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DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

FOR

BAKER HEIGHTS

July 14, 1998

BK 11511 PG 071

NOTWITHSTANDING THE ESTABLISHMENT OF BAKER HEIGHTS HOMEOWNERS' ASSOCIATION, INC. AND THE SUBMISSION OF THE PROPERTY TO THE TERMS AND CONDITIONS OF THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BAKER HEIGHTS, BAKER HEIGHTS IS NOT A CONDOMINIUM AS DEFINED IN THE GEORGIA CONDOMINIUM ACT (CHAPTER 44, ARTICLE 3 OF THE OFFICIAL CODE OF GEORGIA)

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS

FOR

BAKER HEIGHTS

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR BAKER HEIGHTS (the "Declaration"), made this ____ day of July, 1998 by Homeland Communities, Inc., a Georgia Corporation ("Declarant").

W I T N E S S E T H ;

WHEREAS, Declarant is the owner of certain real property lying and being in Land Lot 51 and 52 of the 20th District, 2nd Section of Cobb County, Georgia, a portion of said property being more particularly described on Exhibit "A"; attached hereto and made a part hereof (hereinafter referred to as "Property"); and

WHEREAS, the Declarant plans to develop, construct, and build on the Property a residential single-family townhome community; said community to be known as "Baker Heights"; and

WHEREAS, the Declarant is desirous of developing and maintaining various amenities within Baker Heights, of protecting the Owners of the Lots (as defined herein) against any use thereof which will depreciate the value of the Property; of preserving, as far as practicable, the natural beauty of the Community; and, in general, of ensuring that improvements on the Property will be of a high quality; and, of establishing and providing for the enforcement of this Declaration during and after development; and

WHEREAS, Declarant has deemed it desirable to create an association for the purpose of maintaining the administering portions of the Property and the improvements thereon and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Declarant has caused to be incorporated under the laws of the State of Georgia a nonprofit corporation called Baker Heights Homeowners' Association, Inc. (hereinafter the

"Association"), a non-profit corporation, for the purpose of exercising said functions; and

WHEREAS, to this end, the Declarant desires to subject the Property to the covenants, restrictions, easements, agreements, charges and liens hereinafter set forth, each of which is for the protection and benefit of said Lots and Property, and for the benefit of all subsequent Owners of said Lots and Property, and each of which shall inure to the benefit of and run with each of said Lots.

NOW, THEREFORE, the Declarant hereby declares that the Property is hereby subjected to the provisions of this Declaration and shall be held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to this Declaration and the covenants, conditions, restrictions, easements, agreements, charges and liens hereinafter set forth. Every grantee of any interest in any Lot made subject to this Declaration, by acceptance of a deed or other conveyance of such interest, whether or not it shall be so expressed in any such deed or other conveyance, whether or not such deed or other conveyance shall be signed by such person and whether or not such person shall otherwise consent in writing, shall take subject to all the terms and conditions thereof and shall be deemed to have assented to all of said terms and conditions of this Declaration.

ARTICLE I

DEFINITIONS

When used in this Declaration, the following terms, whether capitalized or not, shall have the following definitions unless the context hereby shall prohibit or otherwise require. All terms used herein shall apply to any gender and the singular or plural form as may be required by the context.

Section 1.1. "Additional Property" shall mean and refer to the real property described on Exhibit "B-1" and Exhibit "B-2" attached hereto and made a part hereof which may be made subject to this Declaration pursuant to Article IV hereof.

Section 1.2. "Association" shall mean and refer to Baker Heights Homeowners' Association, Inc., a Georgia Not-for-Profit Corporation, its successors and assigns.

Section 1.3. "B-1 Property" shall mean and refer to that portion of the Additional Property identified on Exhibit "B-1" and made subject to this Declaration in accordance with the provisions of Article IV.

Section 1.4. "B-2 Property" shall mean and refer to that portion of the Additional Property identified on Exhibit "B-2" and made subject to this Declaration in accordance with the provisions

of Article IV.

Section 1.5. "Board" shall mean and refer to the Board of Directors of the Association.

Section 1.6. "Building Number" shall mean and refer to the number, letter or combination thereof designating a Building in the Association Instruments, the Plat or the Supplemental Plats.

Section 1.7. "Community" shall mean and refer to (i) all Property made subject to these covenants, and (ii) any other portions of the Additional Property added hereto by proper amendment hereof.

Section 1.8. "Declarant" shall mean and refer to Homeland Communities, Inc., a Georgia Corporation, its successors and assigns, provided such successor and/or assign shall acquire such Property for purposes of development or sale, and provided further, in the instrument or conveyance to any such successor and/or assign, such successor and/or assign is expressly designated as the "Declarant" hereunder. In addition, should any of the Property or the Additional Property become subject to the lien of a security instrument given by the Declarant as security for the repayment of a construction or development loan, then all the rights, privileges and options herein reserved to "Declarant" shall inure to the benefit of the holder of such mortgage upon its becoming the owner of the ' Property or Additional Property then subject thereto through whatever means, or the purchaser of all such Property or Additional Property at a judicial or foreclosure sale made pursuant to any power of sale contained in such security instrument; and, further, all the rights, privileges and options reserved to "Declarant" may be transferred to the successor-in-title of any such acquirer of title to such Property or Additional Property provided any such successor-in-title shall acquire for the purpose of sale or development all or some portion of such Property or Additional Property, and provided further, in the instrument of conveyance to such successor-in-title, such successor-in-title is designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor of such conveyance, shall be the "Declarant" hereunder at the time of such conveyance.

Section 1.9. "Declaration" shall mean and refer to this Declaration of Covenants, Restrictions and Easements for Baker Heights, as may be amended from time to time.

Section 1.10; "Mortgagee" shall mean and refer to the holder, guarantor or insurer of any security instrument given to secure any Lot.

Section 1.11. "Owner" or "Unit Owner" shall mean and refer to the record owner, whether one or more persons, of the fee simple title to any Townhome Lot, which is a part of the Property, but excluding those having such interest merely as a security for the performance of any obligation.

Section 1.12. "Plat" shall mean and refer to (i) that certain plat or survey by which the Property is submitted to the terms and conditions of this Declaration; said plat being more particularly described as that certain plat of survey by Land Development Technologies, Inc., entitled "Final Subdivision Plat for Baker Heights", dated March 4, 1997, last revised October 8, 1997, as recorded in Plat Book 170, Page 033, Cobb County, Georgia Deed Records; and (ii) any other plat or survey by which any Additional Property is submitted to the terms and conditions of this Declaration.

Section 1.13. "Property" shall mean and refer to the real property described on Exhibit "A", attached hereto and made a part hereof, together with any portion of the Additional Property that has been lawfully submitted to this Declaration, from and after the date such Additional Property is added.

Section 1.14. "Townhome Building" or "Building" shall mean and refer to a building located on the Property containing two or more Units.

Section 1.15. "Townhome Lot" or "Lot" shall mean and refer to that portion of the Property identified on the Plats by broken lines, including the Unit.

Section 1.16. "Unit" shall mean and refer to the single-family physical structure or living unit actually built within the Townhome Building and on the Townhome Lot.

ARTICLE II

PROPERTY

Section 2.1. General. The Property shall consist of the Property described on Exhibit "A" and all improvements located thereon. The improvements shall consist of Townhome Buildings together with the Townhome Lots and the Units contained therein, paved parking areas, drives, roads, utility systems, and other improvements serving the Lots and/or Units. There will be no recreational property or amenities located within the Property.

ARTICLE III

PROPERTY RIGHTS

Section 3.1. Owner's Easement of Ingress and Egress. Each Owner shall have an easement of ingress and egress upon and across any portion of any Townhome Lot, which easement may be necessary to enable said Owner to enter and/or exit his Unit either through the front or rear entrance. This easement shall apply to all Owners, their transferees, assigns, families, tenants, guests, licensees, agents, and invitees. This easement shall be

appurtenant to and shall pass with title to every Lot, whether or not included in any deed.

Section 3.2. Easement for Maintenance. The Association shall have a general easement for maintaining the Property in accordance with the provisions of Article VIII hereof.

Section 3.3. Easements Reserved for Declarant. Declarant hereby reserves for itself, its successors and assigns, the following easements and rights-of-way in, upon, over and across any portion of the Property so long as Declarant owns any Lot primarily for the purpose of sale or has the right to submit Additional Property to the terms and conditions of this Declaration pursuant to Article IV hereof:

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

(B) For the construction of the Townhome Buildings and Units;

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

(D) For use as sales offices, model homes and parking spaces in connection with its effort to market the Units; and

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

Section 3.4. General Easement for the Association. The Association, in addition to the rights of the Association pursuant to Section 3.2 hereof, has a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including but not limited to, any manager employed by the Association and any employees of such manager to enter upon the Property or any portion thereof in the performance of their respective duties and responsibilities, including those set forth in Section 8.1 hereof; said easement specifically includes, but is not limited to, the right to enter upon the Property or any portion thereof, including a Unit, in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and upon reasonable advance notice to the Owner of the Unit directly affected thereby.

Section 3.5. Encroachments. There shall be a reciprocal appurtenant easement of encroachment between each Unit and the

Unit and/or Townhome Lot adjacent thereto due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed or permissibly altered thereon; provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of any individual Owner, tenant or the Association. In the event that any Unit or other authorized improvement shall be partially or totally damaged or destroyed as a result of fire or casualty, or as a result of condemnation or eminent domain proceedings, and then repaired or reconstructed, encroachments of improvements of the Unit upon the adjacent Unit and/or Townhome Lot, due to such repair or reconstruction, shall be permitted and valid easements for such encroachments and maintenance, repair and replacement thereof shall exist.

ARTICLE IV

Additional Property

Section 4.1. General. The Additional Property is located contiguous to the Property and is described on Exhibits "B-1" and "B-2", attached hereto and made a part hereof. Presently, there is not contemplated to be any recreational amenities or facilities located within any of the Additional Property; notwithstanding, the Declarant reserves the right to amend this Declaration to provide for recreational amenities and/or facilities. At such time as all Additional Property to Baker Heights is added to the terms and conditions of these Covenants, it is currently contemplated that there will be a 250 Townhome Lots submitted to the terms and conditions hereof. Notwithstanding anything contained herein above, the Declarant is neither obligated nor limited to build two-hundred fifty (250) Units within the Community.

Section 4.2. Expiration of Option. The right and option of Declarant to amend this Declaration and add all or any portion of the Additional Property shall expire seven (7) years from the recording of this Declaration. Other than as stated herein, there are no other limitations on said right and option of Declarant to add any or all of the Additional Property.

Section 4.3. Manner of Exercise - B-1 Property. The option to amend this Declaration by -adding the "B-1 Property" shall be as follows:

(A) Right to Amend and Method. The right to amend this Declaration by adding the "B-1 Property" is reserved unto the Declarant and shall be exercisable by the recording with the Clerk of Superior Court of Cobb County, Georgia of (a) an amendment to this Declaration, duly executed on behalf of the Declarant, and on behalf of all mortgagees who may have an interest in a portion of the Additional Property being added to this Declaration, and (b) a plat or plats of survey of a portion of the Additional Property

being added to this Declaration.

(B) Property Description. The legal description of the portion of the B-1 Property to be added to this Declaration will be described and made subject to this Declaration in the duly recorded amendment referred to in Section 4.3 (A), above. Any portion of the Additional Property, when made subject to this Declaration, must be contiguous to the Property previously made subject to this Declaration.

(C) Construction Standards and Appearance. Any structure erected on any portion of the B-1 Property made subject to this Declaration shall be substantially completed and shall be similar to and compatible with the structures on the Property in terms of quality of construction, principal materials to be used, architectural style, and esthetic qualities, as determined by Declarant, in its reasonable discretion.

(D) Use Restrictions. Any portion of the B-1 Property made subject to this Declaration shall be used for residential purposes only and subject to the use restrictions as set forth in Article IX hereof.

(E) No Obligation. Notwithstanding anything contained herein, the Declarant does not have any obligation to submit any or all of the B-1 Property to the terms and conditions of this Declaration and any B-1 Property added to the terms and conditions hereof shall be submitted at the Declarant's own discretion.

Section 4.4. Manner of Exercise - B-2 Property. The option to amend this Declaration by adding the "B-2 Property" shall be as follows:

(A) Right to Amend and Method. The right to amend this Declaration by adding any portion of the "B-2 Property" is for the benefit of any Unit Owner who owns one or more Lots within the B-2 Property and shall be exercisable by the recording with the Clerk of Superior Court of Cobb County, Georgia of (a) an amendment to this Declaration, duly executed by the Unit Owner who may have an interest in the B-2 Property; said amendment to be in form and substance attached hereto as Exhibit "C". The consent of the Declarant is not necessary to amend any B-2 Property.

(B) Use Restrictions. Any portion of the B-2 Property made subject to this Declaration shall be used for residential purposes only and subject to the use restrictions as set forth in Article IX hereof.

Section 4.5. Voting. The number of votes in the Association shall be increased by the number of Units added to the Property by amendment and each Lot in the whole of the Property shall have one (1) vote in the Association.

ARTICLE V

ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

Section 5.1. Name of Homeowners' Association. The name of the homeowners' association shall be the "Baker Heights Homeowners' Association, Inc."

Section 5.2. Administration. Except to the extent otherwise required by the provisions of the Official Code of Georgia relating to nonprofit corporations, this Declaration, the Articles of Incorporation and By-Laws of the Association, the powers herein or otherwise granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Owners. Declarant shall have the right to appoint and remove all members of the Board officer or officers of the Association until such time as the first to occur of the following events:

(A) the later of:

(i) the date on of which the last Lot that has been owned by the Declarant shall have been conveyed by the Declarant to an Owner, and all Additional Property has been submitted to the terms and conditions of this Declaration,

(ii) the date on which the last Lot that has been owned by the Declarant shall have been conveyed by the Declarant to an Owner, and the Declarant has waived its right to add Additional Property to the terms and conditions of this Declaration; or

(iii) on December 31, 2005;

(B) the surrender by the Declarant of the authority to appoint and remove the directors and officers of the Association by an express amendment to this Declaration executed by the Declarant. Each Owner by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors and officers of the Association as provided in this Declaration.

Section 5.3. Duties and Powers. The duties and powers of the Association shall be those set forth in the Official Code of Georgia relating to nonprofit corporations and to Georgia Property Owners Associations, this Declaration, the Articles of Incorporation and By-Laws of the Association (as may from time to time be amended), together with those reasonably implied to effect the purposes of the Association; provided however, that if there are conflicts or inconsistencies between the Official Code of Georgia, this Declaration, the By-Laws or the Articles of Incorporation, the Official Code of Georgia, this Declaration, the By-Laws and then the Articles of Incorporation, in that order, shall prevail, and each Owner, by acceptance of a deed or other

conveyance therefore, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right of privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5.4. Membership. Every Owner shall be deemed a mandatory member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of any Lot, and ownership of any Lot shall be the sole qualification for such membership. In the event that fee title to a Lot is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee. The foregoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one membership per Lot. The right and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by a member or a member's spouse; but, in no event shall more than one vote be cast or more than one office held for each Lot owned. When more than one person holds an interest in a Lot, the vote for such Lot shall be exercised as the Owners of such Lot shall themselves determine. The vote appurtenant to any Lot shall be suspended in the event that more than one person seeks to exercise it.

Section 5.5. Classes of Membership. The Association shall have two (2) classes of voting membership which shall be known as Class A and Class B:

(A) With the exception of the Declarant, every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who is a record owner of a fee interest in any Lot which is a part of the Property subject to the Declaration, or which otherwise becomes subject, by the terms of this Declaration as amended, to assessment by the Association, shall be a Class A member of the Association; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity who holds such interest solely as security for the performance of a debt or obligation shall not be a Class A member solely on account of such interest. Each class A member shall be entitled to one (1) vote for each Lot in which such member holds the interest required for Class A membership.

(B) The Class B member shall be the Declarant or its nominee or nominees, and shall include every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who shall obtain any Class B membership by assignment from the Declarant which specifically assigns the

rights of Class B membership. The Class B member or members shall have one (1) Class B membership for each Lot in which such member holds the interest otherwise required for Class A membership. Each Class B member shall be entitled to three (3) votes for each Class B membership which it holds. Each class B membership shall lapse and become a nullity on the first to happen of the following events:

(i) Thirty (30) days following the date on which the total authorized issued and outstanding Class A memberships equal the total authorized issued and outstanding. Class B memberships multiplied by three (3) and the Declarant does not have the right to submit Additional Property to the terms and conditions of this Declaration pursuant to Article IV hereof; or

(ii) On December 31, 2005; or

(iii) Upon the surrender of said Class B memberships by the then holder thereof for cancellation on the books of the Association. Upon lapse or surrender of any of the Class B memberships as provided for in this paragraph, the Declarant or its successor in interest shall thereafter remain a Class A member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership.

(C) Both Class A and Class B members are hereinafter referred to singularly as "Member" and collectively as "Members".

Section 5.6. Control by Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, IN THE ARTICLES OF INCORPORATION OR IN THE BY-LAWS OF THE ASSOCIATION, Declarant shall have the right to appoint and remove all of the members of the Board of the Association and any officer and officers of the Association as provided by and for the term set forth in Section 5.2 hereof. Every grantee of any interest in the Property, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors and officers of the Association in accordance with the foregoing provisions of this Section 5.6 and the provisions of Section 5.2. Upon the expiration of Declarant's right to appoint and remove directors and officers of the Association pursuant to this Section 5.6 and Section 5.2 such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Units, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board which shall undertake the responsibilities of the Board, and Declarant shall deliver all books, accounts and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

ARTICLE VI

ASSESSMENTS

Section 6.1. Purpose of Assessments. The assessments for common expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Units, and shall include, but shall not be limited to, the payment of management fees, administration expenses, utility charges, insurance premiums, maintenance, landscaping, repair costs, and establishing of reserve funds, all as may be more specifically authorized from time to time by the Board of Directors of the Association.

Section 6.2. Creation of Lien. Each Lot within the Property is hereby made subject to a lien and permanent charge in favor of the Association for annual assessments or charges, and special assessments or charges. Each Lot hereafter made subject to this Declaration shall automatically be subjected to said lien and permanent charge at the time such Lot is made subject to this Declaration. Such annual and special assessments shall be fixed, established and collected as hereinafter provided. There shall be an equitable charge and a continuing lien upon the Lot against which each assessment is made, and such permanent charge and lien shall bind such Lot and the successors in interest in such Lot while such successor holds an interest therein,, unless otherwise provided herein. The lien for assessments shall also include, in addition to the annual and special assessments as described herein, the following:

(A) late charges as may be assessed in accordance with O.C.G.A. 44-3-232 (a), and

(B) simple interest at the rate of 10% (ten percent) per annum, and

(C) costs of collection, including court costs, with expenses required for the protection and preservation of the Lot, and reasonable attorney fees actually incurred; and

(D) the fair rental value of the Lot from the time of the institution of an action until the sale of the Lot at foreclosure or until judgment rendered in the action is otherwise satisfied.

The Association may enforce the lien created hereby in accordance with the provisions of Section 6.12 hereof.

6.3. Personal Obligation of Assessments. Each Owner shall covenant and agree to pay to the Association annual assessments or charges and special assessments or charges, such annual and special assessments to be fixed, established and collected from time to time as hereinafter provided and any person who was the

Owner of any Lot subject to assessment by the Association at a time when any assessment came due with respect to such Lot shall be personally obligated to pay such assessment, together with all other costs as allowed by Georgia law. The personal obligation hereby created may be enforced by the Association in any appropriate proceeding in law or in equity.

Section 6.4. Priority of Assessment Liens. The lien of the assessments as described in Section 6.2 hereof shall be superior to all other liens and encumbrances on such Lot except only for:

(A) liens of ad valorem taxes,

(B) liens of any first priority mortgage covering the Lot and the lien of any mortgage recorded prior to the recording of this Declaration, and

(C) the lien of any secondary purchase money, mortgage covering the Lot, provided that neither the Grantee nor any successor Grantee on the Mortgage is the seller of the Lot.

Section 6.5. Annual Assessments. Subject to the provisions of Section 6.8 hereof, the Owner of any Lot which has received a Certificate of Occupancy from the appropriate governmental authority shall pay an annual assessment of \$420.00 per year, subject to future adjustment as determined by the Association in accordance with the provisions of Section 6.6. hereof. At the option of the Declarant or the Board of Directors, as the case may be, the assessments may be collected quarterly, semi-annually or annually.

Section 6.6. Maximum Annual Assessments. The amount of the assessment provided for herein shall be called the "Maximum Annual Assessment". The Maximum Annual Assessment may be increased for the second fiscal year of operation by not more than ten per cent (10%) above the Maximum Annual Assessment for the first fiscal year of operation, and for each subsequent year, the increase shall not be more than five per cent (5%) above the Maximum Annual Assessment for the previous year without a vote of the membership. This amount may be increased for the second fiscal year of operation above ten percent (10%) and for each subsequent year above five percent (5%) by a vote of two-thirds (2/3rds) of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 6.7. Special Assessments. In addition to the Annual Assessment authorized by Section 6.5, the Association may levy a special assessment, provided that any such special assessment shall have the assent of 2/3 of the votes of the Members who are eligible to vote on such proposed assessment who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6.8. Date of Commencement of Assessments; Due Dates.

Unless the date is changed by the Board of Directors, the Annual Assessments provided for in this Article VI shall commence as of the first quarter of the month following the date that the Certificate of Occupancy is issued by the appropriate governmental authority, and shall continue on the first day of quarter, semiannual period or annual period of each and every year thereafter, as the case may be. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.

Section 6.9. Certificate. The Treasurer, or the manager of the Association shall, within three (3) days of receiving a written request and upon payment of such fee as is from time to time determined by the Board, furnish to any Owner, or in case of the sale or refinance of any Owner's Townhome Lot, to the office of the attorney who is closing the transaction, a certificate in writing signed by an officer of the Association setting forth whether the assessments for which said Owner is responsible, have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest and other penalty charges. A fee of \$10.00 (or greater if permitted by Georgia Law) may be assessed for the issuance of such certificates. Such certificate shall be conclusive evidence against all but such Owner of payment of any assessment therein stated to have been paid.

Section 6.10. Subordination of the Charge and Lien to Mortgages. The lien and permanent charge of all assessments authorized herein (including annual and special) with respect to any Lot is hereby made subordinate to the lien of any first priority mortgage or any purchase money second mortgage placed on such Lot and to the lien of any mortgage recorded prior to the recording of this Declaration. Such subordination is merely a subordination and shall not relieve the Owner of the mortgaged property of his personal obligation to pay all assessments coming due at a time when he or she is the Owner of such property.

Section 6.11. Individual Assessments. Any expense of the Association occasioned by the conduct of less than all of the Owners or by the family, tenants, agents, guests, or invitee of any Owner shall be specifically assessed against such Owners and their respective Units. The individual assessments provided for in this Section shall be levied by the Board and the amount and due date of such assessment shall be as specified by said Board.

Section 6.12. Effect of Non-Payment; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount to be not in excess of the greater of \$25.00 or 10 percent of the amount of each assessment or installment thereof not paid when due, and, .in addition thereto, shall also commence to accrue simple interest at the rate of ten (10%) percent per annum. A lien and equitable charge as herein provided for each

assessment shall attach simultaneously as the same shall become due and payable. The Association, prior to the instituting of any action, judgment and/or foreclosure against the Owner and/or the property, shall first give to the Owner not less than ten (10) days written notice by certified mail, return receipt requested, at both the address of the Unit and at any other address or addresses which the Owner may have designated to the Association in writing. The notice shall specify the amount of the assessments then due and payable together with authorized late charges and interest accrued thereon. Thereafter, the lien may be foreclosed by the Association by an action, judgment and foreclosure in the same manner as other liens for the improvement of real property. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein, including by way of illustration but not limitation, abandonment of his/her Lot and/or Unit or by renunciation of membership in the Association.

ARTICLE VII

ARCHITECTURAL STANDARDS AND USE RESTRICTIONS

Section 7.1 Purpose. In order to preserve the natural setting and beauty of, the Property, to establish and preserve a harmonious and aesthetically pleasing design for the Property, and to protect and promote the value of the Property, the Units and all improvements located thereon or therein, together with the Townhome Lots, except as provided in Section 9.5 hereof, shall be subject to the restrictions as set forth in this Article VII.

Section 7.2. Architectural Control Committee. The Architectural Control Committee shall be appointed by the Declarant until the sale by Declarant of all Units within the Property and the Additional Property or until the Declarant does not have the right to submit Additional Property to the terms and conditions of this Declaration pursuant to Article IV hereof. Thereafter (or sooner if the Declarant so elects), the Board shall appoint a new Architectural Control Committee which shall consist of up to five (5) but not less than three (3) members, all of whom shall be Owners and who may or may not be members of the Board. The regular term of office of each member shall be one (1) year, coinciding with the fiscal year of the Association. Any member appointed by the Board may be removed with or without, cause by the Board at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. The Architectural Control Committee shall elect a chairman and he, or in his absence the vice chairman, shall be the presiding officer at its meetings. The Architectural Control Committee shall meet as may be required, as well as upon call of the chairman. A majority of the members of the committee shall constitute a quorum for the transaction of

business, and the affirmative vote of a majority of those present in person or by proxy at a meeting of the Architectural Control Committee shall constitute the action of the Architectural Control Committee on any matter before it. The Architectural Control Committee is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist said committee in performing its functions set forth herein.

Section 7.3. Permitted Improvements. No structure of any nature shall be constructed, altered, added to, and/or maintained upon any part of the Property, except:

(A) those structures and other improvements constructed by Declarant,

(B) those structures or improvements as are approved by the Architectural Control Committee in accordance with this Article, and

(C) those structures and other improvements which pursuant to this Article do not require the consent of the Architectural Control Committee.

Section 7.4. Standards. The Architectural Control Committee is hereby authorized to promulgate from time to time written architectural standards, policies and guidelines (the "Standards") governing the construction, location, landscaping and design of structures and other improvements, the contents of submissions of plans and specifications, and other information required to evidence compliance with and obtain approval pursuant to this Article. Any such Standards published shall be binding and enforceable on all Owners with respect to all structures and other improvements requiring the approval of the Architectural Control Committee.

Section 7.5. Architectural Approval. No Structure shall be commenced, constructed, placed, moved onto, or maintained by any Owner, other than Declarant, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data showing the nature, color, type, shape, height, materials, and location of same shall have been submitted to and approved in writing by the Architectural Control Committee. One copy of such plans, specifications and related data so submitted shall be retained in the records of the Architectural Control Committee and the other copy shall be returned to the Owner marked "approved", "approved as noted" or "disapproved". The Architectural Control Committee shall have the right, but not the obligation, to establish a fee sufficient to cover the expense of reviewing submissions and to compensate any consulting architects, landscape architects, urban designers, inspectors or attorneys retained in accordance with the terms hereof. The foregoing,

notwithstanding, an Owner may make any interior improvements and alterations within his Unit that do not affect (i) the exterior appearance, or (2) the structural integrity of any of the Townhome Building or any other Unit within the Townhome Building, without the necessity of approval or review by the Architectural Control Committee. The Architectural Control Committee shall have the sole discretion to determine whether the plans and specifications and other data submitted for approval are acceptable to the Association. Representatives of the Architectural Control Committee shall have the right during reasonable hours to enter upon and inspect any Unit or other improvements with respect to which construction is underway to determine whether or not the plans and specifications therefore have been approved and are being complied with. In the event that said Committee shall determine that such plans have not been approved or are not being complied with, the Association shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with the approved plans and specifications.

In the event that the Architectural Control Committee fails to approve or disapprove any plans or specifications within thirty (30) days after such plans shall have been submitted, such plans will be deemed to have been expressly approved. Upon approval of plans and specifications, no further approval under this Article shall be required with respect thereto, unless such construction contemplated in the plans has not been substantially commenced within six (6) months of the approval of the plans and specifications therefore or unless the plans and specifications are materially altered or changed. The Architectural Control Committee may refuse to approve any plans and specifications upon any grounds consistent with the objects and purposes of this Declaration, including purely esthetic considerations, so long as such grounds are not arbitrary or capricious.

Section 7.6. Landscaping Approval. To preserve the esthetic appearance of the Property no fencing, grading, excavation, or filling of any nature whatsoever shall be installed by an Owner (other than the Declarant) on the Townhome Lot unless the plans therefore have been submitted to and approved in writing by the Architectural Control Committee. The provisions in this Article regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, etc. shall also be applicable to any proposed planting, clearing, grading, excavation and/or filling.

Section 7.7. Approval not a Guarantee. No approval of plans and specifications and no publication of construction standards, (if published by the Architectural Control Committee) shall be construed as representing or implying that such plans, specifications or standards will, if followed, result in properly designed improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or other improvement built in accordance therewith will

be built in a good and workmanlike manner. Neither the Declarant, the Association, nor the Architectural Control Committee shall be responsible for or liable on any defects in any plans or specifications submitted, revised or approved pursuant to terms of this Article, any loss or damages to any person arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances or regulations, nor any defects in construction undertaken pursuant to such plans and specifications. Every Owner, by submission of such plans and specifications to the Architectural Control Committee as required by this Article, hereby releases and agrees to hold harmless and to defend the Declarant, the Association and any and all members of the Architectural Control Committee from any such liability, claim and/or damage resulting from the Architectural Control Committee approving said plans and specifications.

Section 7.8. Building Restrictions. All Structures and other improvements shall be constructed in compliance with any and all applicable state, county, and municipal zoning and building restrictions.

ARTICLE VIII

MAINTENANCE

Section 8.1. Association's Responsibilities. Except as otherwise provided for herein, the Association shall maintain, landscape and keep in good repair, and the maintenance, repair and replacement of:

(A) the wall or fence, if any, surrounding the Property; and

(B) the entryway treatment, entryway signs and entryway landscaping for Baker Heights;

(C) the entryway lights, if any;

(D) the irrigation facilities, if any, serving the entryway landscaping for the Property;

(E) the detention pond or facility located on the Property, to the extent that maintenance and repair of same is not assumed by Cobb County;

(F) all lawns, trees, shrubs, hedges, grass and other landscaping situated within or upon the Townhome Lot.

Section 8.2. Liability of Association. The Association shall not be liable for injury or damage to any person or property caused by the elements or by any Owner or any other person. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some

action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising -from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance or with any order or directive of any municipal or other governmental authority, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner.

Section 8.3. Owner's Responsibilities. Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of Units shall be the responsibility of the Owner of such Unit. Each Owner shall be responsible for maintaining his Unit in a neat, clean and sanitary condition, and such responsibility shall include but not be limited to the maintenance and care of all exterior surfaces of all the Unit (including repainting and roof repair). As provided in Section 8.4 hereof, each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining or cleaning any item which is the responsibility of such Owner but which responsibility such Owner fails or refuses to discharge. No Owner shall (a) decorate, repaint, change or otherwise alter the appearance of any portion of the exterior of his Unit unless such decoration, repainting, change or alteration is first approved, in writing, by the Architectural Control Committee as provided in this Declaration, or (b) do any work which, in the reasonable opinion of the Architectural Control Committee, would jeopardize the soundness and safety of the Property, reduce the value thereof or impair any easement or hereditament thereto, without in every such case obtaining the prior written approval of the Architectural Control Committee.

8.4. Failure of Owner to Maintain. In the event that Declarant or the Board determines that: (i) any Owner has failed or refused to discharge properly his obligations with regard to the maintenance, cleaning, repair or replacement of items for which he is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of any Owner, his family, tenants, guests or invitee, and is not covered or paid for by insurance in whole or in part, then, in either event, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair of

replacement within said fifteen (15) day period. In the event the Owner fails or refuses to perform the necessary maintenance, cleaning and repair as described herein within the time periods as described hereinabove, the Association shall have the right to provide such necessary maintenance, cleaning, repair or replacement on behalf of said Owner and any and all costs associated therewith shall become an Individual Assessment pursuant to Section 6.11 hereof.

ARTICLE IX

USE RESTRICTIONS

Section 9.1. Single Family Residential Use. All Units shall be restricted exclusively to single family residential use only and no trade or business of any kind may be carried on therein. As used herein, "single family" shall not require a relationship of blood or marriage and shall include roommate relationships, but shall specifically exclude boarding house, hotel or transient uses. No Unit shall be used for any commercial, business or professional purpose, except that an Owner may use a portion of the Unit to "do work at home", as long as the Owner does not run, operate or control his business from his Unit and does not create regular customer, client, or employee traffic or otherwise create a nuisance. Furthermore, the use of a Unit or a portion thereof for business meetings, entertainment or the enjoyment or business of the Owner's employees, trustees, agents, clients, or customers shall not be deemed to be a violation of this covenant if such use does not create regular customer, client, or employee traffic or otherwise create a nuisance.

Section 9.2. Use by Declarant. Notwithstanding the provisions of Section 9.1 hereof, during the period of sale and construction, the Declarant shall be entitled to and have an easement for access to, ingress to and egress from the Townhome Building and the Property as may be required for purposes of the sale of the Units, and the construction, installations, improvements and maintenance of components of the Property. While the Declarant owns any Unit, or as long as the Declarant retains an option to add Additional Property to the terms and conditions of this Declaration, any unsold or unoccupied Units may be used as a model and the Declarant may (i) use one or more of such unsold or unoccupied Units as a sales office, (ii) do any and all acts which are reasonable and necessary to promote and sell the Units, and (iii) maintain any and all signs which may be reasonable and, customary within the Unit in the sale of such Unit or any other Unit within the Property.

Section 9.3. Use of Units. Decks and Patios. Each Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done to or in his Unit which may increase the cost or cause the cancellation of insurance on other Units. No Owner shall display,

hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, without the prior written consent of the Board. The foregoing restrictions as to use shall not be construed to prohibit an Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a deck, terrace or patio.

Section 9.4. Use of Townhome Lots. Each Owner shall have the right to plant and maintain trees, shrubbery, bushes, hedges and plants on any portion of the Townhome Lot without the prior approval of the Architectural Control Committee except as may be limited by Section 7.6 hereof.

Section 9.5 Signs. Except as provided in Section 9.3 hereof, no signs or billboards of any kind (including but not limited to commercial and similar signs) shall, without the Architectural Control Committee's prior written approval of the plans and specifications therefore, be installed, placed or maintained on any Lot or on any portion of a Structure visible from the exterior thereof, except:

(A) such signs as may be required by legal proceedings;

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

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

(D) signs indicating an "Open House".

Section 9.6. Fences. No fence or wall of any kind shall be erected, placed, or altered on any portion of the Property by any Owner, other than the Declarant, without the prior written consent of the Architectural Control Committee.

Section 9.7. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out building or structure shall be used on any portion of the Property. The Declarant, at its option, may use such structure as needed for the construction and marketing of the Units.

Section 9.8. Pets. No animals, livestock, reptiles, birds or poultry of any kind shall be raised, bred or kept within any Unit, except that dogs, cats or other generally recognized household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose. A maximum of three (3)

pets per household shall be allowed and all pets shall be under leash or voice control at all times when walked or exercised outside the Unit.

Section 9.9. Antennae. No antenna, satellite dish (over 18 inches in diameter) or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic radiation shall be erected, used or maintained outdoors on any portion of the Property; provided, however, the Declarant and/or the Association shall have the right to erect, construct and maintain such devices.

Section 9.10. Playground and Recreational Equipment. No playground or recreational equipment shall be placed or installed on any portion of the Property without the prior written approval of the Architectural Control Committee.

Section 9.11. Parking. An Owner shall be entitled to park a maximum of two (2) operable vehicles on the driveway between the Lot and the adjacent street on a regular and ongoing basis; unless the parking of more vehicles is approved by the Board. Except for construction vehicles necessitated by the Declarant's activities, no commercial vehicles may be stored or parked on any portion of the Property, except for those vehicles making deliveries or providing services to the Owners. No house trailers, mobile homes, campers, inhabitable vehicles of any kind, school buses, trucks, trailers, or vehicles that have been incapacitated for over 48 hours may be stored or parked on any portion of the Property unless the Association has provided a designated area for such parking. An owner of vehicle shall be responsible for moving a vehicle within twenty-four hours after receiving notice from the Association to remove said vehicle.

Section 9.12. Nuisances. No noxious or offensive activity shall be carried on upon any Lot and/or Unit, nor shall anything be done thereon which may be or become an annoyance, discomfort, embarrassment, or nuisance to any other Owner or occupants of a Unit.

Section 9.13. Leasing.

(A) Leasing. "Leasing," for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner for which the Owner receives any consideration, or benefit, including, but not limited to, a fee, gratuity, or payment or consideration of any other type or kind.

(B) Leasing Prohibited. In order (i) to protect the equity of the individual property owners at BAKER HEIGHTS, (ii) to carry out the purpose for which the Association was formed by preserving the character of the Association as a homogeneous residential community of predominantly owner-occupied complex; and (iii) to comply with the eligibility requirements for financing in

the secondary mortgage market insofar as such criteria provide that the project be substantially owner-occupied, leasing of a Unit shall be prohibited, except in the case of undue hardship, as provided below

(C) Undue Hardship. The Board shall be empowered to allow reasonable leasing of Units, upon written application, to avoid undue hardship upon an Owner. By way of illustration, "undue hardships" are those in which (i) an owner must relocate his or her residence and cannot, within ninety (90) days from the date the Unit is placed on the market, sell the Unit for a price at or below its current appraised market value; (ii) where the Owner dies and the Unit is being administered by his or her estate; or (iii) where the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit. Notwithstanding Section 9.13 (B) hereof, those Owners who have demonstrated that the inability to lease their unit would result in undue hardship and have obtained the requisite approval of the Board may lease their Unit for such duration as the Board reasonably determined is necessary to prevent undue hardship.

Any Owner who believes that he or she must lease his or her Unit to avoid undue hardship shall submit a written application to the Board setting forth the circumstances necessitating the leasing, a copy of the proposed lease, and such other information as the Board may reasonably require. Leasing in the case of undue hardship shall only be permitted upon the Board's written approval, a copy of the lease, signed by the lessee and lessor, shall be submitted to the Board within ten (10) days after it has been signed by both parties.

The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and By-Laws, in order to enforce the provisions of this Section. Any transaction which does not comply with this Section 9.13 (C) shall be voidable at the option of the Board of Directors.

(D) Permitted Leasing Requirement. Leasing, which is permitted pursuant to Section 9.13 (C) hereof, shall be governed by the following provisions:

(i) General Terms. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless approved in writing by the Association. No transient tenants may be accommodated in a Unit. All leases shall be in writing and in a form approved by the Board of Directors of the Association. All rentals must be for a term of not less than one (1) year. The Owner must make available to the tenant copies of the Declaration, By-Laws, and the rules and regulations. All leases and lessees are subject to the provisions of this Declaration and the By-Laws. Any lease of a Unit in the community shall be deemed to contain the following provisions, whether or not expressly therein stated,

and each Owner covenants and agrees that if such language is not expressly contained therein, then such language shall be incorporated into a lease by existence of this covenant on the Unit. Any lessee, by occupancy in a Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(a) Liability for Assessment. Lessee agrees to be personally obligated for the payment of all assessments against the Owner which become due during the term of the lease and any other period of occupancy by the lessee or which become due as a consequence of lessee's activities, including, but not limited to, activities which violate provisions of this Declaration, the By-Laws, or the rules and regulations adopted pursuant thereto. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

Upon request by the Association, lessee shall pay to the Association all unpaid annual and special assessments, as lawfully determined and made payable during the term of the lease and any other period of occupancy by lessee; provided, however, lessee need not make such payments to the Association in excess of or prior to the due dates for monthly rental payments unpaid at the time of the Association's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make only rental payments to lessor.

(ii) Compliance With the Declaration, By-Laws, and Rules and Regulations. Lessee agrees to abide by and comply with all provisions of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto. Owner agrees to cause all occupants of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto. In the event that the lessee, or any person living with the lessee, violates the Declaration, By-Laws, or rules or regulations for which a fine is imposed, such fine shall be assessed against the lessee; provided, however, if the fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. All unpaid fines, together with late charges, interest not to exceed the maximum legal rate, costs, and reasonable attorneys' fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each fine is made. Each such fine, together with late charges, interest, costs, and reasonable attorneys' fees actually incurred, shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. Any lessee charged with a violation of the Declaration, By-Laws, rules and regulations adopted pursuant

thereto is entitled to the same procedure to which an Owner may be entitled, if any, prior to the imposition of a fine or other sanction.

Any violation of the Declaration, By-Laws, or rules and regulations adopted pursuant thereto is deemed to be a violation of the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association (as a third-party beneficiary of the lease agreement between the Owner and the lessee), acting through the Board, the power and authority to evict the lessee on behalf of and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the tenant, any cost, including attorneys' fees and court costs, associated with the eviction shall be specially assessed against the Lot and the Owner thereof, such being deemed hereby as an expense which benefits the leased Unit and the Owner thereof.

Section 9.14. Rules and Regulations. Reasonable rules and regulations concerning the use of the Property may be made and amended from time to time by the Board of Directors of the Association; provided, that copies of such regulations and amendments thereto shall be furnished by the Association to all Owners. Such regulations shall be binding upon the Owners, their families, tenants, guests, invitees and agents. A copy of the initial Rules and Regulations (which may be altered, modified and amended in accordance with the terms and provisions of the By-laws) is attached hereto as Exhibit "D".

ARTICLE X

PARTY WALLS

Section 10.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Unit upon the Property and placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of Georgia law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 10.2. 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 proportion to their use.

Section 10.3. Damage or 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 used the wall may restore it, and if other Owner or Owners thereafter make use of

the wall, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 10.4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 10.5. Right to Contribution. 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 successor in title. Nothing contained herein shall be construed in any way so as to relieve any insurance company from the payment of any and all amounts which are payable under any policy or policies of insurance for such damage.

Section 10.6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such disputes shall be referred to arbitration. Each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, the decision shall be by a majority of all the arbitrators, and shall be binding upon the parties. Pursuant to Georgia law, judgment upon the award of the arbitrators may be maintained in any court of law with jurisdiction thereon.

ARTICLE XI

INSURANCE

Section 11.1. Insurance by Association. The Association shall have such insurance against loss or damage to any portion of the Property caused by the Association, its employees, agents, guests, licensees, etc., and any other insurance that the Association deems reasonable and necessary.

Section 11.2. Insurance by Owner. Each Owner shall obtain and maintain insurance for all insurable improvements located on the Townhome Lot and their respective Unit against loss or damage by all risks of physical loss or damage, subject to normal policy exclusions, in an amount sufficient to cover the full replacement cost of such improvements in event of damage or destruction from any insured peril. Any such insurance policies may contain reasonable deductibles as determined by the Owner. In the event any Owner fails to maintain such insurance, the Association is authorized, but not obligated to obtain such insurance, whereupon such Owner shall immediately reimburse the Association for such premium. The cost of such premium shall be deemed an individual assessment under Section 6.11 of this Declaration and shall be

added to and become apart of the assessment to which the Lot is subject.

ARTICLE XII

CONDEMNATION

Section 12.1. General. Whenever all or any part of the Property shall be taken by any authority having the power of condemnation or eminent domain, then each Owner shall receive notice thereof and shall be allowed to participate in the proceedings incident thereto. The award or proceeds made or collected shall be payable to the Association as trustee for all Owners and shall be disbursed as follows:

If the taking includes one or more Units or any portion thereof including improvements appurtenant thereto, then, if all parties cannot otherwise agree, a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Owners so affected.

ARTICLE XIII

AMENDMENTS

Section 13.1. Amendments by Declarant. Subject to the terms of Section 13.2 of this Declaration, the Declarant, for so long as it owns a Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof, may amend this Declaration by an instrument in writing filed and recorded in the records of the Office of the Clerk of the Superior Court of Cobb County, Georgia, without the approval of any Owner or Mortgagee if:

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

(B) such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration,

(C) such amendment is required by an institutional or governmental lender or purchaser of mortgage loans to enable such lender or purchaser to make or purchase mortgage loans on any Lot or other improvements subject to this Declaration,

(D) such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the Lots or other improvements subject to this Declaration.

(E) add such amendments as may be contemplated pursuant to Article IV hereof to add Additional Property to the terms and conditions of this Declaration.

(F) such amendment is deemed necessary, in Declarant's sole opinion, to make the provisions more workable, to clarify any provision or ambiguity, to eliminate any confusion or conflict, or if such is necessary, to bring any provision hereof into compliance with any applicable government statute, rule, regulation or judicial determination which shall be in conflict therewith.

Section 13.2. Limitations. Notwithstanding anything contained in Section 13.01 hereof, the Owner and/or Mortgagee, as the case may be, must consent to any amendment by the Declarant if:

(A) such amendment adversely affects the title to any Lot, and then, such amendment shall be valid only upon the written consent thereto by the existing Owners affected thereby, or

(B) such amendment materially alters or changes any Owner's right to the use and enjoyment of his Lot as set forth in this Declaration, and then, such amendment shall be valid only upon the written consent thereto by 2/3 of the existing Owners affected thereby, or

(C) such amendment would materially and adversely affect the security, title or interest of any Mortgagee, and then, such amendment shall be valid only upon the written consent thereto of all Mortgagees so affected.

Section 13.3. Amendment by Association. Amendments to this Declaration, other than those authorized by Section 13.1 hereof, shall be proposed and adopted in the following manner:

(A) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be provided to each member of the Association as set forth in this Declaration.

(B) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least two-thirds (2/3) of the total votes in the Association provided, however (i) that any amendment which materially and adversely affects the security title and interest of any mortgagee must be approved by such mortgagee and (ii) during any period in which Declarant has the right to appoint and remove officers and directors of the Association, such amendment must be approved by Declarant,

(C) The agreement of the required percentage of the

Owners and, where required, the Declarant and any mortgagee, to any amendment of this Declaration, shall be evidenced by their execution of such amendment, or, in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice President or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state that the Agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the Amendment itself.

(D) This Article shall not be amended without the prior written approval of Declarant, so long as it owns a Lot primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to BAKER HEIGHTS.

Section 13.4. Effective Date. The effective date of any amendment shall be the date of recording the amendment in the office of Superior Court of Cobb County, Georgia, or on such later date as may be specified therein.

ARTICLE XIV

MORTGAGEE PROVISIONS

Section 14.1. Rights of First Mortgagees. Each first mortgagee of a Lot shall (a) be entitled to written notice from the Association of any default by an Owner in the performance of his obligations under the Declaration which is not cured within thirty (30) days; (b) be entitled to attend and observe all meetings of Owners, but not meetings of the Board; (c) be furnished copies of annual audited financial reports made to the Owners (if requested in writing); (d) be entitled to inspect the financial books and records of the Association and current copies of this Declaration, the By-Laws and other rules of the Association during reasonable business hours; (e) be entitled to notice of any material modification of any insurance policy or fidelity policy maintained by the Association; and (f) be entitled to written notice of any condemnation loss or any casualty loss which affects a material portion of the Property; provided; however, that such mortgagee shall first file with the Association a written request that such notices and copies of financial reports be sent to a named agent or representative of the mortgagee at an address as stated in such notice.

Section 14.2. Consent of First Mortgagees. In addition to the rights of a Mortgagee pursuant to Article XIII hereof, and notwithstanding any provisions to the contrary contained herein, unless the holders of at least seventy-five (75%) per cent of the first mortgagees on Units in Baker Heights have consented in writing, the Declarant and the Association shall not do any of the following:

(A) change the method of determining the assessments, dues or other charges which may be levied against an Owner;

(B) by act or omission materially change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of the Townhome Building or the Lot;

(C) terminate professional management and assume self-management of Baker Heights;

Section 14.3. Priority of First Mortgagees. No provision of this Declaration shall be construed to grant to any Owner or any other party any priority over any rights of first mortgagees of the Lots pursuant to their first mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Lots.

ARTICLE XV

ENFORCEMENT

Section 15.1. Enforcement. Each Owner shall comply strictly with the By-Laws and the published rules and regulations of the Association, if any, adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to its Lot, if any. Failure to comply with any of the same shall be grounds for imposing and assessing of fines, or temporarily suspending voting rights and the right of use of certain of the Common Areas and services paid for as a common expense, and/or instituting an action to recover sums due, for damages and/or injunctive relief, such actions to be maintainable by Declarant, the Board on behalf of the Association, or, in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorney's fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by the recovery of damages and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach. No delay, failure or omission on the part of Declarant, the Association or any aggrieved Owner in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such

right, power or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right or action shall accrue, nor shall any action be brought or maintained by anyone whatsoever, against Declarant or the Association, for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach of the provisions of this Declaration, the By-Laws or any rules and regulations of the Association, however long continued.

Section 15.2. Self-Help. In addition to any other remedies provided for herein, the Declarant and the Association or its duly authorized agent, using such force as may be reasonably necessary, shall have the power to enter upon the Townhome Lot and the Unit to abate or remove, an erection, thing, or condition which violates this Declaration, the By-Laws, the rules and regulations or the use restrictions. Unless an emergency situation exists, the Board shall give the violating Owner ten (10) days written notice of its intent to exercise self-help. All costs of self-help including reasonable attorney's fees, shall be assessed against the violating Owner and shall be collected as provided herein for the collection of assessments.

ARTICLE XVI

MISCELLANEOUS PROVISIONS

Section 16.1. Duration. The provisions of this Declaration shall run with and bind the Property, shall be arid remain in effect, and shall inure to the benefit of and be enforceable by the Declarant, the Association or the Owner of any Property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument, signed by at least 75% of the then Owners of record and the holders of first mortgages on their Units has been recorded in the Office of the Clerk of the Superior Court of Cobb County, Georgia Deed Records to terminate or change such provisions in whole or in part. Every purchaser or grantee of any interest in any property now or hereafter subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that the provisions of this Declaration may be extended as provided above.

Section 16.2. Notices. Any notice required to be sent to any Member pursuant to any provision of this Declaration shall be served either by personal delivery or by depositing such notice in the mails, postage prepaid, regular mail, addressed to the Member for whom it is intended at his or her last known place of residence, or to such other address as may be furnished to the secretary of the Association, and. such service shall be deemed sufficient. The date of service shall be the actual date of

personal delivery or the date of mailing.

Section 16.3. Professional Management and Other Contracts. Any agreement for professional management of Baker Heights must provide for termination by the Association, without cause and without payment of any penalty or termination fee, upon not more than ninety (90) days written notice. The term of any such agreement may not exceed one (1) year. For so long as there is a Class B member of the Association, the Association will not be bound directly or indirectly to either contracts or leases unless there is a right of termination of any such contract or lease, without cause, at any time after there ceases to be a Class B member, upon not more than ninety (90) days notice to the other party.

Section 16.4. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such a manner as to be effective and valid, but if any provision of this Declaration or the application thereof to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provisions or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

Section 16.5. Conflicts. In the event of any conflict between the Official Code of Georgia, this Declaration, the By-Laws or the Articles of Incorporation, the Official Code of Georgia, this Declaration, the By-Laws and then the Articles of Incorporation, in that order, shall prevail.

Section 16.6. No Liability. Declarant has used its best efforts and acted with due diligence in connection with the preparation and recording of this Declaration to ensure that the Association and each Owner has the right and power to enforce the terms and provisions hereof against every other Owner. In the event this Declaration is unenforceable by the Association or an Owner or any other person for any reason whatsoever, the Declarant and its agent shall have no liability of any kind as a result of such unenforceability, and each Owner, by acceptance of a deed conveying a Lot, acknowledges and agrees that the Declarant and its agents shall have no such liability.

Section 16.7. Captions. The captions of each Section hereof are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular sections to which they refer.

Section 16.8. Liability of Successor Declarant. Nothing contained herein shall make responsible or subject to liability any successor to Declarant by operation of law or through purchase of Declarant's interest in the Property or any portion thereof, whether by foreclosure of a deed to secure debt or other security interest encumbering the Property or delivery of a deed in lieu of

foreclosure, for any act, omission or matter occurring or arising from any act, omission or matter occurring prior to the time such successor succeeded to the interest of the Declarant.

Section 16.9. Rights of Third Parties. This Declaration shall be recorded for the benefit of the Declarant, the Owners, and their mortgagees as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title or interest whatsoever in Baker Heights except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and, subject to the provisions of this Declaration and the rights of the Declarant and mortgagees as herein provided, the Owners shall have the right to extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission, or approval of any adjoining owner or third party.

Section 16.10. Gender. The masculine, feminine and neuter gender shall be construed to include a male, female, partnership or corporation where the context so requires.

Section 16.11. State of Georgia. This Declaration shall be construed in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly elected officers and its seal attached, this day and year first above written.

BY: [Signature]
BY: _____
(CORPORATE SEAL)
Homeland Communities, Inc. [Seal]

Signed, Sealed and Delivered in the presence of:

[Signature]
Unofficial Witness

[Signature]
Notary Public



Notary Public, DeKalb County, Georgia
My Commission Expires Jan 15, 2002

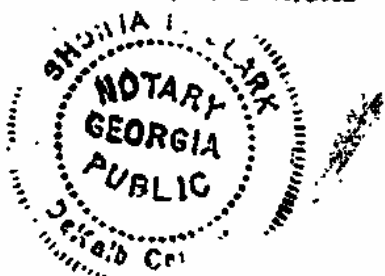


EXHIBIT "A" - PROPERTY

All that tract or parcel of land lying and being in Land Lot 51 and 52 of 20th District, 2nd Section, Cobb County, Georgia and being more particularly described as 1, 2, 3, 4, 5, 21, 22, 23,24, 25, 87, 88, 89, 90, 91, 92, 93, 94, 155, 156, 173, 174, 175, 176, 177, 178, Baker Heights, Unit I, as per plat recorded in Plat Book 170, Page 033, Cobb County, Georgia Deed Records; said Plat being incorporated herein and made a part hereof by reference>

EXHIBIT "B-1" - ADDITIONAL PROPERTY

All that tract or parcel of land being a portion of Land Lots 51 and 52, of the 20th District, 2nd Section of Cobb County, City of Kennesaw, Georgia and being more particularly described as follows:

BEGINNING at an iron pin found at the corner common to Land Lots 25, 26, 51 and 52, said district and section, thence South 00 degrees 51 minutes 43 seconds West a distance of 386.00 feet along the line common to said Land Lots 51 and 52, to an iron pin found; thence South 89 degrees 46 minutes 33 seconds East a distance of 525.43 feet to an iron pin set on the west right-of-way of Baker Road (60' R/W); thence south along said right-of-way and following the curvature to the right an arc distance of 275.53 feet to a point, said curve having a radius length of 1153 .(00 feet and a chord bearing of South 13 degrees 01 minutes 48 seconds West a chord distance of 274.87 feet; thence South 19 degrees 52 minutes 34 seconds West a distance of 266.41 feet along said right-of-way to a point; thence South 18 degrees 30 minutes 56 seconds West a distance of 105.52 feet along said right-of-way to an iron pin set; thence South 78 degrees 54 minutes 15 seconds West a distance of 1410.88 feet to an iron pin set on the east right-of-way of Cecil Lake Road (50' R/W - closed to public use); thence north along said right-of-way the ' following courses and distances: N 00 degrees 02 minutes 39 seconds E 90.44 feet; N 01 degrees 39 minutes 08 seconds E 105.56 feet; N 16 degrees 08 minutes 44 seconds W 109.71 feet; N 18 degrees 42 minutes SB seconds W 73.80 feet; N 07 degrees 26 minutes 33 seconds W 66.09 feet; N 00 degrees 50 minutes 24 seconds E 29.76 feet; N 06 degrees 11 minutes 44 seconds E 126.74 feet; N 12 degrees 06 minutes 28 seconds E 78.35 feet; N 20 degrees 29 minutes 11 seconds E 69.21 feet; N 31 degrees' 55 minutes 09 seconds E 84.01 feet; N 36 degrees 06 minutes 12 seconds E 142.26 feet; N 37 degrees 32 minutes 58 seconds E 112.47 feet; N 41 degrees 28 minutes 23 seconds E 174.57 feet; N 47 degrees 32 minutes 32 seconds E 222.12 feet, to an iron pin set on the line common to said Land Lots 26 and 51; thence South 88 degrees 47 minutes 46 seconds East a distance of 579.67 feet along said line to an iron pin found and the POINT OF BEGINNING.

Said tract containing 32.809 acres, more or less, as reflected on Survey for Falling Waters Investment, Ltd'., Bank of North ' Georgia, Sandy Springs Title Agency and Commonwealth Land Title Insurance Company, prepared by Land Development Technologies, Inc.,. under seal of Jack R. Busby, Registered Land Surveyor, Georgia Registration No. 1875, dated November 16, 1995, last revised January IS, 1997.

LESS AND EXCEPT THE FOLLOWING:

All that tract or parcel of land lying and being in Land Lots 51 and 52 and being more particularly described as all of Unit 1 of Baker Heights and being more particularly identified as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 87, 88, 89, 90, 91, 92, 93, 94, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177 and 178, Baker Heights, Unit I, as per plat recorded in Plat Book 170, Page 033, Cobb County, Georgia Deed Records; said Plat being incorporated herein and made a part hereof by reference.

EXHIBIT "B-2" - ADDITIONAL PROPERTY

All that tract or parcel of land lying and being in Land Lots 51 and 52 and being more particularly described as Lots 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 153, 154, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, Baker Heights, Unit I, as per plat recorded in Plat Book 170, Page 033, Cobb County, Georgia Deed Records; said Plat being incorporated herein and made a part hereof by reference.

EXHIBIT "C" - FORM FOR "B-2 PROPERTY" AMENDMENT

Cross Reference:
Deed Book Page
Cobb County Deed Records

AMENDMENT TO
DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS
FOR
BAKER HEIGHTS

This Amendment to the Declaration of Covenants, Restrictions and Easements for Baker Heights, made and entered into this ____ day ____ of, 19____, by Homeland Communities, Inc., ("Declarant").

W I T N E S S E T H:

Whereas, Homeland Communities, Inc., as the Declarant filed for record that certain "Declaration of Covenants, Restrictions and Easements for Baker Heights" ("Declaration"); said Declaration being recorded in Deed Book____, Page____, Cobb County, Georgia Property; and

Whereas, Homeland sold certain property in Baker Heights prior to the recording of the Declaration; and

Whereas, the property that was sold prior to the recording of the Declaration was referred to in the Declaration as the "B-2 Additional Property"); and

Whereas, various owners who wish to be made subject to this Declaration have acknowledged and consented to this Amendment.

NOW, THEREFORE, for and in consideration of the above premises and for mutual considerations, it is hereby agreed that the Declaration of Covenants, Restrictions and Easements for Baker Heights" is amended as follows:

1. The property described on Exhibit "A" attached hereto and made a part hereof, is hereby included in the original Declaration as though originally made a part hereof.

2. The Lot Owners of the property as shown hereinbelow hereby consent that said Property be made subject to the Declaration as though originally made a part hereof.

3. The number of votes in the Association is increased by one (1) for each Lot made subject to the Declaration by this Amendment, and each Lot in the Community (as that term is defined in the Declaration) has one (1) vote in the Association.

4. Each Unit Owner, by subjecting his Lot to the Declaration

by this Amendment, acknowledges that this Declaration is covenant running with the property and is binding upon his successors in title, heirs and assigns.

IN WITNESS WHEREOF, the undersigned hereto sets its hand and seal, the day and year first above written.

Signed, sealed and delivered
in the presence of:

Homeland Communities, Inc.

Witness

By: _____
Its: _____

Notary Public

Consented to and acknowledged by:

AS TO UNIT _____ :

Signed, Sealed and Delivered
in the presence of:

Witness

_____ (Seal)

Notary Public

_____ (Seal)

AS TO UNIT _____ :

Signed, Sealed and Delivered
in the presence of:

Witness

_____ (Seal)

Notary Public

_____ (Seal)

EXHIBIT "D" - RULES AND REGULATIONS

**RULES AND REGULATIONS OF
THE TOWNHOMES AT BAKER HEIGHTS**

1. RULES AND REGULATIONS. These rules and regulations will be enforced as follows:

(a) Violations should be reported to the manager of the building, if there is one, otherwise to the Board of Directors.

(b) Violations will be called to the attention of the violating Owner by the manager of the building or by the Board of Directors.

(c) Disagreements concerning violations will be presented to and judged by the Board of Directors, which shall then take appropriate action.

2. OBSTRUCTIONS. Sidewalks, parking areas, entrances, driveways, and other passages must be kept open and shall not be obstructed in any manner.

3. CHILDREN. Children are not to play in public walks, parking areas, driveways or other public passages.

4. DESTRUCTION OF PROPERTY. Neither Owners nor their dependents, guests or tenants shall mark, mar, damage, destroy, deface or engrave any part of the Townhome Lot. Owners shall be responsible for any such damage by any such party or by mechanics and materialmen with whom they contract.

5. ROOF. Owners are not permitted on the roof for any purpose and shall be responsible for keeping their families, guests, employees and contractors off of the roof.

6. SOLICITATION. There shall be no solicitation by any person anywhere in the building for charity or for any cause whatsoever, unless specifically authorized in advance by the Board of Directors.

7. FOOD AND BEVERAGES. No food shall be cooked on the grounds except in the kitchens of the Townhome Units, outside grills and other authorized areas.

8. RADIO. TELEVISION AND OTHER ELECTRONIC DEVICES. It is required that all radios, televisions and other electronic devices be kept moderately tuned at all times. There shall be no aerials or antennas installed by individual Owners without consent of the Board of Directors.

9. UNIT USE. Townhome Units shall not be used for office, retail or professional purposes, except as provided for by the Declaration.

10. BUILDING EMPLOYEES AND CONTRACTORS. No Owners, resident tenants, or members of their families or guests shall give orders or instructions to employees or contractors employed by the Association, but rather shall express their desires to the Association for their consideration.

11. CONDUCT. No person in a Townhome Unit or on the Townhome Lot shall engage in loud, boisterous, disorderly, profane, indecent, immoral or unlawful conduct.

12. EXTERIOR APPEARANCE. To maintain a uniform and pleasing appearance to the exterior of the building, no projections shall be attached to the outside walls nor shall an Owner utilize any type of screen or umbrella. There shall be no air conditioners or fans, any part of which is visible from the exterior of the building. All curtains, shades, blinds, and draperies over all exterior windows shall have either a white or beige appearance when viewed from the exterior of the building.

13. SIGNS. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any Owner on any part of the outside or inside of a Townhome Unit without prior written consent of the Association.

14. PETS. No animals, livestock or poultry of any kind shall be raised, bred or kept by any Owner, except that a reasonable number of dogs, cats or other household pets may be kept provided they are kept in accordance with the duly adopted rules and regulations of the Association; and provided further, they are not kept, bred or maintained for any commercial purpose.

15. TRASH AND DEBRIS. No lumber, materials, bulk materials, refuse or trash shall be kept, stored, or allowed to accumulate on the property except building materials during the course of construction, maintenance, or repair by the Declarant of any approved structure. Trash, garbage or other waste shall not be kept' except in sanitary containers and such shall not be permitted to remain in public view except on days of trash collection. All containers or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. If a central trash collection area is designated by the Association, then these areas will be under the control of the Association and all members will abide by the current regulations regarding the use of these trash enclosures.

16. ARCHITECTURAL CONTROL COMMITTEE. Nothing contained in these rules and regulations shall be construed to limit in any way the rights and powers of the Board of Directors and the Architectural Control Committee to approve or disapprove of the erection of buildings, fences, walls, or other structures or of'

changes or alterations to the Properties as more fully provided in the Declaration.

17. RULE CHANGE. The Directors of the Association reserve the right to change or revoke existing rules and regulations and make such additional rules and regulations from time to time, as in their opinion shall be necessary or desirable for the safety and protection of the building and its occupants, and to promote cleanliness and good order of the Property and to assure the comfort and convenience of the Owners.

18. VIOLATIONS. In the event of the violation of the rules and regulations herein set forth or adopted in the future, the Association or any Owner shall have the following remedies against an Owner, lessee of an Owner, guest of an Owner or member of an Owner's family:

(a) An action to recover damages.

(b) As an alternate remedy, enforcement of the rules and regulations by an action for injunctive relief.

(c) In the event that the Association or any Owner brings any of the above actions and shall prevail in said action, the Association or said Owner bringing said action shall be entitled to recover all court costs incurred in said action and reasonable attorney's fees, including, but not limited to, such fees incurred prior to institution of litigation or in litigation including trial and appellate review, and in bankruptcy or other administrative or judicial proceedings.

(d) Enforce any remedies as provided in the Declaration.