occupant on any portion of the Condominium, other than by Declarant, at any time, either temporarily or permanently, without the written approval of the Board.

(i) There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without the prior written consent of the Board, as specifically provided herein. The Declarant shall be exempt from this restriction.

(j) Use of the Limited Common Elements is restricted exclusively to the Owner of the Unit or Units 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.

(k) Without the prior written consent of the Board of Directors, nothing shall be done or kept on the Condominium, or any part thereof, which would increase the rate of insurance on the Condominium or any Unit or part thereof, or 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.

(l) No noxious, destructive or offensive activity shall be carried on upon the Condominium. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium 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. 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.

(m) No Owner, Occupant or agent of such Owner or Occupant shall do any work on or about the Condominium which, in the reasonable opinion of the Association's Board of Directors or its designee, would jeopardize the soundness or safety of the Condominium or any structure created thereon, would reduce the value thereof, or would impair any easement or other amenity or appurtenance, without prior written consent of all members of the Association and their Mortgagees.

(n) 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 by any tenant or invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless from and against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, tenants or Occupants of his or her Unit.

(o) No animal, livestock, reptile, bird, poultry, or other non-human living creature of any kind shall be raised, bred or kept on any part of the Condominium. The Association shall have the right to impose fines for any violation of this provision.

13.02 Parking: Vehicles: Prohibited Vehicles. Vehicles shall be parked in designated, lined parking spaces, or other areas authorized in writing by the Board.

(a) Disabled and/or stored vehicles are prohibited from being parked on the Condominium. For purposes hereof, a vehicle shall be considered "disabled"

if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium for fourteen (14) consecutive days, or longer, without prior written Board permission.

(b) Boats, trailers, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding mini-vans or utility vehicles used as passenger vehicles and receiving a car or passenger vehicle classification by the Georgia Department of Motor Vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, are prohibited from being parked on the Condominium, except in areas designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors, shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements, but no such vehicle shall remain on the Common Elements overnight or for any purpose except serving a Unit or the Common Elements without written Board consent.

(c) If any vehicle is parked on any portion of the Condominium in violation of this Section or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of the person or entity which will do the towing and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the Owner or user of the vehicle.

(d) If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's Unit or parking space, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this subsection, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions rather than exercise its authority to tow.

13.03 Signs. Except as may be required by legal proceedings, and except for signs which may be erected by Declarant relating to the development and/or sale of Units, no signs, advertising posters or billboards of any kind shall be erected, placed, or permitted to remain on the Condominium without the prior written consent of the Board or its designee. The restriction herein stated shall include the prohibition of placement of any sign within any unit from which the same shall be visible from the outside and the prohibition of the display of any sign from any vehicle within the Condominium. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

13.04 Trash; 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 designated by the Board for the collection of such trash and garbage.

13.05 Window Treatments. All window treatments placed in any Unit that is visible from the outside of the Unit must be white or off-white in color.

13.06 Antennas. No antennas of any kind may be erected or placed anywhere on the Condominium unless first approved in writing by the ACC as required under Article 12.

13.07 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 others 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.

13.08 Rights of Declarant During Sale Period. Notwithstanding any provisions contained in this Declaration to the contrary, during the period of the sale of Condominium Units it shall be expressly permissible for Declarant, its contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Property as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the sale of the Condominium Units, including, without limitation, business offices, signs, model Units and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the parking facilities on the Condominium for such purposes and to use the Units owned by Declarant as model Units and as offices for the sale of the Condominium Units and related activities.

13.09 Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year which may result in damage to any portion of the Condominium, increased Common Expenses, 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 be 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 in violation of this subsection, in addition to exercising any other remedies of the Association.

13.10 Unsightly or Unkempt 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 Condominium. Clothing, bedding, rugs, mops, appliances, bicycles, indoor furniture, and other indoor household items shall not be placed or stored outside the Unit.

ARTICLE 14
INSURANCE AND CASUALTY LOSSES

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

(a) Insurance covering all of the insurable improvements on the Property (with the exception of improvements and betterments made by the respective Unit Owners or Occupants) and all personal property as may be owned by the Association against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and such other risk as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Units, including, but not limited to, vandalism and malicious mischief in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations), as determined annually by the Association;

(b) 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 Condominium, with liability limits in amounts authorized from time to time by the Association, but in no event less than the amounts required in the Act;

(c) Insurance covering all the insurable improvements on the Property (with the exception of betterment and improvements made by respective Unit Owners or Occupants) and all personal property owned by the Association, against loss or damage by a standard flood insurance policy in an amount equal to the maximum insurance replacement amount thereof annually, as determined by the Association.

(d) 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.

14.02 Payment of Insurance Premiums. Premiums for all insurance carried by the Association shall be Common Expenses and shall be paid by the Association.

14.03 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 prejudiced 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.

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

14.05 Individual Insurance by Unit Owners. It shall be the individual responsibility of each Unit Owner, at his sole cost and expense, to provide, as he sees fit any insurance coverage not required to be maintained by the Association.

14.06 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 or losses 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 14.07(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.

14.07 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 Section, 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: (i) the Condominium is terminated pursuant to, subject to and in accordance with the provisions of the Act and this Declaration; (ii) the damaged or destroyed portion of the property is withdrawn from the Condominium pursuant to, subject to and in accordance with the provisions of the Act; or (iii) 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 (2/3rds) 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 (90) days after the date of the casualty. Should a determination be made to terminate the Condominium, as herein provided, 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 14.06 hereof. Should a determination be made to withdraw from the Condominium 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 14.06 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 this Article 14.

14.08 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 omissions 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.

14.09 Insurance Deductibles. In the event of an insured loss, any required

deductible shall be considered a maintenance expense to be paid by the Person or Persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to his or her Unit, if any. If any Owner or Owners fail to pay the deductible when required under this Section, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to Section 9.01(d) of this Declaration; provided, however, where the deductible is for insurance required under the Act, no Owner shall be assigned more than one thousand dollars (\$1,000.00), or such higher amount as authorized by the Act, as the cost of the deductible for any one occurrence.

ARTICLE 15 RENTING OF UNITS

15.01 No Unit shall be let, rented or hired out except in conformity with the provisions of the Condominium Instruments and the Agency Agreement required under Article 13 hereof.

15.02 Definitions. For the purposes of this Declaration, to "be let, rented or hired out" shall mean an activity by which any Person or persons other than the Owner of a Unit secures the right to occupy such Unit for which right the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument.

15.03 Inapplicability to Declarant and Holders of First Mortgages. This Section 15 shall not apply to any renting transaction entered into by Declarant, or by the holder of any first Mortgage on a Unit which holder becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage.

ARTICLE 16 SALE OF UNITS

16.01 Sale of Units. A Unit Owner who makes a transfer or sale of a Unit or any interest in a Unit shall give written notice to the Board of Directors of the Association of such transfer within ten (10) business days after execution and consummation of the transfer or sale documents. The Unit Owner shall furnish to the Board as part of the notice: (i) the name and address of the grantee; and (ii) such other information, as the Board may reasonably require. This Section shall not be construed to create a right of first refusal in the Association or in any third party.

Within ten (10) business days after receiving title to a Unit, the purchaser of the Unit (the "New Owner") shall give written notice to the Board of Directors of the Association of his or her ownership of the Unit. Upon failure of a New Owner to give the required notice within the ten (10) business day period provided herein, the Board may levy fines against the Unit and the New Owner thereof, and assess the New Owner for all costs incurred by the Association in determining his or her identity.

16.02 Transfer Fee Upon Sale of a Unit. Upon the sale of a Unit the

Association shall be entitled to collect from the purchaser of the Unit, at the closing of the Unit, a transfer fee in the amount of \$250.00. Such transfer fee shall be applied to the reserve account of the Association to be used for such purposes and shall benefit all of the Unit Owners in the Condominium, and shall not be due on the initial sale of a Unit by the Declarant.

ARTICLE 17
EMINENT DOMAIN

17.01 If any portion of the Condominium property is taken by eminent domain, the award shall be allocated as provided in the Official Code of Georgia Annotated Section 44-3-97.

ARTICLE 18
AMENDMENT OF CONDOMINIUM INSTRUMENTS

18.01 Except where a higher vote is required for action under any other provision 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 (2/3rds) of the total Association vote and such amendment shall otherwise comply with the provisions of O.C.G.A. Section 44-3-93. As long as Declarant owns any Unit primarily for the purpose of sale, any amendment to this Declaration or the Bylaws shall require the written consent of the Declarant. As long as Declarant has the right to appoint and remove the directors and officers of the Association, any amendment to this Declaration or the Bylaws shall require the written consent of the Declarant. In addition, no amendment to this Declaration shall alter the easement rights contained in this Declaration without the consent of the Person holding such easement rights. Notwithstanding the above, no amendment shall modify, alter or delete any provision of this Declaration that benefits the Declarant or any easement rights of the Declarant without the written consent of the Declarant attached to and recorded with such amendment. 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 land records of the Office of the Clerk of Superior Court of White County, Georgia.

In addition to the above, material amendments to this Declaration must be approved by Eligible Mortgage Holders who represent at least fifty-one percent (51%) of the votes of Units that are subject to Mortgages 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.

Notwithstanding the foregoing, Declarant, 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 Condominium into compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA").

Any action to challenge the validity of an amendment adopted under this Section 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 19
TERMINATION OF THE CONDOMINIUM

19.01 Subject to the provisions of the Official Code of Georgia Annotated, Section 44-3-98 with regard to the manner in which the termination of the Condominium shall be effected and to the consequences thereof, Tuscan Villas, a Condominium, shall be terminated only by the agreement of two-thirds (2/3rds) of the Owners of the Units and of all Mortgagees of such Units except in the case of the destruction of the entire development by fire or other casualty, following which the Owners of two-thirds (2/3rds) of the Units decide not to rebuild, in which case the provisions of the By-Laws and the Declaration shall apply.

ARTICLE 20
MAINTENANCE RESPONSIBILITY

20.01 By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit, and the Limited Common Elements assigned exclusively to his or her Unit. This maintenance responsibility shall include, but not be limited to, the following: all glass surfaces, windows, window frames, casings and locks (including caulking of windows); all doors, doorways, door frames, and hardware that are part of the entry system of the Unit, the roof of such Unit; all portions of the heating and air conditioning system, including the air conditioning compressor serving the Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only one Unit, whether located within or without a Unit's boundaries (including all electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit). Each Owner shall maintain all of the same to a standard that is satisfactory to the ACC.

In addition, each Unit Owner shall have the following responsibilities:

- (a) To keep in a neat, clean and sanitary condition any Limited Common Elements exclusively serving his or her Units;
- (b) To perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units;
- (c) To promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible; and
- (d) To pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit Owner, but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, his or her family, tenants or guests, with the cost thereof to be added to and become part of the Unit Owner's next chargeable assessment.

20.02 By the Association. The Association shall maintain and keep in good repair as a Common Expense all Common Elements, but excluding any Limited Common

Elements that are assigned exclusively to any Unit(s); provided, however, the cost of the maintenance and repair of Limited Common Elements may be assessed against the Unit Owner to whom the Limited Common Element is assigned pursuant to Section 6.01.

The Association shall not be liable for injury or damage to person or property caused by the elements of weather, or by an Owner of any Unit, or any other person, or resulting from any utility, rain, snow or ice which, may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

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

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

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

20.04 Measures Related to Insurance Coverage.

(a) The Board of Directors, upon resolution, shall have the authority to require all or any Unit Owner to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Unit Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring Owners to install smoke detectors, requiring Owners to make improvements to the Owner's Unit, and such other measures as the Board may reasonably require so long as the cost of such work does not exceed three hundred dollars (\$300.00) per Unit in any twelve (12) month period.

(b) In addition to, and not in limitation of, any other rights the Association may have, if any Unit Owner does not comply with any requirement made by the Board of Directors pursuant to Subsection 20.04(a), the Association upon fifteen (15) days written notice (during which period the Unit Owner may perform the required act or work without further liability) may perform such required act or work at the Unit Owner's sole cost and expense. Such cost shall be an assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to Subsection 20.04(a) of this Article, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

ARTICLE 21 PARTY WALLS

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

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

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

21.04 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

21.05 Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days

after written request therefore by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties. Compliance with this subsection shall be a condition precedent to any right of legal action that either party may have against the other in a dispute arising under the provisions of this Article.

ARTICLE 22 CONTROL BY DECLARANT

22.01 Pursuant to and in accordance with the provisions of the Official Code of Georgia Annotated Section 44-3-101, 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 to occur:

- (a) The expiration of three (3) years after the recording of this Declaration; or
- (b) The date as of which Units to which eighty percent (80%) 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 23 PERPETUITIES

23.01 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 twenty-one (21) years after the date that is ninety (90) years from and after the date of this Declaration.

ARTICLE 24 MISCELLANEOUS

24.01 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 said Unit Owner's Unit at the Condominium or at such other address as may be hereinafter provided by such Unit Owners in writing to the Association. Notices to the Association shall be in writing and addressed to the President of the Association at his or her Unit at the Condominium, or to such other address as may hereafter be provided for by such officer 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.

24.02 Right to Notice, Attend Meetings and Inspection Of Records. Upon written request, any Mortgagee shall have the right to receive a financial statement for the immediately preceding fiscal year.

24.03 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.

24.04 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.

24.05 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.

24.06 Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, for himself or herself and his or her tenants, guests, licensees, and invitees, acknowledge and agree that the Association is not a provider of security and shall have no duty to provide security on the Condominium. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide such security shall lie solely with each Unit Owner. Neither Declarant nor the Association shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of safety measures undertaken.

24.07 Dispute Resolution. Prior to filing a lawsuit against the Association, the Board, or any officer, director or property manager of the Association, a Unit Owner or Occupant must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the property manager of the Association, if any. The Owner or Occupant shall, in such request and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule a hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the request.

24.08 Unit Keys. Each Owner, by acceptance of a deed to a Unit, agrees to provide the Association with a key to the Unit to be used by the Association for maintenance, emergency, security or safety purposes as provided in this Declaration and for pest control, if necessary, as provided in Section 25.05 of this Declaration. Neither the Declarant nor the Association shall be liable for any loss or damage due to its holding such key, or use of such key for the purposes described above and each Unit Owner shall indemnify and hold harmless the Declarant, the Association and its officers and directors against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon the Declarant, the Association or its officers or directors in connection with any action, suit, or other proceeding (including settlement of any such action, suit or proceeding) brought by the Unit Owner or the Unit Owner's family, tenants,

guests, employees, invitees, or licensees against the Declarant, the Association, its officers or directors, arising out of or relating to its holding or use of such key for the purposes described above.

24.09 Right of Action. All Owners hereby acknowledge and agree that the Association shall not be entitled to institute any legal action against anyone on behalf of any or all of the Owners which is based on an alleged defect in any Unit or the Common Elements, or any damage allegedly sustained by any Owner by reason thereof, but rather, that all such actions shall be instituted by the Person(s) owning such Units or served by such Common Elements or allegedly sustaining such damage.

24.10 Rights and Obligations. Each successor in title to 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 upon and inure to the benefit of any person having any interest or estate in the property, or any portion thereof.

24.11 No Liability for Loss or Damage. Neither the Declarant nor the Association shall be held liable for loss or damage to any property, including, but not limited to, any vehicle and any items in any vehicle, placed or kept in any parking space in the Condominium. Nor shall the Declarant or the Association be held liable for loss or damage to any property, including water damage, to any vehicle and any items in any vehicle placed or kept in any parking space in the Condominium, or any items placed or kept in any storage space in the Condominium. Each Owner or Occupant with use of a parking space or storage space who places or keeps a vehicle and/or any personal property in the vehicle, parking space, or storage space does so at his or her own risk.

ARTICLE 25 EASEMENTS

25.01 Use and Enjoyment. Each Unit Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from his or her Unit over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to: (a) the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units; (b) to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein; (c) the right of the Association to have access to the Units and Limited Common Elements assigned to a Unit to discharge its rights and obligations under the Condominium Instruments, including without limitation, the maintenance responsibility of the Association; and (d) the provisions of Article 13 of this Declaration.

25.02 Support. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

25.03 Encroachments. The Units and Common Elements shall be subject to easements of encroachment as set forth in the Act.

25.04 Utilities. To the extent that any utility line, pipe, wire, or conduit serving any Unit, Units or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, such other Unit, Units, or the Common Elements shall be burdened with an easement for the use, maintenance, repair and replacement of such utility line, pipe, wire or conduit, such easement to be in favor of the Unit, Units, or Common Elements served by the same and the Association. It shall be the obligation of the benefited Owner to maintain, replace and repair any pipe, line, conduit, duct or wire owned by such Owner, even if such pipe, line, conduit, duct or wire is located in the Unit of another Owner. In such circumstance, the benefited Owner shall repair all incidental damage to any Unit resulting from performance of any such work. All Unit Owners hereby covenant and agree that as finished levels can have varying degrees, such repairs will be complete only to the extent of being "paint ready". Components that may require repair or replacement, such as tile and trim, will be reinstalled only to the extent of readily available materials or similar materials (trim and such will also be finished to "paint-ready"). Due to the uncontrollability of quality of repair, items such as faux paint treatment, wallpaper, ceiling/wall appliqué, and any other similar types of finishes will not be the responsibility of the benefited Owner.

25.05 Pest Control. The Association may, but shall not be obligated to, dispense chemicals for the extermination of insects and pests within the Units and Common Elements. In the event the Association chooses to provide such pest control, the Association and its duly authorized contractors, representatives, and agents shall have an easement to enter Units for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Unit Owners shall either provides key to the Unit for purpose of such entry or have someone available at such times as are designated by the Board of Directors to allow entry into the Unit for this purpose. The Association shall not be liable for any illness, damage, or injury caused by the dispensing of these chemicals for this purpose.

25.06 Declarant Easement Rights. For so long as Declarant owns any Unit or Units primarily for the purpose of sale, Declarant and its duly authorized contractors, representatives, agents, and employees shall have: (a) an easement for the maintenance of signs, a sales office, a business office, promotional facilities and model Units on the Condominium, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or state of the Unit; and (b) a transferable easement on, over, through, under, and across the Common Elements and Limited Common Elements for the purpose of making improvements on the Condominium or any portion thereof, for the purpose of installing, replacing, repairing and maintaining all utilities serving the Condominium, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

25.07. The provisions of this Article are to be deemed cumulative to such easements and rights elsewhere set out in this Declaration.

ARTICLE 26 MORTGAGEE'S RIGHTS

26.01 Rights. Unless at least two-thirds (2/3rds) of the first Mortgagees and/or Unit Owners give their consent, the Association or the membership shall not:

- (a) By act or omission seek to abandon or terminate the Condominium;
- (b) Change the prorata interest or obligations of any individual Unit for the purpose of: (1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the prorata share of ownership of each Unit in the Common Elements;
- (c) Partition or subdivide any Unit in any manner inconsistent with the provisions of this Declaration;
- (d) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements and licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or
- (e) Use hazard insurance proceeds for losses to any portion of the Condominium (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such portion of the Condominium.

The provisions of this Section 26.01 shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments or any of the actions contained in this Section.

26.02 Unpaid Expenses. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

ARTICLE 27 SUCCESSOR DECLARANTS

27.01 Any successor to the Declarant shall not be responsible or subject to liability by operation of law or through the purchase of Declarant's interest in the Condominium or any portion thereof at foreclosure or otherwise for any act, omission, or matter occurring or arising from any act, omission, or matter occurring prior to the time the successor succeeded to the interest of the Declarant.

ARTICLE 28 DISCLOSURES

28.01 Each Owner and Occupant acknowledge the following:

- (a) The Condominium is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved or widened in the future;
- (b) The views from an Owner's Unit may change over time due to, among

other circumstances, additional development and the removal or addition of landscaping;

(c) No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future;

(d) No representations are made regarding the schools or other cultural amenities or the providers of goods and services that currently or in the future may serve the Unit;

(e) Since in every neighborhood there are conditions which different people may find objectionable, it is acknowledged that there may be conditions outside of the Condominium property that a Unit Owner or Occupant may find objectionable and that it shall be the sole responsibility of the Owners and Occupants to become acquainted with neighborhood conditions which could affect the Unit;

(f) No representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one Unit to another;

(g) The Condominium floor plans and the dimensions and any square footage calculations shown thereon are only approximations. Any Unit Owner who is concerned about any representations regarding the floor plans should do his or her own investigation as to the dimensions, measurements and square footage of his or her Unit;

(h) All Owners and Occupants acknowledge and understand that the Declarant may from time to time be expanding the Condominium and/or renovating portions of the Condominium, and engaging in construction activities related to such expansion and/or renovation. Such expansion, renovation and construction activities may, from time to time, produce certain conditions on the Condominium, including, without limitation: (i) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (ii) smoke; (iii) noxious, toxic, or corrosive fumes or gases; (iv) obnoxious odors; (v) dust, dirt or flying ash; (vi) temporary interruption of utilities; and/or (vii) other conditions that may threaten the security or safety of Persons on the Condominium. Notwithstanding the foregoing, all Owners and Occupants agree that such conditions on the Condominium resulting from expansion, renovation and construction activities shall not be deemed a nuisance and shall not cause Declarant and its agents to be deemed in violation of any provision of the Declaration; and

(i) Each Owner acknowledges that Declarant and its affiliates may provide services utilized by communities such as this Condominium including, but not limited to, management services. Each Owner consents and agrees that the Association may enter into service contracts with Declarant and its affiliates.

ARTICLE 29

PREPARER

29.01 This Declaration was prepared by K. Grant Keene, Attorney at Law, P.O. Box 246, Cleveland, Georgia 30528 (60 South Main Street).

IN WITNESS WHEREOF, the said party of the first part has hereunto set his hand and seal, the day and year above written.

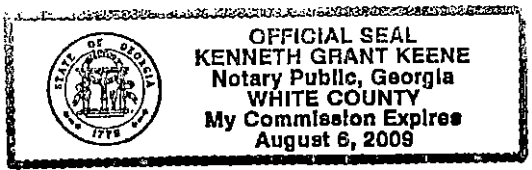
Signed, sealed and delivered
in the presence of:

Stacy W. Allison
WITNESS

EDELWEISS RIVER TOWN HOMES, LLC, (SEAL)
a Georgia Limited Liability Company

By: Lee A. Finch (Seal)
LEE A. FINCH, as Manager

Kenneth Grant Keene
NOTARY PUBLIC
(SEAL)
My Commission Expires: _____



BYLAWS
OF
TUSCANY VILLAS CONDOMINIUM ASSOCIATION, INC.

ARTICLE 1 - Name, Membership, Applicability and Definitions

1.1 Name. The name of the corporation shall be TuscanY Villas Condominium Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2 Membership. The Association shall have one class of membership, as is more fully set forth in that certain Declaration of Condominium for TuscanY Villas, a Condominium, (such Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

1.3 Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

ARTICLE 2 - Association Meetings: Quorum, Voting, Proxies

2.1 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Condominium or as convenient thereto as possible and practical.

2.2 Annual Meetings. There shall be an annual meeting of the members at such date, place and time as the Board of Directors shall determine to receive the reports of the outgoing Board of Directors, to install Directors for the ensuing year, and to transact such other business as may come before the meeting.

2.3 Special Meetings. The President or the Board of Directors may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association upon the delivery of a petition signed and dated by members entitled to cast at least twenty-five percent (25%) of the Total Association Vote and describing the purpose or purposes for which it is to be held. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose(s) thereof. No business shall be transacted at a special meeting, except those matters that are within the purpose or purposes described in the notice.

2.4 Record Date. The Board of Directors shall fix in advance a record date for a determination of members entitled to notice of and to vote at any meeting of members or any adjournment thereof, or to make a determination of members for any other purpose, such date to be not more than seventy (70) days before the date on which the particular action requiring such determination of members is to be taken.

2.5 Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Unit of each member (as shown in the records of the Association as of the record date) a notice of each annual or special meeting of the Association stating the date, time and place where it is to be held and if and to the extent required by the Georgia Nonprofit Corporation Code (O.C.G.A. Section 14-3-101, et seq.) or other applicable law (the "Governing Law"), the purpose(s) thereof. If an Owner wishes notice to be given at an address other than the Unit, the Owner shall designate by notice in writing to the Secretary such other address. Notices shall be mailed or delivered not less than ten (10) days (or if notice is mailed by other than

first class or registered mail, thirty (30) days, nor more than sixty (60) days, before the meeting. If any meeting of the members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If, however, a new record date is or must be fixed under the Governing Law notice of the adjourned meeting shall be given to persons who are members of record as of the new record date.

2.6 Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, signed by the member, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of lack of notice or defective notice, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.8 Membership List. After the record date for any meeting is established by the Board of Directors, the Secretary shall prepare an alphabetical list of the names and addresses of all of the members who are entitled to notice of the meeting. Beginning at least two business days after notice is given of the meeting for which the list was prepared, the list of members shall be available for inspection by any member or a member's agent or attorney at the Association's principal office or at such other reasonable place as may be specified in the notice. In addition, the list shall be available for inspection at the meeting or any adjournment thereof.

2.9 Voting. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein.

2.10 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxy appointment forms shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon: (a) receipt of notice by the Secretary of the death or judicially declared incompetence of a member; (b) receipt by the Secretary of written revocation signed by the member; (c) receipt by the Secretary of a subsequent appointment form signed by the member; (d) attendance by the member and voting in person at any meeting; or (e) the expiration of 11 months from the date of the proxy appointment form.

2.11 Quorum. The presence, in person or by proxy, of members entitled to cast at least twenty-five percent (25%) of the votes entitled to be cast at the meeting shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.12 Action Without A Formal Meeting. Any action required or permitted to be approved by the members may be approved without a meeting if one or more consents, in writing, setting forth the action so taken, shall be signed and dated by members (including the

Declarant, if the consent of the Declarant is required) holding the voting power required to pass such action at a meeting held on the record date for such action. The record date for such action shall be the date that the first member signs a consent. Such action shall be approved when the Secretary receives a sufficient number of such consents dated within 70 days of the record date for such action. If less than unanimous consent is obtained, the approval shall be effective ten (10) days after the Secretary gives written notice of the approval to all members who did not sign a consent. Each signed consent shall be included in the minutes of meetings of members filed in the permanent records of the Association.

2.13 Action By Written Ballot. Any action that may be taken at any annual, regular or special meeting of members may be taken without a meeting if approved by written ballot as provided herein. The Association shall deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; (c) and specify the time by which a ballot must be received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked. Approval by written ballot of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The results of each action by written ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

ARTICLE 3 - Board of Directors: Number, Powers, Meetings

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. Directors shall be natural persons who are 18 years of age or older. Except for directors appointed by the Declarant, each director must be an owner of an interest in a Unit in the Condominium and be a member or the spouse of a member; provided, however, no Person may serve on the Board at the same time with such Person's spouse or any co-Owner or Occupant of such Person's Unit.

3.2 Directors Appointed by Declarant. The Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur: (a) the expiration of five (5) years after the date of the recording of the Declaration; (b) the date on which all of the Units planned by Declarant to be a part of the Condominium shall have been conveyed to an Owner for occupancy as a transient hotel accomodation; or (c) the surrender by Declarant in writing of the authority to appoint and remove directors and officers of the Association. The directors appointed by the Declarant need not be Owners or residents in the Condominium. The total number of Units planned by Declarant for the Community shall initially be the number of Units shown on the Declarant's land use plan for the development as it may be amended from time to time. Inclusion of property on the land use plan shall not obligate the Declarant to subject such property to the Declaration, nor shall exclusion of property from the initial land use plan bar Declarant from subjecting such property to the Declaration. The final total number of Units planned for the Condominium shall be the actual number of Units shown on the recorded condominium plats and plans for the Condominium regardless of any different number of Units shown from time to time on the land use plan. The Declarant shall notify the Association when the final condominium plat and plans for the Condominium has been recorded.

3.3 Number of Directors. During the period that the Declarant has the right to appoint and remove the officers and directors of the Association as provided above, the Board of Directors shall consist of from one to three members as determined by Declarant in writing from time to time. Thereafter, the Board shall consist of three members, who shall be elected as provided below.

3.4 Nomination of Directors. Elected directors may be nominated from the floor, if a meeting is held for the election of directors and may also be nominated by a nominating committee, if established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.5 Election and Term of Office. After the Declarant's right to appoint directors and officers terminates, the Association shall call a special meeting (or take action under Section 2.12 or Section 2.13 in lieu of a meeting) and the members shall elect three (3) directors. The members of the Board of Directors shall hold office for one (1) year and shall continue in office until their respective successors shall have been elected and take office. At annual meetings of the membership thereafter (or pursuant to Section 2.12 or Section 2.13 in lieu of a meeting), directors shall be elected. The three (3) candidates receiving the most votes shall be elected.

3.6 Removal of Directors. At any annual, regular or special meeting of the Association, any one or more of the members of the Board of Directors elected by the members may be removed, with or without cause, by a majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created. The notice of the meeting shall state that the purpose, or one of the purposes, of the meeting is removal of a director. A director whose removal by the members has been proposed shall be given an opportunity to be heard at the meeting. Additionally, any director who has three consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than 30 days may be removed by a majority vote of the remaining directors.

3.7 Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors. Each Person so selected shall serve the unexpired portion of the term.

3.8 Organization Meetings. The first meeting of a newly elected Board of Directors shall be held within ten days after the election at such time and place as the directors may conveniently assemble.

3.9 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, provided that, after the right of Declarant to appoint the directors terminates, at least four such meetings shall be held during each fiscal year with at least one per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.10 Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery (including commercial delivery service) to such director's home or office; (b) written notice by first class mail, postage prepaid; or (c) by telephone communication (including facsimile), either directly to the director or to the director's home or office. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four days before the time set for the meeting. Notices given by personal

delivery or telephone shall be given at least two days before the day set for the meeting.

3.11 Waiver of Notice. The business transacted at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if: (a) a quorum is present; and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes which is included in the minutes or filed with the official records of the Association. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

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

3.13 Compensation. No director shall receive any compensation from the Association for acting as such.

3.14 Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.15 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.16 Action Without A Formal Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if one or more consents, in writing, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records.

3.17 Telephonic Participation. One or more directors may participate in and vote during any meeting of the Board by telephone conference call or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

3.18 Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by law, the Declaration, Articles, or these Bylaws directed to be done and exercised by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation: (a) preparation and adoption of an annual budget in which there shall be established the contribution of each member to the common expenses; (b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments; (c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association; (d) designating, hiring, and dismissing the personnel necessary for the operation of

the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties; (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; (f) making and amending rules and regulations; (g) opening of bank accounts on behalf of the Association and designating the signatories required; (h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association; (i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof; (j) keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof, and specifying the maintenance and repair expenses and any other expenses incurred; and (k) authorization of contracts on behalf of the Association.

3.19 Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager. The term of any management agreement shall not exceed one year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days' written notice.

3.20 Borrowing. The Board of Directors shall have the power to borrow money without the approval of the members of the Association; provided, however, except as otherwise provided in the Declaration, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the total amount of such borrowing exceeds or would exceed ten percent (10%) of the annual budget of the Association.

3.21 Fining or Suspension Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Written notice shall be delivered to the member by personal delivery at the Unit or first-class or certified mail sent to the address of the member shown on the Association's records, specifying: (1) the nature of the violation, the fine or suspension to be imposed and the date, not less than ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, that the fine or suspension will take effect; (2) that the violator may, within ten days from the date of the notice, request a hearing before the Board regarding the fine or suspension imposed; (3) the name, address and telephone numbers of a person to contact to request a hearing; (4) that any statements, evidence, and witnesses may be produced at the hearing; and (5) that all rights to have the fine or suspension reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice; and

(b) If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. Except for the display of unapproved signs, the fine or suspension shall run from the date that a decision is made by the Board at the conclusion of the hearing or such later date as the Board may determine.

ARTICLE 4 - Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

4.2 Election, Term of Office, and Vacancies. Except during the period in which the Declarant has the right to appoint the officers of the Association, the officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors following the election of directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.3 Additional Officers and Agents. The Board of Directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

4.4 Salaries. The officers shall receive no compensation.

4.5 Removal. Except for officers appointed by the Declarant, any officer may be removed, with or without cause, by the Board of Directors.

4.6 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and directors. The immediate supervision of the affairs of the Association shall be vested in the President. It shall be the President's duty to attend to the business of the Association and maintain strict supervision over all of its affairs and interests. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association, and shall manage and operate the business of the Association pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

4.7 Vice President. The Vice President(s), if any, shall act in the President's absence or disability and shall have all powers, duties, and responsibilities provided for the President when so acting, and shall perform such other duties as shall from time to time be imposed upon any Vice President by the Board or delegated to a Vice President by the President.

4.8 Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors; notify the members and directors of meetings as provided by these bylaws and Georgia law; have custody of the seal of the Association; affix such seal to any instrument requiring the same; attest the signature or certify the incumbency or signature of any officer of the Association; and perform such other duties as the President, or the Board of Directors may prescribe. The Secretary shall perform the duties of the Treasurer of the Association in the absence or disability of the Treasurer.

4.9 Treasurer. The Treasurer shall keep, or cause to be kept, the financial books and records of the Association, and shall faithfully account for the Association's funds, financial assets, and other assets entrusted to the Treasurer's care and custody. The Treasurer shall make such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the Association, and shall perform such other duties as the President, or the Board of Directors may prescribe. The Treasurer shall maintain the money and other assets of the Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association to disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Secretary of the Association in the absence or disability of the Secretary.

4.10 Resignation. Any officer may resign at any time by giving written notice to the

Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified herein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE 5 - Committees

Advisory committees to perform such tasks and to serve for such periods as may be designated by the Board or as provided in the Declaration are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. An advisory committee shall not be authorized to exercise any authority of the Board under the Articles of Incorporation, the Declaration, these Bylaws or the Georgia Nonprofit Corporation Code.

ARTICLE 6 - Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.2 Parliamentary Rules. Roberts Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, the Declaration or these Bylaws.

6.3 Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, the Declaration and these Bylaws, the provisions of Georgia law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

6.4 Amendment. These Bylaws may be amended by the Board of Directors with the consent of the Declarant if such amendment is necessary to: (a) bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) enable any title insurance company to issue title insurance coverage with respect to the Units subject to the Declaration; (c) enable an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make or purchase Mortgage loans on the Units subject to the Declaration; (d) enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Units subject to the Declaration; or (e) comply with the provisions of the Georgia Property Owners Association Act, O.C.G.A. § 44-3-220, et seq. (if and when the Association, with the consent of the Declarant, elects to subject the Association to the provisions of such Act). In addition, these Bylaws may be amended upon the affirmative vote of at least two-thirds (2/3) of the Total Association Vote and the consent of Declarant.