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TABLE OF CONTENTS

	<u>PAGE</u>
PART ONE: INTRODUCTION TO THE COMMUNITY.....	1
Article I Creation of the Community.....	1
1.1. Purpose and Intent.....	1
1.2. Binding Effect.....	1
1.3. Governing Documents.....	2
Article II Concepts and Definitions	3
2.1. Defined Terms.....	3
2.2. Interpretation of Certain References.....	6
PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS	7
Article III Use and Conduct	7
3.1. Framework for Regulation.....	7
3.2. Rule Making Authority.....	7
3.3. Owners' Acknowledgment and Notice to Purchasers.....	8
3.4. Protection of Owners and Others.....	8
Article IV Architecture and Landscaping.....	10
4.1. General.....	10
4.2. Architectural Review.....	10
4.3. Guidelines and Procedures.....	11
4.4. No Waiver of Future Approvals.....	13
4.5. Variances.....	13
4.6. Limitation of Liability.....	13
4.7. Certificate of Compliance.....	14
4.8. Enforcement.....	14
Article V Maintenance and Repair.....	14
5.1. Maintenance of Units.....	14
5.2. Maintenance of Area of Common Responsibility.....	15
5.3. Responsibility for Repair and Replacement.....	15
PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION.....	16
Article VI The Association and its Members	16
6.1. Function of Association.....	16
6.2. Membership.....	16
6.3. Voting.....	16
6.4. Service Areas.....	17
Article VII Association Powers and Responsibilities	17
7.1. Acceptance and Control of Association Property.....	17

7.2.	Maintenance of Area of Common Responsibility.	18
7.3.	Provision of Benefits and Services to Service Areas.	19
7.4.	Insurance.	19
7.5.	Compliance and Enforcement.	22
7.6.	Implied Rights; Board Authority.	24
7.7.	Indemnification of Officers, Directors, and Others.	24
7.8.	Relationships with Other Properties.	25
7.9.	Provision of Services.	25
7.10.	Bulk Rate Service Agreements.	26
Article VIII Association Finances		26
8.1.	Budgeting and Allocating Common Expenses.	26
8.2.	Budgeting and Allocating Service Area Expenses.	27
8.3.	Budgeting for Reserves.	28
8.4.	Declarant's Subsidy Option.	28
8.5.	Special Assessments.	29
8.6.	Specific Assessments.	29
8.7.	Authority to Assess Owners; Time of Payment.	29
8.8.	Obligation for Assessments.	30
8.9.	Exempt Property.	31
8.10.	Use and Consumption Fees.	31
8.11.	Transfer Fee.	31
PART FOUR: COMMUNITY DEVELOPMENT		33
Article IX Additional Rights Reserved to Declarant.....		33
9.1.	Annexation of Property.	33
9.2.	Withdrawal of Property.	33
9.3.	Additional Covenants and Easements.	33
9.4.	Marketing and Sales Activities.	34
9.5.	Right to Develop.	34
9.6.	Right to Approve Changes in Community Standards.	34
9.7.	Right to Transfer or Assign Declarant Rights.	34
9.8.	Exclusive Rights to Use Name of Development.	35
9.9.	Right to Use Common Area for Special Events.	35
9.10.	Termination of Rights.	35
PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY		36
Article X Easements		36
10.1.	Easements in Common Area.	36
10.2.	Easements of Encroachment.	36
10.3.	Easements for Utilities, Etc.	37
10.4.	Easements for Maintenance, Emergency, and Enforcement.	38
10.5.	Sign and Landscape Easements.	38
10.6.	Easements for Trail Use.	38

Article XI Limited Common Areas.....	39
11.1. Purpose.....	39
11.2. Designation.....	39
11.3. Use by Others.....	40
Article XII Party Walls and Other Shared Structures.....	40
12.1. General Rules of Law to Apply.....	40
12.2. Maintenance; Damage and Destruction.....	40
PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY	41
Article XIII Dispute Resolution and Limitation on Litigation.....	41
13.1. Agreement to Encourage Resolution of Disputes Without Litigation.....	41
13.2. Dispute Resolution Procedures.....	42
13.3. Initiation of Litigation by Association.....	43
Article XIV Mortgage Provisions	43
14.1. Notices of Action.....	44
14.2. No Priority.....	44
14.3. Notice to Association.....	44
14.4. Failure of Mortgagee to Respond.....	44
14.5. HUD/VA Approval.....	44
Article XV Disclosures and Waivers	45
15.1. Changes in the Master Plan.....	45
15.2. Builder Performance.....	45
15.3. Excavation.....	46
15.4. Health, Safety, and Welfare.....	46
15.5. Use of Lakes, Swimming Pools, and Other Recreational Facilities.....	46
15.6. Safety and Security.....	47
15.7. Water Management.....	47
15.8. View Impairment.....	48
15.9. Notice and Disclaimer as to Community Systems.....	48
15.10. Trails and Other Areas Open to the Public.....	48
15.11. Creeks and Streams.....	48
PART SEVEN: CHANGES IN THE COMMUNITY	49
Article XVI Changes in Ownership of Units.....	49
Article XVII Changes in Common Area	49
17.1. Condemnation.....	49
17.2. Partition.....	49
17.3. Transfer or Dedication of Common Area.....	50
Article XVIII Amendment of Declaration.....	50
18.1. By Declarant.....	50
18.2. By Members.....	50

18.3.	Validity and Effective Date.....	51
18.4.	Exhibits.....	51

- TABLE OF EXHIBITS -

<u>Exhibit</u>	<u>Subject Matter</u>
"A"	Land Initially Submitted
"B"	Land Subject to Annexation
"C"	Initial Use Restrictions
"D"	By-Laws of The Lakes at Cedar Grove Neighborhood Association, Inc.

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE LAKES AT CEDAR GROVE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE LAKES AT CEDAR GROVE ("Declaration") is made as of the date set forth on the signature page hereof by Cedar Grove Lakes, LLC, a Georgia limited liability company ("Declarant").

PART ONE: INTRODUCTION TO THE COMMUNITY

This Declaration is established to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance, and preservation of The Lakes at Cedar Grove as a planned community.

Article I Creation of the Community

1.1. Purpose and Intent.

Cedar Grove Lakes, LLC, as owner of the property described on Exhibit "A," is recording this Declaration to establish a general plan of development for The Lakes at Cedar Grove, a planned community. This Declaration provides for The Lakes at Cedar Grove's overall development, administration, maintenance, and preservation. An integral part of the development plan is the Lakes at Cedar Grove Neighborhood Association, Inc., an association comprised of all The Lakes at Cedar Grove property owners, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents.

This document does not and is not intended to create a condominium within the meaning of O.C.G.A. § 44-3-70, *et seq.*

1.2. Binding Effect.

This Declaration governs the property described in Exhibit "A," and any property subjected to this Declaration in the future in accordance with Section 9.1. This Declaration shall run with the title to, and bind anyone having any right, title, or interest in, any portion of such property, their heirs, successors, successors-in-title, and assigns.

Declarant, the Association, any aggrieved Owner, and their respective legal representatives, heirs, successors, and assigns may enforce this Declaration. This Declaration, as it may be amended, is intended to remain in effect in perpetuity. However, so long as Georgia law limits the period during which covenants may run with the land, this Declaration shall run with and bind The Lakes at Cedar Grove so long as permitted. After such time, this Declaration

shall be extended automatically for successive 20-year periods, unless terminated in accordance with O.C.G.A. §44-5-60, as may be amended, within the year preceding any extension.

If any provision of this Declaration would be unlawful, void, or voidable by reason of any Georgia law restricting the period of time that covenants on land may be enforced, such provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

1.3. Governing Documents.

The following diagram identifies and summarizes the Community's "Governing Documents," each as they may be amended:

GOVERNING DOCUMENTS	
Declaration —————→ (recorded)	creates obligations which are binding upon the Association and all present and future owners of property in The Lakes at Cedar Grove
Supplemental Declaration —————→ (recorded)	may add property to The Lakes at Cedar Grove; may impose additional obligations or restrictions on such property
Articles of Incorporation —————→ (filed with Secretary of State)	establish the Association as a non-profit corporation under Georgia law
By-Laws —————→ (the Board adopts)	govern the Association's internal affairs, such as voting rights, elections, meetings, officers, etc.
Architectural Guidelines —————→ (Declarant adopts)	establish architectural standards and guidelines for improvements and modifications to Units, including structures, landscaping, and other items on Units
Use Restrictions —————→ (initial set attached as Exhibit "C")	govern use of property, activities, and conduct within The Lakes at Cedar Grove
Board Rules —————→ (Board adopts by resolution)	establish rules, policies, and procedures, for internal governance and Association activities, regulate operation and use of Common Area

Additional restrictions or provisions which are more restrictive than the provisions of this Declaration may be imposed on any portion of The Lakes at Cedar Grove, in which case, the more restrictive provisions will control. However, during the Development and Sale Period, no Person shall record any additional covenants, conditions, and restrictions, whether contained in a declaration or other instrument, affecting any portion of The Lakes at Cedar Grove without Declarant's written consent. Thereafter, the Association must consent. Any instrument recorded without the required consent is void and of no force and effect.

If there are conflicts between Georgia law, the Articles, the Declaration, and the By-Laws, Georgia law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

The Governing Documents apply to all Owners and occupants of property within The Lakes at Cedar Grove, as well as to their respective tenants, guests, and invitees. Any lease on a Unit shall provide that the tenant and all occupants of the leased Unit are bound by and obligated to comply with the Governing Documents.

If any court should determine that any provision of this Declaration or any other of the Governing Documents is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision.

Article II Concepts and Definitions

2.1. Defined Terms.

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. The following capitalized terms shall be defined as set forth below.

"Affiliate": Any Person which (either directly or indirectly, through one or more intermediaries) controls, is in common control with, or is controlled by, another Person, and any Person that is a director, trustee, officer, employee, independent contractor, shareholder, agent, co-venturer, subsidiary, personal representative, or attorney of any of the foregoing. For the purposes of this definition, the term "control" means the direct or indirect power to direct or cause the direction of an entity's management or policies with respect to the development of The Lakes at Cedar Grove or otherwise, whether through the ownership of voting securities, by contract, or otherwise. For purposes of this Declaration, Declarant's Affiliates include Cousins Real Estate Corporation, a Georgia corporation, Cousins Properties, Incorporated, a Georgia corporation, Macauley Companies, Inc., a Georgia corporation, and their respective Affiliates.

"Architectural Guidelines": The Lakes at Cedar Grove's architectural, design, and construction guidelines and review procedures adopted pursuant to Article IV, as they may be amended.

"Architectural Review Committee" or "ARC": The committee appointed by the Board to administer architectural controls within The Lakes at Cedar Grove, as provided in Article IV.

"Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, or agreements.

"Articles": The Articles of Incorporation of The Lakes at Cedar Grove Neighborhood Association, Inc., filed with the Georgia Secretary of State, as they may be amended.

"Association": The Lakes at Cedar Grove Neighborhood Association, Inc., a Georgia non-profit corporation, its successors or assigns.

"Base Assessment": Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units.

"Board": The body responsible for administering the Association, selected as provided in the By-Laws, and serving as the Association's board of directors under Georgia corporate law.

"Builder": Any Person who purchases one or more Units for the purpose of constructing homes for later sale to consumers, or who purchases land within The Lakes at Cedar Grove for further subdivision, development, and/or resale in the ordinary course of its business.

"By-Laws": The By-Laws of The Lakes at Cedar Grove Neighborhood Association, Inc., as they may be amended. A copy of the initial By-Laws is attached to this Declaration as Exhibit "D."

"Class 'A' Member": Each Owner except, during the period of Class "B" Membership, Declarant and any Affiliate of Declarant.

"Class 'B' Control Period": The period of time during which the Class "B" Member is entitled to appoint a majority of Board members. The Class "B" Control Period shall terminate on the first to occur of the following:

(a) when 75% of the total number of Units permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to Class "A" Members other than Builders;

(b) December 31, 2020; or

(c) when, in its discretion, the Class "B" Member so determines.

"Class 'B' Member": Collectively, and until termination of the Class "B" Membership, Declarant and any of Declarant's Affiliates which own a Unit.

"Common Area": All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the Owners' common use and enjoyment.

"Common Expenses": Expenses the Association incurs or expects to incur for the general benefit of the Owners, including any reasonable reserve which the Board determines is necessary or otherwise appropriate.

"Community" or "The Lakes at Cedar Grove": All real property made subject to this Declaration, whether by inclusion on Exhibit "A" to this Declaration or by annexation in accordance with Section 9.1.

"Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout The Lakes at Cedar Grove, or the minimum standards established pursuant to the Architectural Guidelines, Use Restrictions, and Board resolutions, whichever is the highest standard. Initially, Declarant shall establish such standard. The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, and subjective elements subject to the Board's or the ARC's discretion. The Community-Wide Standard may evolve as development progresses and as the needs and desires within The Lakes at Cedar Grove change.

"Declarant": Cedar Grove Lakes, LLC, a Georgia limited liability company, or any successor or assign who takes title to any portion of the property described in Exhibit "A" or "B" for the purpose of development and/or sale as a part of The Lakes at Cedar Grove and who is designated as Declarant in a recorded instrument which the immediately preceding Declarant executes.

"Development and Sale Period": The period during which Declarant or any Affiliate of Declarant owns real property within the Community or has an unexpired option unilaterally to annex property into the Community.

"Limited Common Area": A portion of the Common Area primarily benefiting one or more, but less than all, Units or Service Areas, as described in Article XI.

"Master Plan": The master land use plan(s) for the development of The Lakes at Cedar Grove, as may be amended, as approved by Fulton County, Georgia, which include(s) all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B." Declarant is not obligated to submit property shown on the Master Plan to this Declaration. In addition, Declarant may submit property to this Declaration which is not shown on the Master Plan. The Master Plan is subject to change, in Declarant's discretion, without notice or consent except as may be required by law.

"Member": A Person who is a member in the Association pursuant to Section 6.2.

"Mortgage": A mortgage, deed of trust, deed to secure debt, or any other form of security instrument affecting title to any Unit. The term "Mortgagee" shall refer to a beneficiary or holder of a Mortgage. An "Eligible Holder" is any institutional holder, insurer, or guarantor of a first priority Mortgage which provides the Association a written request for notices, which request includes the Mortgagee's name and the street address of the Unit to which its Mortgage relates.

"Owner": One or more Persons who hold title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation (e.g., a Mortgagee). If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

"Person": An individual, corporation, partnership, trustee, or any other legal entity.

"Service Area": A group of Units which is separately designated pursuant to this Declaration for purposes of sharing Limited Common Areas and/or receiving benefits or services from the Association that are not provided to all Units. A Service Area may be comprised of more than one housing type and may include noncontiguous parcels of property. Service Area boundaries may be established and modified as provided in Section 7.3.

"Service Area Assessments": Assessments levied against the Units in a particular Service Area to fund Service Area Expenses, as described in Section 8.2.

"Service Area Expenses": Expenses the Association incurs or expects to incur for the benefit of Owners within a particular Service Area, including any reserve for capital repairs and replacements and administrative charges authorized by this Declaration or the Supplemental Declaration(s) applicable to such Service Area.

"Special Assessment": Assessments levied against all Owners or all Owners in a Service Area in accordance with Section 8.5.

"Specific Assessment": Assessments levied against a particular Owner or Owners in accordance with Section 8.6.

"Supplemental Declaration": A recorded instrument which subjects additional property to this Declaration, designates Service Areas, identifies Common Area and Limited Common Areas, and/or creates or imposes additional covenants on the land described in such instrument.

"Unit": A portion of The Lakes at Cedar Grove, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. The boundaries of each Unit shall be delineated on a recorded plat.

"Use Restrictions": The initial Use Restrictions set forth in Exhibit "C," as they may be supplemented, modified, and repealed pursuant to Article III.

2.2. Interpretation of Certain References.

(a) Recording. All references in the Governing Documents to a "recorded" legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed, or the filing of a legal instrument in the Office of the Clerk of the Superior Court of Fulton

County, Georgia, or such other place designated as the official location for filing documents affecting title to real estate in Fulton County in order to make them a matter of public record.

(b) Consent or Approval. All references in the Governing Documents to "consent" or "approval" shall refer to permission or approval which, unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required.

(c) Discretion and Determinations. All references in the Governing Documents to "discretion" or to the right to "determine" any matter shall refer to the sole and absolute power or right to decide or act and, unless otherwise expressly limited in the Governing Documents, a Person entitled to exercise its discretion or make a determination may do so without consent or approval of others, and without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action, or inaction.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use and conduct, maintenance, and architecture at The Lakes at Cedar Grove are what give the community its identity and make it a place that people want to call "home." This Declaration establishes procedures for adopting, modifying, applying, and enforcing such standards while providing the flexibility for the community standards to evolve as The Lakes at Cedar Grove changes and grows.

Article III Use and Conduct

3.1. Framework for Regulation.

The Governing Documents establish a framework of affirmative and negative covenants, easements, and restrictions which govern The Lakes at Cedar Grove. Within that framework, the Board and the Members must be able to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology. This Article establishes procedures for creating, modifying, and expanding the Use Restrictions.

Except as specifically stated, this Article is not intended to apply to rules and regulations relating to use and operation of the Common Area which the Board may adopt by resolution or otherwise pursuant to its general authority ("Board Rules").

3.2. Rule Making Authority.

(a) Subject to the terms of this Article and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may change (i.e., modify, cancel, limit, create exceptions to, or create new) Use Restrictions. To do so, the Board shall send notice to all Owners at least five business days before the Board meeting at which such change is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to the change being approved; provided, the Board may limit the time that any individual is permitted to speak.

The proposed change shall become effective, after compliance with subsection (c) below, unless disapproved at a meeting by Members representing at least 67% of the total Class "A" votes and by the Class "B" Member, if any. The Board is not obligated to call a meeting of the Members to consider disapproval unless the Members request a special meeting in the manner required under the By-Laws. If the Members request a special meeting prior to the effective date of any Board action under this Section, the proposed change shall not become effective until after the meeting is held, and then subject to the outcome of such meeting.

(b) Alternatively, Members representing at least 67% of the total Class "A" votes in the Association, at an Association meeting duly called for such purpose, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions then in effect. Any such action shall require the approval of the Class "B" Member, if any.

(c) Before any change to the Use Restrictions becomes effective, the Board shall send a copy of the changes to each Owner. The effective date of any changes shall be not less than 30 days following distribution to Owners. The Association shall provide, without cost, a copy of the Use Restrictions then in effect to any requesting Member or Mortgagee.

(d) No action taken under this Article shall have the effect of modifying, repealing, or expanding the Architectural Guidelines or any provision of this Declaration other than the Use Restrictions. In the event of a conflict between the Architectural Guidelines and the Use Restrictions, the Architectural Guidelines shall control.

3.3. Owners' Acknowledgment and Notice to Purchasers.

Each Owner, by acceptance of a deed, acknowledges and agrees that the use, enjoyment, and marketability of his or her Unit may be affected by the Use Restrictions, that the Use Restrictions may change from time to time as provided under Section 3.2, and that such changes may not be set out in a recorded instrument. All purchasers of Units are on notice that the Association may have adopted changes to the Use Restrictions. Copies of the current Use Restrictions may be obtained from the Association.

3.4. Protection of Owners and Others.

Except as set forth in this Declaration (either initially or by amendment) or in the initial Use Restrictions set forth in Exhibit "C," all Use Restrictions (and all Board Rules) shall comply with the following provisions:

(a) Similar Treatment. Similarly situated Owners shall be treated similarly; provided, Use Restrictions and Board Rules may vary by Service Area.

(b) Displays. The Association shall not abridge Owners' rights to display religious and holiday signs, symbols, and decorations on their Units of the kinds normally displayed in residential neighborhoods; provided, the Association may adopt time, place, and manner restrictions with respect to any displays visible from outside any structure on the Unit.

The Association shall not regulate the content of political signs; however, it may regulate the time, place, and manner of posting such signs (including design criteria).

(c) Household Composition. The Association shall not interfere with Owners' freedom to determine their household's composition, except the Association may limit the total number of occupants permitted in each dwelling based upon the dwelling's size and its fair use of the Common Area.

(d) Activities Within Dwellings. The Association shall not interfere with the activities carried on within dwellings, except it may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that are an unreasonable source of annoyance.

(e) Allocation of Burdens and Benefits. The Association shall not reallocate financial burdens among the various Units or change Common Area use rights to any Owner's detriment over that Owner's written objection. This shall not prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of the Common Area, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Area, or violate the Governing Documents. This provision does not affect the right to increase assessments as provided in Article VIII.

(f) Alienation. The Association shall not prohibit the leasing or transfer of any Unit, or require the Association's consent for leasing or transferring any Unit; provided, the Association may impose minimum lease terms and may require that Owners use lease forms the Association approves.

(g) Abridging Existing Rights. The Association shall not require an Owner to dispose of personal property that was in or on a Unit prior to the adoption of such rule if such personal property complied with all rules previously in force. This exemption shall apply only to property and not to conduct and shall apply only during the period of such Owner's ownership of the Unit. It shall not apply to subsequent Owners who take title to the Unit after adoption of the rule.

(h) Reasonable Rights to Develop. The Association may not unreasonably impede Declarant's right to develop The Lakes at Cedar Grove.

The limitations in Subsection (a) through (g) shall not apply to amendments to this Declaration adopted in accordance with Article XVIII.

Article IV **Architecture and Landscaping**

4.1. General.

No structure or thing shall be placed, erected, or installed upon any Unit and no improvement or other work (including staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, or planting or removing landscaping) shall take place within The Lakes at Cedar Grove, unless permitted or approved under this Article and the Architectural Guidelines.

Approval is not required to repaint the exterior of a structure in accordance with its most recently approved color scheme or to remodel, paint, or redecorate the interior of a structure. However, interior modifications which are visible from outside the structure shall be subject to approval.

All dwellings constructed on any portion of The Lakes at Cedar Grove shall be designed and built in accordance with the plans and specifications of a licensed architect unless Declarant or its designee otherwise approves.

This Article shall not apply to Declarant's or its Affiliates' activities, or to the Association's activities during the Class "B" Control Period.

4.2. Architectural Review.

(a) Declarant's Authority. Until 100% of the Units permitted under the Master Plan have been issued certificates of occupancy and conveyed to Class "A" Members other than Builders, Declarant shall have exclusive authority to administer and enforce architectural controls under this Article and to review and act upon all applications for new construction and landscaping, and modifications to existing improvements within The Lakes at Cedar Grove. There shall be no surrender or delegation of this authority prior to that time except in a recordable instrument which Declarant executes. Declarant may, in its discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder. In reviewing and acting upon any request for approval, Declarant or its designee shall act solely in Declarant's interest and shall owe no duty to any other Person.

Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other Person or committee, including the Architectural Review Committee. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

(b) Architectural Review Committee. Upon the expiration, surrender, or delegation of all or any of Declarant's authority, the Board shall appoint the Architectural Review

Committee, the members of which shall thereafter serve and may be removed in the Board's discretion. The ARC shall have no rights or authority until Declarant's authority under this Article expires, or is delegated. Any delegation of authority is subject to the conditions set forth above.

(c) Fees; Assistance. Declarant or, upon formation of the ARC, the Board, may establish and charge reasonable fees for reviewing applications and may require such fees to be paid in full prior to review. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. Declarant and the Association may employ architects, engineers, or other Persons as deemed necessary to perform the review. The Board may include the compensation of such Persons in the Association's annual operating budget as a Common Expense.

(d) Reviewer. For purposes of this Article, the entity having jurisdiction in a particular case, whether Declarant or its assigns or the ARC, shall be referred to as the "Reviewer."

4.3. Guidelines and Procedures.

(a) Architectural Guidelines. Declarant shall prepare the initial Architectural Guidelines. The Architectural Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer. The Architectural Guidelines are not the exclusive basis for the Reviewer's decisions and compliance with the Architectural Guidelines does not guarantee approval of any application.

Declarant shall have sole and full authority to amend the Architectural Guidelines until the expiration of its authority under Section 4.2, notwithstanding a delegation of reviewing authority to the ARC, unless Declarant also delegates the power to amend. Upon termination or delegation of Declarant's right to amend, the Board may amend the Architectural Guidelines.

Amendments to the Architectural Guidelines shall be prospective only. They shall not require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Architectural Guidelines less restrictive.

The Reviewer shall make the Architectural Guidelines available to Owners and Builders who seek to engage in development or construction within The Lakes at Cedar Grove. In Declarant's discretion, the Architectural Guidelines may be recorded, in which event the recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

(b) Procedures. Unless the Architectural Guidelines otherwise specifically provide, no activity described in Section 4.1 shall commence on any portion of The Lakes at Cedar Grove until an application for approval has been submitted to and approved by the Reviewer. An application for approval must be in writing and must include such plans and specifications as the

Architectural Guidelines or the Reviewer requires. For example, plans and specifications may be required to show site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable. The Architectural Guidelines and the Reviewer may require the Owner to submit any information reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. The Reviewer may base decisions on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and any such determination shall not be subject to the provisions of Article XIII nor shall it be subject to judicial review so long as made in good faith and in accordance with the required procedures.

The Reviewer shall make a determination on each application within 45 days after receipt of a completed application and other information it requires. The Reviewer may require that an application be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submittal. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

If the Reviewer fails to respond in a timely manner, approval shall be deemed given, subject to Declarant's veto right. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Architectural Guidelines unless a written variance has been granted pursuant to Section 4.5.

Notices shall be deemed given at the time of deposit with the U. S. Postal Service or an overnight delivery service (e.g., FedEx) or at the time of facsimile, electronic, or personal delivery to the applicant, as evidenced by a printed confirmation of transmission or the signature of the person accepting such delivery.

As part of any approval, the Reviewer may require that construction commence in accordance with approved plans within a reasonable time period. If construction does not commence within the required time period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All work shall be completed within 18 months of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action by the Association or Declarant.

The Reviewer may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.4. No Waiver of Future Approvals.

Each Owner acknowledges that the Persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, in which case it may be unreasonable to require that objectionable features be changed. This shall not impact the Reviewer's right to disapprove similar proposals in the future. Approval of applications or plans, or in connection with any other matter requiring approval, shall not be deemed a waiver of the right to withhold approval of similar applications, plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances.

The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain any governmental agency's approval, the issuance of any permit, or the terms of any financing need not be considered a hardship warranting a variance. During the Development and Sale Period, no variance shall be effective without Declarant's approval.

4.6. Limitation of Liability.

The standards and procedures established pursuant to this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of The Lakes at Cedar Grove; they do not create any duty to any Person. Review and approval of any application pursuant to this Article may be based on purely aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all dwellings are of comparable quality, value, or size, of similar design, aesthetically pleasing, or otherwise acceptable to neighboring property owners.

Declarant, Declarant's Affiliates, the Association, the Board, the ARC, any Association committee, and any member of any of the foregoing shall not be held liable for soil conditions, drainage, or other general site work; any defects in plans reviewed or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a Builder in The Lakes at Cedar Grove; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit. In all matters, the Association shall defend and

indemnify the Board, the ARC, other Association committees, and the members of each as provided in Section 7.7.

4.7. Certificate of Compliance.

Any Owner may request that the Reviewer issue a certificate of architectural compliance certifying that there are no known violations of this Article or the Architectural Guidelines. The Association shall respond to such request within 30 days after receiving a written request and may charge a reasonable administrative fee for issuing such a certificate. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

4.8. Enforcement.

Any construction, alteration, installation, work performed, or other action in violation of this Article or the Architectural Guidelines shall be subject to enforcement action. Upon written request from Declarant or the Board, Owners shall, at their own cost and expense and within a reasonable time frame identified in the request, cure such nonconforming condition or remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to cure or remove and restore as required, Declarant, the Association, or the designees of either may enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the maximum rate then allowed by law, may be assessed against the benefited Unit and collected as a Specific Assessment.

In addition, the Association and Declarant shall have the authority and standing to pursue all available legal and equitable remedies to enforce the provisions of this Article and the Reviewer's decisions and the Association may levy other sanctions as provided in this Declaration. If the Association or Declarant prevail, they may recover all costs including, without limitation, attorneys' fees and court costs incurred in such enforcement action.

Article V Maintenance and Repair

5.1. Maintenance of Units.

Each Owner shall maintain his or her Unit, including all improvements comprising the Unit, in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants, or unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to this Declaration or any Supplemental Declaration. Owners shall not permit any structures, equipment, or other items on the exterior portions of a Unit to become rusty, dilapidated, or to otherwise fall into disrepair.

Each Owner of a Unit which borders on or is adjacent to a lake shall maintain such grass, planting, or other lateral support on such Unit as is required to prevent erosion of the embankment adjacent to the lake. During the Development and Sale Period, the height, grade,

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

The Association is the mechanism by which each Owner is able to participate in the governance and administration of The Lakes at Cedar Grove. While the Association's Board has responsibility for day-to-day management and operation, some decisions are considered of such importance that they are reserved for the Association's membership -- the Unit Owners.

Article VI The Association and its Members

6.1. Function of Association.

The Association is the entity responsible for management, maintenance, operation, and control of the Area of Common Responsibility. The Association also has primary responsibility for enforcing the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Georgia law.

6.2. Membership.

Every Owner is a Member of the Association; provided, there is only one membership per Unit. If more than one Person owns a Unit, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(c) and in the By-Laws, and all such co-Owners are jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not an individual (e.g., a corporation or a partnership) may be exercised by any officer, director, partner, or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Association's Secretary or its designee.

The Association shall have two classes of membership, Class "A" and Class "B." The Class "B" membership shall terminate upon the earlier to occur of: (i) the conveyance of 100% of the Units permitted under the Master Plan to Class "A" Members other than Builders; or (ii) when, in its discretion, Declarant so determines and declares in a recorded instrument.

6.3. Voting.

(a) Class "A" Members. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 6.2, except that there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.9. Owners of Units for which assessments have not yet commenced under Section 8.7 shall be entitled to cast a vote for such Units. All Class "A" votes shall be cast as provided in Section 6.3(c).

(b) Class "B" Member. The Class "B" Member shall not vote, but may appoint a majority of the Board members during the Class "B" Control Period, as specified in the By-Laws, and may exercise the additional rights specified throughout the Governing Documents. Unless Declarant delegates such authority, Declarant shall act as, and on behalf of, the Class "B"

Member on all matters. Upon termination of the Class "B" membership, Declarant and Affiliates of Declarant shall be Class "A" Members entitled to one Class "A" vote for each Unit they own.

(c) Exercise of Voting Rights. Members may exercise voting rights as set forth above and in the By-Laws. If there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Association's Secretary in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

6.4. Service Areas.

Units may be assigned to one or more Service Areas. Declarant may initially assign property to a specific new or existing Service Area (by name or other identifying designation) on Exhibit "A" to this Declaration, any Supplemental Declaration, or any recorded plat. During the Development and Sale Period, Declarant may unilaterally record a Supplemental Declaration or amend this Declaration or any Supplemental Declaration to create Service Areas, re-designate Service Areas boundaries, or combine two or more existing Service Areas.

In addition, the Board may, by resolution, designate a Service Area and assign Units to it upon petition of Owners of at least 67% of the Units which would benefit from the services or benefits to be provided to the Service Area.

The Owners of Units within each Service Area may elect a "Service Area Committee" to represent and act on behalf of the Owners with respect to the services and benefits that the Association provides to the Service Area.

Article VII Association Powers and Responsibilities

7.1. Acceptance and Control of Association Property.

(a) The Association may acquire, hold, mortgage or otherwise encumber, lease (as lessor or lessee), operate, and dispose of tangible and intangible personal property and real property, subject to the provisions of Section 14.5. The Association may enter into leases, licenses, or operating agreements for portions of the Common Area, for consideration or no consideration as the Board deems appropriate, to permit use of such portions of the Common Area by others.

(b) Declarant and its designees may convey to the Association, and the Association shall accept, "as is," personal property and/or fee title, leasehold, or other property interests in any improved or unimproved real property described in Exhibit "A" or "B." Upon Declarant's written request, the Association shall reconvey to Declarant any unimproved portions of the Common Area originally conveyed to the Association for no consideration, to the extent Declarant conveyed such Common Area in error or to the extent necessary for Declarant to make minor adjustments in property lines.

(c) The Association shall be responsible for management, operation, and control of the Common Area, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate.

7.2. Maintenance of Area of Common Responsibility.

The Association shall maintain, in accordance with the Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

(a) the Common Area, including, without limitation, entry features, recreational amenities, gathering parks and areas, natural areas, dams, lakes, trails, sidewalks, roadways, and streetlights within the Common Area; and

(b) such portions of any additional property which may be dictated by Declarant, this Declaration, any Supplemental Declaration, or any contract, covenant, or agreement which the Association enters into (or which Declarant enters into on the Association's behalf).

Unless Fulton County or another governmental or quasi-governmental authority is responsible for such maintenance, the Association also shall be responsible for proper functioning of the stormwater drainage system serving the Community, including maintenance, repair, and replacement, as needed, of pipes, culverts, and other structures and equipment comprising the system, regardless of where located; provided, the Association shall not be responsible for landscaping or other maintenance of any Unit upon which any portion of the stormwater management system lies or which is burdened by any stormwater drainage easement unless otherwise specifically set forth in a Supplement Declaration or in a recorded agreement or plat.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The Association shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

Without limiting the generality of the foregoing, upon assignment from Declarant, the Association shall assume all of Declarant's (and Declarant's Affiliates') responsibilities with respect to the maintenance and operation of the lakes and other portions of the Common Area, and shall indemnify and hold Declarant and its Affiliates harmless with respect to such assumed responsibilities. In addition, the Association may be subject to and bound by one or more agreements or recorded covenants entered into by Declarant with respect to the maintenance, repair, operation, and insurance of lakes and dams within The Lakes at Cedar Grove.

The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the Board's discretion, to perform required maintenance or repairs, unless Members representing

67% of the Class "A" votes in the Association agree in writing to discontinue such operation; provided, if the property is Limited Common Area, at least 67% of the Owners to whom such Limited Common Area is assigned (or such higher percentage as a Supplemental Declaration may require) also must agree in writing. In addition, during the Development and Sale Period, the Area of Common Responsibility shall not be reduced except with Declarant's prior written approval.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or other agreements with such owner(s). Maintenance, repair, and replacement of Limited Common Areas may be a Service Area Expense assessed to the Owners within the Service Area(s) to which the Limited Common Areas are assigned or, if appropriate, may be assessed or a Specific Assessment against particular Owners.

7.3. Provision of Benefits and Services to Service Areas.

(a) A Supplemental Declaration may require that the Association provide benefits or services to Units within a Service Area in addition to those that Association generally provides to all Units.

(b) In addition, the Owners within a Service Area, or a proposed Service Area, may petition the Board for the purpose of receiving from the Association (i) special benefits or services which are not provided to all Units, or (ii) a higher level of service than the Association otherwise provides. Upon receipt of such petition signed by Owners of a majority of the Units within the existing or proposed Service Area, the Board shall investigate the terms upon which the requested benefits or services might be provided and notify the affected Owners of such terms and the charge for providing the requested service. Upon written approval of the proposal by Owners of at least 67% of the Units within the existing or proposed Service Area, the Association shall (i) designate the Units as a Service Area, if applicable, and (ii) provide the requested benefits or services on the terms set forth in the notice to the Owners.

(c) All costs associated with the provision to a Service Area of the services or benefits described in this Section shall be assessed against the Units within the Service Area as a Service Area Assessment.

7.4. Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following insurance, if reasonably available or, if not, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within the Area of Common Responsibility to the

extent the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least two million dollars (\$2,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost, in the judgment of a reasonably prudent person, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage; and

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment, but not less than an amount equal to one-quarter (1/4) of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

The Board, in its business judgment, may obtain additional insurance coverage and higher limits.

Premiums for all insurance on the Area of Common Responsibility shall be a Common Expense, except that (i) premiums for property insurance the Association carries on Units within a Service Area, if any, shall be a Service Area Expense; and (ii) premiums for insurance on Limited Common Areas may be a Service Area Expense of the Service Area(s) to which such Limited Common Areas are assigned unless the Board reasonably determines that other treatment of the premiums is more appropriate.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Fulton County area. The Association shall make available within The Lakes at Cedar Grove certificates of insurance for inspection and copying by each Member.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.4(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Service Area Expense in the same manner as the premiums for the

applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Prior to the termination of the Class "B" Control Period, the Board, in the exercise of its business judgment, shall determine whether to repair or reconstruct damaged improvements on the Common Area, including any Limited Common Area. After termination of the Class "B" Control Period, damaged improvements on the Common Area shall be repaired or reconstructed unless Members representing at least 67% of the total Class "A" votes in the Association decide within 60 days after the loss not to repair or reconstruct. If the damage is to Limited Common Area, repairs shall be made unless at least 67% of the Owners of Units to which such Limited Common Area is assigned also vote within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period may be extended for a reasonable period of time to permit funds or information to be made available. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

The Association shall retain for the benefit of all Owners or the Owners of Units within the insured Service Area, as appropriate, any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate. The Association shall place such proceeds in a capital improvements account. This is a covenant for Mortgagees' benefit that the Mortgagee of any affected Unit may enforce.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the membership, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.4(a).

7.5. Compliance and Enforcement.

(a) Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for Governing Document violations, which sanctions include those listed below and any others described elsewhere in the Governing Documents. The Board may establish a range of penalties for different violations, with violations of the Declaration, unsafe conduct, and harassment or intentionally malicious conduct treated more severely than other violations. The following sanctions require prior notice and an opportunity for a hearing in accordance with the By-Laws:

(i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit (fines may be imposed within a graduated range). (In the event that any occupant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine may first be assessed against the violator; provided, if the violator does not pay the fine within the time period the Board sets, the Owner shall pay the fine upon notice from the Board);

(ii) suspending an Owner's right to vote (except that no hearing is required if the Owner is more than 60 days delinquent in paying any Base or Special Assessment);

(iii) suspending any services the Association provides (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to the Association);

(iv) suspending any Person's right to use Common Area amenities (except that no hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed the Association); provided, the Board may not limit ingress or egress to or from a Unit;

(v) exercising self-help or taking action to abate any violation of the Governing Documents occurring on a Unit in a non-emergency situation (including removing personal property that violates the Governing Documents);

(vi) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit in violation of the Governing Documents and to restore the Unit to its previous condition. Upon an Owner's failure to do so, the Board or its designee shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(vii) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article IV and the Architectural Guidelines from continuing or performing any further activities in The Lakes at Cedar Grove; and

(viii) levying Specific Assessments to cover costs the Association incurs in bringing a Unit into compliance with the Governing Documents.

(b) In addition, the Board may enforce the Governing Documents without the necessity of compliance with the procedures set forth in the By-Laws:

(i) exercising self-help or taking action to abate any violation on a Unit in any emergency situation. An emergency situation shall include any situation where the passage of time or the requirement of process would render enforcement ineffective (e.g., towing vehicles that are in violation of parking rules and regulations);

(ii) exercising self-help or taking action to abate a violation on the Common Area under any circumstances; or

(iii) bringing suit at law or in equity to enjoin any violation, to recover monetary damages, or both.

In addition to any other enforcement rights, if an Owner fails to perform his or her maintenance responsibility properly, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs the Association incurs against the Unit and the Owner as a Specific Assessment. Except in an emergency situation, the Association shall provide the Owner with reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents are in addition to any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(c) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Any decision to not enforce shall not be construed as a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

The Association, by contract or other agreement, may enforce applicable city and county ordinances. In addition, Fulton County and other governmental authorities with jurisdiction may enforce their ordinances within The Lakes at Cedar Grove.

7.6. Implied Rights: Board Authority.

The Association may exercise any right or privilege expressly given by, or reasonably implied from, the Governing Documents, or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents or by law, the Board may exercise all of the Association's rights and powers without a vote of the membership.

The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action in which The Lakes at Cedar Grove has a bona fide interest. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of or in the name of the Association or its Members.

In exercising the Association's rights and powers, making decisions on the Association's behalf, and conducting the Association's affairs, Board members shall be subject to, and their actions shall be judged in accordance with, the standards set forth in Section 3.25 of the By-Laws

7.7. Indemnification of Officers, Directors, and Others.

Subject to Georgia law, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if the then Board approves) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section.

The Association's officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The Association's officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on the Association's behalf (except to the extent that such officers or directors may also be Members).

The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to

which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.8. Relationships with Other Properties.

The Association may enter into, or Declarant may bind the Association through, contractual agreements or covenants to share costs with community associations, properties, or facilities adjacent to or in the vicinity of The Lakes at Cedar Grove to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Common Area maintenance.

7.9. Provision of Services.

The Association may provide, or provide for, services and facilities for the Members and their Units, and may enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use or service fees for any such services and facilities provided at an Owner's option, or may include the costs in the Association's budget as a Common Expense (if provided to all Units) or as a Service Area Expense (if provided to Units within a Service Area). By way of example, such services and facilities might include landscape maintenance, pest control, cable television, monitoring, access control, care taking, transportation, fire protection, utilities, trash collection, and similar services and facilities.

Nothing in this Section shall be construed as a representation by any Person as to what, if any, services shall be provided, and each Owner acknowledges that services such as those described above are not typically provided to detached, single family homes. In addition, the Board may modify or cancel existing contracts for services in its discretion, unless the provision of such services is otherwise required by the Governing Documents. Non-use of services provided as a Common Expense or a Service Area Expense shall not exempt an Owner from the obligation to pay assessments for such services.

In any contracts or agreements with third parties for the provision of services within The Lakes at Cedar Grove, the Association may assign to the service provider the right to bill Owners directly and to pursue all legal or equitable remedies otherwise available to the Association in the collection of such bills.

To ensure consistency in scheduling and compliance with the Community-Wide Standard, the Board, in its discretion, may designate particular service providers (e.g., trash collection, recycling, etc.) to be used by all Owners. In such case, the relationship between the service provider and the Owner may be direct and the expense of such service may be borne by the Unit Owner (*i.e.*, it would not be assessed through the Association).

7.10. Bulk Rate Service Agreements.

The Association may enter into contracts, including bulk rate service agreements, with providers of central telecommunication receiving and distribution services and systems (e.g., cable television, high speed data/Internet/intranet services, and security monitoring), and their components ("Community Systems"), with other utilities, and with other Persons for the maintenance, management, administration, upgrading, modification, and operation of such Community Systems and utilities. The Association's expenses in connection with any such bulk rate contracts shall be a Common Expense to be included in the Base Assessment or a Service Area Expense to be included in a Service Area Assessment. However, if particular or additional services or benefits are provided to particular Units, the benefited Owner(s) shall pay the service provider directly for such services, or the Association may assess the costs as a Specific Assessment.

The terms of any Association contract for Community Systems or other utilities may obligate individual Owners or occupants to execute subscription agreements or other contracts directly with the Persons providing components or services prior to gaining access to the System or utility, or in the alternative, the Association may execute a subscription agreement or contract on behalf of all Owners. Such subscription agreements or other contracts may contain terms and conditions relating to use and access to the Community System or utility which, if violated by the Owner or occupant of a Unit, may result in services to such Owner or occupant's Unit being terminated by the System or utility provider or by the Association. The termination of service for such a violation shall not relieve the Owner of the continuing obligation to pay that portion of assessments or other Association charges pertaining to the Community Systems or common utilities.

The Association shall have no obligation to utilize any particular provider or providers; provided, except for cause (as defined under a written agreement with the provider), the Association may not, without Declarant's consent, terminate or refuse to renew any contract entered into during the Class "B" Control Period.

Article VIII Association Finances

8.1. Budgeting and Allocating Common Expenses.

Each year, the Board shall prepare a budget of the estimated Common Expenses for the coming fiscal year, including any contributions to be made to a reserve fund pursuant to Section 8.3. Common Expenses also may include amounts which the Association is obligated to pay under any covenant or agreement to share costs. The budget shall reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units (including amounts to which the Association is entitled under any covenant or agreement to share costs), and the amount to be generated through the levy of Base Assessments and Special Assessments against the Units.

The Association is authorized to levy Base Assessments equally against all Units subject to assessment under Section 8.7 to fund the Common Expenses. In determining the Base Assessment rate per Unit, the Board may consider any assessment income it expects to generate from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner at least 30 days prior to the budget's effective date. Prior to termination of the Class "B" Control Period, the budget shall not be subject to Owner approval. After termination of the Class "B" Control Period, the budget is subject to disapproval at a meeting by Members representing at least 67% of the total Class "A" votes in the Association and by the Class "B" Member, if such exists. The Board shall be under no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in the By-Laws. Any such petition must be presented to the Board within 10 days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the Members' right to disapprove the revised budget as set forth above.

8.2. Budgeting and Allocating Service Area Expenses.

To fund Service Area Expenses, the Association is authorized to levy Service Area Assessments equally against all Units subject to assessment in the Service Area; provided, if specified in a Supplemental Declaration or if a majority of the Owners within the Service Area requests in writing, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, replacement reserves pertaining to particular structures, or services provide within the Service Area may be levied on just the benefited Units equally, in proportion to the benefit received, or in any other reasonable manner.

At least 60 days prior to each fiscal year, the Board shall prepare a separate budget covering the estimated Service Area Expenses for each Service Area on whose behalf Service Area Expenses are expected to be incurred during the coming year. Each such budget shall include any costs for additional or higher level of services provided to the Service Area as and any contribution to be made to a reserve fund pursuant to Section 8.3. The budget shall reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount required to be generated through the levy of Service Area and Special Assessments against the Units in such Service Area.

The Board shall cause a copy of the Service Area budget and notice of the amount of the Service Area Assessment for the coming year to be delivered to each Owner in the Service Area

at least 30 days prior to the beginning of the fiscal year. . Prior to termination of the Class "B" Control Period, the Service Area budget shall not be subject to Owner approval. After termination of the Class "B" Control Period, the Service Area budget is subject to disapproval at a meeting by Owners representing at least 67% of the Units in the Service Area to which the Service Area Assessment applies. However, the Board is not obligated to call a meeting to consider the budget except on petition of Owners of at least 10% of the Units in such Service Area.

If the proposed budget for any Service Area is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

The Board may revise the budget for any Service Area and the amount of any Service Area Assessment from time to time during the year, subject to the notice requirements and the right of the Owners in the affected Service Area to disapprove the revised budget as set forth above.

All amounts collected by the Association as Service Area Assessments shall be held in trust for and expended solely for the benefit of the Service Area for which they were collected and shall be accounted for separately from the Association's general funds.

8.3. Budgeting for Reserves.

The Board may include in the Common Expense budget adopted pursuant to Section 8.1 and in any Service Area budget adopted pursuant to Section 8.2 a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period. Reserve budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. So long as the Board exercises business judgment in determining the amount of the reserve fund, the amount shall be considered adequate.

The Board may adopt resolutions regarding the expenditure of any reserve funds, including policies designating the nature of assets for which reserve funds may be expended. During the Development and Sale Period, neither the Association nor the Board shall adopt, modify, limit, or expand such policies without Declarant's prior written consent.

8.4. Declarant's Subsidy Option.

During the Development and Sale Period, Declarant may, but shall not be obligated to, reduce the Base Assessment or any Service Area Assessment, or fund any budget deficit for any fiscal year by payment of a subsidy which may be treated as either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be conspicuously disclosed as a line item in the Common Expense budget or the Service Area budget, as applicable, and the treatment of such subsidy shall be made known to the benefited Owners. The payment of such subsidy in any year shall under no circumstances

obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

8.5. Special Assessments

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. A Special Assessment may be levied equally against the entire membership if it is for Common Expenses or against the Units within any Service Area if it is for Service Area Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Owners representing at least majority of (i) the total Association vote (if a Common Expense), or (ii) the Owners of Units within the Service Area (if a Service Area Expense), and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6. Specific Assessments

The Association may levy Specific Assessments against one or more particular Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which the Association may offer (which might include the items identified in Section 7.9) or which the Association otherwise provides in the Board's discretion. Specific Assessments for special services may be levied prior to the requested service being provided; and

(b) to cover costs incurred in bringing a Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection.

8.7. Authority to Assess Owners; Time of Payment

The obligation to pay assessments shall commence as to each Unit on the earlier of:
(a) the closing of the conveyance of the Unit to a Class "A" Member other than a Builder; or
(b) the one year anniversary of the conveyance of the Unit from Declarant or any Affiliate of Declarant to a Builder; provided, no assessment shall be due prior to the month in which the Board first determines a budget and levies assessments pursuant to this Article. The first annual Base Assessment and Service Area Assessment, if any, levied on each Unit shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Owners shall pay assessments in such manner and on such dates as the Board may establish. If the Board so elects, Owners may pay assessments in installments. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. Unless the Board otherwise provides, the Base Assessment and any Service Area Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.8. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of The Lakes at Cedar Grove, covenants and agrees to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 12% per annum or such higher rate as the Board may establish, subject to the limitations of Georgia law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be each Owner's personal obligation and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board's failure to fix assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Service Area Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt himself or herself from liability for assessments by non-use of the Common Area, abandonment of his or her Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Lien for Assessments. The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as all interest, late charges, and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any recorded first Mortgage (meaning any recorded Mortgage with first

priority over other Mortgages) made in good faith and for value. Such lien may be recorded and enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While the Association owns a Unit following foreclosure: (a) the Association shall not exercise a vote on its behalf; (b) the Association shall not levy an assessment on it; and (c) the Association shall charge each other Unit, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such acquired Unit had the Association not foreclosed on it. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The purchaser of a foreclosed Unit shall not personally be liable for assessments on such Unit due prior to the date title is transferred pursuant to such foreclosure. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.7, including such acquirer, its successors and assigns.

8.9. Exempt Property.

In addition to those Units for which assessments have not commenced pursuant to Section 8.7, the following real property shall be exempt from payment of Base Assessments, Service Area Assessments, and Special Assessments: (a) all Common Area; and (b) any real property dedicated to and accepted by any governmental authority or public utility.

In addition, Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

8.10. Use and Consumption Fees.

The Board may charge use and consumption fees to any Person using Association services or facilities and may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (*e.g.*, Owners and non-Owners).

8.11. Transfer Fee.

(a) Authority. The Board shall have the authority, on behalf of the Association, to establish and collect a fee ("Transfer Fee") in an amount equal to one-quarter (1/4) of the annual Base Assessment per Unit upon each transfer of title to a Unit in The Lakes at Cedar Grove. The Transfer Fee shall be payable to the Association by the purchaser at the closing of the transfer and shall be secured by the Association's lien for assessments under Section 8.8. An Owner shall notify the Association's Secretary of a pending title transfer at least seven days prior to the

transfer. Such notice shall include the name of the purchaser, the date of title transfer, and other information the Board may require.

(b) Purpose. The Association shall deposit Transfer Fees into a segregated account and to be used for such purposes as the Board deems beneficial to the The Lakes at Cedar Grove community (which may include purposes also benefiting or relating to the surrounding community). By way of example and not limitation, such Transfer Fees might be used for general operating purposes, reserves, or to assist the Association or one or more tax-exempt entities in funding:

(i) programs and activities which serve to promote a sense of community within and surrounding The Lakes at Cedar Grove, such as local public or private educational systems or programs, recreational leagues, cultural programs, festivals and holiday celebrations and activities, a community computer network, and recycling programs;

(ii) preservation and maintenance of natural areas, wildlife preserves, or similar conservation areas, and sponsorship of educational programs and activities which contribute to the overall understanding, appreciation, and preservation of the natural environment at The Lakes at Cedar Grove; and

(iii) social services, community outreach programs, and other charitable causes.

(c) Exempt Transfers. Notwithstanding the above, no Transfer Fee shall be levied upon transfer of title to a Unit:

(i) to Declarant or any Affiliate of Declarant;

(ii) to a Builder solely for purposes of development and resale;

(iii) by a co-owner to any Person who was a co-owner immediately prior to such transfer;

(iv) to the Owner's estate, surviving spouse, or child upon the death of the Owner;

(v) to an entity wholly owned by the grantor or to a family trust created by the grantor for the benefit of grantor, his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the Transfer Fee shall become due; or

(vi) to an institutional lender pursuant to a Mortgage or upon foreclosure of a Mortgage.

PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to the developer in order to facilitate the smooth and orderly development of The Lakes at Cedar Grove and to accommodate changes in the master plan which inevitably occur as a community the size of The Lakes at Cedar Grove matures.

Article IX Additional Rights Reserved to Declarant

9.1. Annexation of Property.

Declarant may, from time to time, subject to this Declaration all or any portion of the property described in Exhibit "B" by recording a plat or Supplemental Declaration describing the property being subjected and specifying that such property is being made subject to this Declaration. Annexation pursuant to this Section shall not require the consent of any Person except the Owner of such property, if other than the Declarant.

Declarant's right to annex property pursuant to this Section expires when all property described in Exhibit "B" has been subjected to this Declaration, 20 years after this Declaration is recorded, or when, in its discretion, Declarant terminates such right, whichever is earlier. Until then, Declarant may transfer or assign this right to an Affiliate or any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "B." Any termination, transfer, or assignment of annexation rights shall be memorialized in a recorded instrument executed by Declarant.

Nothing in this Declaration shall require Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

9.2. Withdrawal of Property.

Declarant reserves the right to amend this Declaration, during the Class "B" Control Period, to remove from the coverage of this Declaration any portion of The Lakes at Cedar Grove which has not yet been improved with structures, provided such withdrawal does not reduce the total number of Units then subject to the Declaration by more than 10 percent. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

9.3. Additional Covenants and Easements.

Declarant may subject any portion of The Lakes at Cedar Grove to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Service Area Assessments. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If someone other than Declarant

owns the property, then such owner's consent and execution of the Supplemental Declaration is required.

9.4. Marketing and Sales Activities.

Declarant, Declarant's Affiliate, and Builders authorized by Declarant, may construct and maintain upon portions of the Common Area, and other property they own, such facilities, activities, and things as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Units. Such permitted facilities, activities, and things shall include business offices, signs, flags (whether hung from flag poles or attached to a structure), model homes, marketing and sales offices, holding or sponsoring special events, and exterior lighting features or displays. In addition, if reasonably required, convenient, or incidental to construction or sales activities, Declarant and Builders may park vehicles in areas other than garages or driveways, including on streets. Builder's rights under this Section are subject to Declarant's approval. Declarant and authorized Builders shall have easements for access to and use of such facilities at no charge.

9.5. Right to Develop.

Declarant and any Affiliate of Declarant, and their respective employees, agents, and designees, shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Exhibit "B" property, the Common Area, and the Units as it deems appropriate in its discretion.

Declarant agrees that it and any Affiliate of Declarant, successor, or assign, respectively, shall be responsible for any damage caused to the Common Area as a result of their actions in connection with development of such property.

9.6. Right to Approve Changes in Community Standards.

No amendment to or modification of any Use Restrictions or Architectural Guidelines shall be effective without prior notice to and the written approval of Declarant during the Development and Sale Period.

9.7. Right to Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the By-Laws. No general transfer or assignment of Declarant status shall be effective unless it is in a recorded instrument Declarant signs. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety; in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

9.8. Exclusive Rights to Use Name of Development.

No Person shall use the names "The Lakes at Cedar Grove" or any derivative of such names, or in logo or depiction, in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "The Lakes at Cedar Grove" in printed or promotional matter where such term is used solely to specify that particular property is located within The Lakes at Cedar Grove and the Association may use "The Lakes at Cedar Grove" in its name.

9.9. Right to Use Common Area for Special Events.

During the Development and Sale Period, Declarant and its Affiliates may use the Common Area to sponsor special events for charitable, philanthropic, political, or marketing purposes, subject to the following conditions:

- (a) the availability of the facilities at the time requested;
- (b) Declarant shall pay all costs and expenses incurred and shall indemnify the Association against any loss or damage resulting from the special event; and
- (c) Declarant shall return the facilities and personal property used in conjunction with the special event to the Association in the same condition as existed prior to the special events.

Declarant shall have the right to assign its rights to charitable organizations or foundations selected by Declarant. Declarant's right to use the Common Area for special events shall be enforceable by injunction, by any other remedy in law or equity, and by the terms of this Declaration.

9.10. Termination of Rights.

Except as otherwise specifically provided, the rights contained in this Article shall not terminate until the earlier of (a) 40 years from the date this Declaration is recorded, or (b) Declarant's recording of a statement that all sales activity has ceased.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community, with its wide array of properties and development types and its ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, the Association, and others within or adjacent to the community.

Article X Easements

10.1. Easements in Common Area.

Declarant grants to each Owner a non-exclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) the Governing Documents, including all of the Association's enforcement rights, and any other applicable covenants;
- (b) any restrictions or limitations contained in any deed conveying such property to the Association or in any lease granting the Association use rights in such property;
- (c) certain Owners' rights to the exclusive use of Limited Common Areas;
- (d) the rights of Owners of designated Units adjacent to any lake to construct a dock extending from such Unit into the lake, subject to approval in accordance with Article IV;
- (e) the Board's right to:
 - (i) adopt and enforce rules regulating use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - (ii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration; and
 - (iii) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to any approval required in accordance with Section 14.5.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

10.2. Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area due

to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

10.3. Easements for Utilities, Etc.

(a) Installation and Maintenance. Declarant reserves for itself and its designees, and grants to the Association and utility providers, easements (which shall be perpetual unless specifically limited, and non-exclusive unless made exclusive) throughout The Lakes at Cedar Grove (but not through a structure) to the extent reasonably necessary to:

(i) install utilities and infrastructure to serve The Lakes at Cedar Grove, including, without limitation, cable and other systems for sending and receiving data and/or other electronic signals; monitoring, access control, and similar systems; roads, curbs, sidewalks, walkways, pathways, and trails; street lights; and signage on property which Declarant, its Affiliates, or the Association owns or within public rights-of-way or easement areas reserved for such purpose on recorded plats;

(ii) access, inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described in Section 10.3(a)(i); and

(iii) access and read utility meters.

Notwithstanding the above, Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on the payment of reasonable consideration.

(b) Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and record such specific easements as may be necessary, in its discretion, in connection with the orderly development of The Lakes at Cedar Grove. Declarant shall give advance written notice to the Owner of any property to be burdened by any easement granted pursuant to this subsection (b). The location of the easement shall be subject to the written approval of the burdened property's Owner, which approval shall not be unreasonably withheld, delayed, or conditioned.

(c) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) above shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

10.4. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to the Association, its licensees, agents, contractors, employees, and other designees, such easements rights over The Lakes at Cedar Grove as are necessary to enable the Association to fulfill its maintenance responsibilities under this Declaration. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance, and to inspect for the purpose of ensuring compliance with and enforcing the Governing Documents. Such right may be exercised by any Board member, by the Board's duly authorized agents and assignees, and by emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

10.5. Sign and Landscape Easements.

Certain Units within Lakes at Cedar Grove may contain a "Sign and Landscape Easement," or a similarly denominated easement area, as shown on a recorded plat ("Easement Area(s)"). Declarant grants to the Association a perpetual, non-exclusive easement on, over, under, through, and across such Easement Areas for the maintenance, repair, and replacement of community landscaping, signage, and entry features installed thereon by or on behalf of Declarant or the Association. The Association shall maintain the Easement Areas as a Common Expense in accordance with the Community-Wide Standard.

All work associated with the exercise of the easement rights described above shall be performed in such manner as to minimize interference with the use and enjoyment of those portions of a Unit lying outside of the Easement Area. The Association shall use reasonable efforts to confine all work associated with such easement rights to the Easement Areas; provided, to the extent reasonably necessary to perform such work, access over other portions of a Unit shall be permitted. Upon completion of any work, the Association shall restore any disturbed portion of the Unit, to the extent reasonably possible, to its condition prior to the commencement of the work.

No Person shall place or construct any improvement or thing within the Easement Areas without the Association's prior written consent, which consent may be withheld in the Board's discretion, nor shall any Person take any action which otherwise interferes with the Association's exercise of its easement rights under this Section.

10.6. Easements for Trail Use.

The Lakes at Cedar Grove contains, or shall contain, a pedestrian trail system, portions of which may be located within Units. Such Units are subject to an easement for the use of such trail system by other Owners and occupants of Units, and other permitted users. The location of such trail system may, but need not be, specifically identified on one or more recorded plats; provided, the trail system shall not interfere with the reasonable use and enjoyment of any Unit by its Owner. Any change in the location of any portion of a trail within a Unit is subject to the Unit Owner's consent, which consent shall not unreasonably be withheld. Use and enjoyment of the trail system by any Person is subject to any reasonable Use Restrictions and/or Board Rules.

Subject to the above paragraph, no Unit Owner may obstruct or interfere with, or permit any obstruction or interference with, the permitted use of the trail system on his or her Unit. The Association shall be responsible for maintenance of the trail system, including that portion contained within any Unit boundary, as a part of the Area of Common Responsibility.

Article XI Limited Common Areas

11.1. Purpose.

Certain portions of the Common Area may be designated as Limited Common Area and reserved for the primary or exclusive use or benefit of Owners and occupants of particular Units. By way of illustration and not limitation, Limited Common Areas may include entry features, recreational facilities, landscaped medians and cul-de-sacs, lakes and other portions of the Common Area serving a limited area. All costs associated with the Association's maintenance, repair, replacement, and insurance of a Limited Common Area shall be a Service Area Expense or a Specific Assessment allocated among the Owners to which the Limited Common Areas are assigned.

11.2. Designation.

Initially, any Limited Common Area shall be designated as such in this Declaration, in the deed conveying such area to the Association, on the subdivision plat relating to such Common Area, or in a Supplemental Declaration; provided, during the Development and Sale Period, Declarant may assign the same Limited Common Area to, or otherwise permit use of such Limited Common Area by, Owners and occupants of additional Units.

Thereafter, a portion of the Common Area may be assigned as Limited Common Area and Limited Common Area may be reassigned upon approval of the Board and the vote of Members representing a majority of the Class "A" votes in the Association, including a majority of the votes attributable to Units to which the Limited Common Area is proposed to be assigned or reassigned. During the Development and Sale Period, any such assignment or reassignment also shall require Declarant's written consent.

In addition, during the Development and Sale Period, Declarant, in its discretion, may permit the construction of a dock from certain Units bordering on a lake. Declarant shall not be obligated to permit the construction of a dock from all Units bordering on a lake and Declarant shall have discretion in determining which Units shall be permitted to construct a dock. Following the Development and Sale Period, the Board may permit the construction of docks in its discretion. Any permitted dock shall be reserved as Limited Common Area (to the extent the dock extends over the Common Area) for the exclusive use of the Owner and occupants of Unit from which the dock extends. Notwithstanding anything in this Article to the contrary, a dock which has been assigned to a single Unit as Limited Common Area may not be reassigned, nor may use of such dock be extended to others, without the Unit Owner's consent. Construction of any such dock shall be subject to Reviewer approval in accordance with Article IV. The Unit Owner shall be responsible for maintaining such dock, at his or her expense, in accordance with

the Community-Wide Standard and any specific maintenance requirements set forth in the approval under Article IV.

11.3. Use by Others.

Upon approval of a majority of Owners of Units to which any Limited Common Area is assigned, the Association may permit Owners of other Units to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Service Area Expenses attributable to such Limited Common Area.

Article XII Party Walls and Other Shared Structures

12.1. General Rules of Law to Apply.

Each wall, fence, driveway, or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. Any dispute arising concerning a party structure shall be handled in accordance with the provisions of Article XIII.

12.2. Maintenance; Damage and Destruction.

Unless otherwise specifically provided in additional covenants relating to such Units, the Owners sharing the party structure shall share equally the cost of necessary or appropriate party structure repairs and maintenance.

If fire or other casualty damages or destroys a party structure, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner whose Unit borders the structure may restore it and seek contribution in equal proportions from the other Owners sharing the structure. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

Any Owner's right to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of The Lakes at Cedar Grove as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and its neighbors, and protection of the rights of others who have an interest in the community.

Article XIII Dispute Resolution and Limitation on Litigation

13.1. Agreement to Encourage Resolution of Disputes Without Litigation.

(a) Declarant, the Association and its officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes within The Lakes at Cedar Grove without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 13.2 in a good faith effort to resolve such Claim.

(b) As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations, and duties of any Bound Party under the Governing Documents; or

(iii) the design or construction of improvements within The Lakes at Cedar Grove, other than matters of aesthetic judgment under Article IV, which shall not be subject to review;

(c) Notwithstanding subsection (b), the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 13.2:

(i) any suit by the Association to collect assessments or other amounts due from any Owner;

(ii) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two of this Declaration (relating to creation and maintenance of community standards);

(iii) any suit that does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(iv) any suit which affects the material rights or obligations of a party who is not a Bound Party and who has not agreed to submit to the Section 13.2 procedures; and

(v) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 13.2(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations for such period as may reasonably be necessary to comply with this Article.

13.2. Dispute Resolution Procedures.

(a) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);

(iii) the Claimant's proposed resolution or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. The Board may appoint a representative to assist the parties in negotiating a resolution of the Claim if a Claimant requests the Board to do so in writing and includes a copy of the Notice.

(c) Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the notice described in Section 13.2(a) (or within such other period as the parties may agree upon), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity the Board designates (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Fulton County area.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the Bound Parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall

issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Bound Party shall share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Bound Parties. If any Bound Party thereafter fails to abide by the terms of such agreement, then any other Bound Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

13.3. Initiation of Litigation by Association.

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless Members entitled to cast 67% of the total Class "A" votes in the Association first approve, except that no such approval shall be required for actions or proceedings:

- (a) initiated during the Class "B" Control Period;
- (b) initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens;
- (c) initiated to challenge *ad valorem* taxation or condemnation proceedings;
- (d) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (e) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

Article XIV Mortgagee Provisions

The following provisions are for the benefit of holders, insurers, and guarantors of first Mortgages on Units in The Lakes at Cedar Grove. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

14.1. Notices of Action.

An Eligible Holder shall be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of The Lakes at Cedar Grove or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Unit or the Owner or occupant of the Unit which is not cured within 60 days;

(c) any lapse, cancellation, or material modification of any insurance policy the Association maintains; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

14.2. No Priority.

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

14.3. Notice to Association.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

14.4. Failure of Mortgagee to Respond.

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

14.5. HUD/VA Approval.

As long as there is a Class "B" membership, the following actions shall require the prior approval of the U.S. Department of Housing and Urban Development ("HUD") or the U.S. Department of Veterans Affairs ("VA"), if either such agency is insuring or guaranteeing the Mortgage on any Unit: merger, consolidation, or dissolution of the Association; annexation of additional property other than the property described on Exhibit "B;" dedication, conveyance

(other than to correct errors on property descriptions or other inconsequential or immaterial conveyances), or mortgaging of Common Area; or material amendment of this Declaration or the By-Laws. In addition, so long as HUD or VA insures or guarantees the Mortgage on any Unit, the above actions also shall require the prior approval of at least two-thirds (2/3) of the Class "A" Members and the consent of the Class "B" Member.

Notwithstanding anything to the contrary in Section 17.1 or this Section, the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area, without the approval of the membership or HUD or VA.

Article XV Disclosures and Waivers

15.1. Changes in the Master Plan.

Each Owner acknowledges that The Lakes at Cedar Grove is a master planned community, the development of which is likely to extend over many years, and agrees that the Association shall engage not in, or use Association funds to support, any protest, challenge, or other form of objection to (a) changes in uses or density of property within The Lakes at Cedar Grove, or (b) changes in the Master Plan as it relates to property outside The Lakes at Cedar Grove, without Declarant's prior written consent.

Each Owner acknowledges and agrees that the present plans and themes for The Lakes at Cedar Grove's development may change and that he or she has not relied upon any representation, warranty, or assurance made by any Person (a) that any Units, or other property or facilities will be added, modified, or eliminated within The Lakes at Cedar Grove; or (b) as to the financial or other impact of such action on any Owner. Each Owner acknowledges and agrees that he or she is not entitled to rely upon and has not received or relied upon any representations, warranties, or guarantees whatsoever as to the number, types, sizes, prices, or designs of any residential or non-residential structures or improvements built or to be built within or adjacent to The Lakes at Cedar Grove.

15.2. Builder Performance.

Neither Declarant nor any Affiliate of Declarant is a co-venturer, partner, agent, employer, stockholder, or affiliate of any kind of or with any Builder, nor is any Builder an agent of Declarant or an Affiliate of Declarant. Therefore, Declarant and Affiliates of Declarant shall not be responsible for, or guarantors of, performance by any Builder of all or any of its obligations to any Owner pursuant to any contracts for the sale of a Unit or the construction of a structure on a Unit or otherwise. Neither Declarant nor any Affiliate of Declarant has made, or makes, any warranty or representation with respect to performance by any Builder under any contract or otherwise.

Each Owner acknowledges and agrees that neither Declarant nor any Affiliate of Declarant share any liability or obligation to Owner, related to or arising out of any contract with a Builder or otherwise, by reason of any failure by a Builder fully and

adequately to perform its obligations to Owner. Each Owner further acknowledges and agrees that he or she has not, in entering into any contract with a Builder, relied upon any representations, oral or written, of Declarant or any Affiliate, agent, or employee of Declarant.

15.3. Excavation.

All Owners are hereby placed on notice that Declarant, any Affiliate of Declarant, and/or their agents, contractors, subcontractors, licensees and other designees, successors, or assignees, may be, from time to time, conducting excavation, construction, and other activities within or in proximity to The Lakes at Cedar Grove. By the acceptance of a deed or other conveyance or Mortgage, leasehold, license, easement, or other interest, and by using any portion of The Lakes at Cedar Grove, each Owner automatically acknowledges, stipulates, and agrees (a) that none of the aforesaid activities shall be deemed nuisances or noxious or offensive activities, under any applicable covenants or at law generally, (b) not to enter upon, or allow their children or other Persons under their control or direction to enter upon (regardless of whether such entry is trespass or otherwise) any property within or in proximity to any portion of The Lakes at Cedar Grove where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours), (c) Declarant, any Affiliate of Declarant, and all of their agents, contractors, subcontractors, licensees, and other designees, successors, and assignees, shall not be liable but, rather, shall be held harmless, for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities, and (d) any purchase or use of any portion of The Lakes at Cedar Grove has been and will be made with full knowledge of the foregoing.

15.4. Health, Safety, and Welfare.

No provision of the Declaration, the By-Laws, or the Articles of Incorporation shall be interpreted as a representation or duty of Declarant, any Affiliate of Declarant, or the Association to provide for, protect or further the Owner's health, safety, and welfare.

15.5. Use of Lakes, Swimming Pools, and Other Recreational Facilities.

Certain recreational facilities, including, but not limited to, lakes and one or more swimming pools, have been or shall be provided within The Lakes at Cedar Grove for the use and enjoyment of the Owners, their families, tenants, other occupants of a Unit, and the guests of any such Persons. The permitted uses of such facilities may include swimming and boating. Each Owner acknowledges that there are risks associated with the use of such recreational facilities, including the risk of bodily injury and death, and that all users of such facilities are solely responsible for their own personal safety in connection with such use and shall assume all risks associated with the use of such facilities.

The Association may, but is not obligated to, employ, implement, maintain, or otherwise provide or provide for, from time to time, measures designed to enhance the safety and the safe use of recreational facilities, including water features or facilities, within

The Lakes at Cedar Grove. Such measures may include, without limitation, employing lifeguards. Each Owner acknowledges that any such safety measure, including the presence of a lifeguard, shall not create a duty on the part of Declarant or the Association in favor of the users of the facility to provide for, insure, or guarantee the safety of such use. Each Owner acknowledges that implementing safety measures shall not in any way alter the risks assumed by each Owner, his or her family members, tenants, other occupants of Owner's Unit, and guests of any such Persons, which risks shall continue to be assumed by the user of the facility, and that neither the Association nor Declarant or any Affiliate of Declarant shall be held liable for any loss or damage by reason of failure to provide adequate safety measures or ineffectiveness of safety measures undertaken.

15.6. Safety and Security.

Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in The Lakes at Cedar Grove. The Association may, but shall not be obligated to, maintain or support certain activities within The Lakes at Cedar Grove designed to enhance the level of safety or security which each Person provides for himself or herself and his or her property. Neither the Association nor Declarant or any Affiliate of Declarant shall in any way be considered insurers or guarantors of safety or security within The Lakes at Cedar Grove, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to any portion of The Lakes at Cedar Grove, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all occupants of its Unit that the Association, its Board and committees, and Declarant and Affiliates of Declarant are not insurers or guarantors of security or safety and that each Person within The Lakes at Cedar Grove assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

15.7. Water Management.

Each Owner acknowledges and agrees that the lakes and other wetlands within or adjacent to The Lakes at Cedar Grove are not designed as aesthetic features and that the water level of lakes may rise and fall from time to time. During the Development and Sale Period, Declarant shall have the sole and absolute right to control the water level of the lakes and to control the growth and eradication of plants, fowl, reptiles, animals, fish, and fungi in and on any lake. Declarant may assign all or any of such rights to the Association and, upon such assignment, the Association shall assume Declarant's rights and responsibilities in this regard. Each Owner agrees to release and discharge Declarant and its Affiliates, and the Association, from and against any and all losses, claims, demands, damages, costs, and expenses of whatever nature or kind, including reasonable attorneys'

fees and costs at all tribunal levels, related to or arising out of any claims relating to fluctuations in the water elevations and maintenance of the lakes.

15.8. View Impairment.

Neither Declarant nor the Association guarantee or represent that any view over and across the Units or any open space within The Lakes at Cedar Grove will be preserved without impairment. Declarant, Declarant's Affiliates, and the Association shall (i) have no obligation to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate covenant or agreement; and (ii) have the right to add trees and other landscaping from time to time, subject to applicable law. There shall be no express or implied easements for view purposes or for the passage of light and air.

15.9. Notice and Disclaimer as to Community Systems.

Each Owner acknowledges that interruptions in cable television and other Community Systems and services will occur from time to time. Neither Declarant, Declarant's Affiliates, nor any of their respective successors or assigns shall not be liable for, and no Community System or service user shall be entitled to refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems and services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

15.10. Trails and Other Areas Open to the Public.

Pedestrian trails and paths and other areas within the Community may be open for public use and enjoyment, either by designation by Declarant or the Association or in accordance with applicable permits or approvals. Such areas may include, without limitation: greenbelts, parks, other areas conducive to gathering and interaction, roads, sidewalks, and medians. During the Development and Sale Period, Declarant may designate such areas as open to the public. Thereafter, the Board is authorized to make such designations.

15.11. Creeks and Streams.

A number of natural creeks and streams run over and through Units and Common Areas within The Lakes at Cedar Grove. Such creeks and streams are not intended or provided for recreational use. Each Owner and occupant of a Unit, and each user of the Common Area, is responsible for their own personal safety with respect to the use and enjoyment of such creeks and streams and all such Persons assume the risk of personal injury relating to such use. Neither the Association nor Declarant or any Affiliate of Declarant shall in any way be a guardian or insurer of safety with respect to the presence or use of such creeks and streams, nor shall such parties be held liable for personal injury, loss, or other damage to any Person relating to the presence of or use of such creeks and streams.

PART SEVEN: CHANGES IN THE COMMUNITY

Communities such as The Lakes at Cedar Grove are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the residents age and change over time, and as the surrounding community changes. The Lakes at Cedar Grove and its Governing Documents must be able to adapt to these changes while protecting the things that make The Lakes at Cedar Grove unique.

Article XVI Changes in Ownership of Units

Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title.

Article XVII Changes in Common Area

17.1. Condemnation.

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total Class "A" votes in the Association and of Declarant, during the Development and Sale Period) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

(a) If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking, Declarant, during the Development and Sale Period, and Members representing at least 67% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.4(c) regarding funds for restoring improvements shall apply.

(b) If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

17.2. Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action to partition any portion of the Common Area without the written

consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

17.3. Transfer or Dedication of Common Area.

The Association may dedicate portions of the Common Area to Fulton County, the State of Georgia, or to any other local, state, or federal governmental or quasi-governmental entity, subject to such approval as may be required under Section 14.5.

Article XVIII Amendment of Declaration

18.1. By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration, until termination of the Class "B" Control Period, Declarant unilaterally may amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units; or (d) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment under this paragraph shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

In addition, after termination of the Class "B" Control Period, and until the Development and Sale Period expires, Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no materially adverse effect upon the substantive rights of more than five percent (5%) of the Owners.

18.2. By Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 67% of the total Class "A" votes in the Association. In addition, Declarant's consent is required for any amendment during the Development and Sale Period.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

18.3. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege). An amendment shall not be effective unless the approval requirements set forth in Article XIV also are met, if applicable.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

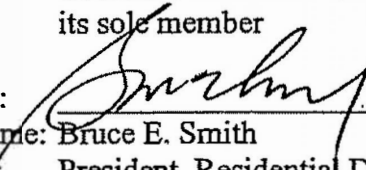
18.4. Exhibits.

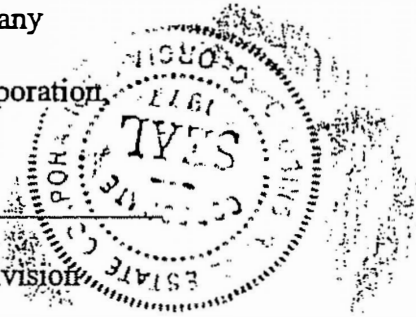
Exhibits "A" and "B" attached to this Declaration are incorporated by this reference, and this Article shall govern amendment of such exhibits. Exhibit "C" is incorporated by reference and may be amended pursuant to Section 18.1 and 18.2 or as provided in Article III. Exhibit "D" is attached for informational purposes and may be amended as provided therein

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration on the 7th day of November, 2001.

DECLARANT: **CEDAR GROVE LAKES, LLC,**
a Georgia limited liability company

By: Cousins Real Estate Corporation
its sole member

By: 
Name: Bruce E. Smith
Its: President, Residential Division

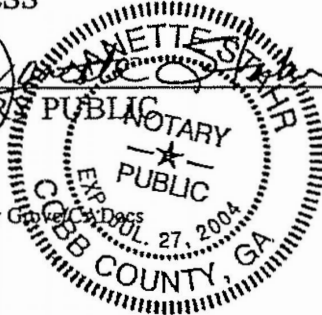


Signed, sealed, and delivered this 7th day
of November, 2001,
in the presence of:

WITNESS

NOTARY PUBLIC

4916/Cedar Grove Lakes



Property Description
Cedar Grove – PHASE I FINAL PLAT

All that tract or parcel of land lying and being in Land Lots 107, 108, 117 and 118 of the 7th District of Fulton County, Georgia, and being more particularly described as follows:

COMMENCE at a concrete monument found, located at the intersection of the southeasterly right-of-way line of South Fulton Parkway (300 foot right-of-way width) and the southwesterly right-of-way line of Cedar Grove Road (right-of-way width varies); thence, run along and coincident with the southwesterly right-of-way line of Cedar Grove Road the following courses and distances: South 36 degrees 12 minutes 18 seconds East, a distance of 6.86 feet, to a concrete monument found; thence, along the arc of a curve, an arc distance of 551.00 feet (said curve having a radius of 1482.40 feet, being subtended by a chord bearing South 46 degrees 30 minutes 29 seconds East, a chord distance of 547.83 feet), to a concrete monument found; thence, run South 57 degrees 09 minutes 42 seconds East, a distance of 284.67 feet, to a point; thence, run South 57 degrees 09 minutes 39 seconds East, a distance of 30.79 feet, to a point; thence, run South 57 degrees 09 minutes 48 seconds East, a distance of 18.18 feet, to a point; thence, run South 57 degrees 09 minutes 42 seconds East, a distance of 124.42 feet, to a point; thence, along the arc of a curve to the right, an arc distance of 173.11 feet (said curve having a radius of 1382.40 feet, being subtended by a chord bearing South 53 degrees 36 minutes 32 seconds East, a chord distance of 172.99 feet), to a point; thence, run South 49 degrees 59 minutes 07 seconds East, a distance of 37.10 feet, to a point; thence, leave the southwesterly right-of-way line of Cedar Grove Road and run South 10 degrees 17 minutes 47 seconds West, a distance of 262.51 feet, to an iron pin; thence, run South 89 degrees 24 minutes 01 seconds West, a distance of 157.32 feet, to an iron pin; thence, run South 00 degrees 04 minutes 51 seconds West, a distance of 388.06 feet, to an iron pin; thence, run South 00 degrees 16 minutes 55 seconds West, a distance of 1496.63 feet, to an iron pin; thence, run North 89 degrees 04 minutes 56 seconds East, a distance of 877.31 feet, to an iron pin; thence, run South 03 degrees 58 minutes 43 seconds East, a distance of 141.35 feet, to a point located on the southerly line of a 20 foot wide ingress and egress easement; thence, run along and coincident with the southerly line of a 20 foot wide ingress and egress easement, South 89 degrees 54 minutes 15 seconds East, a distance of 779.90 feet, to a point located at the intersection of the southerly line of a 20 foot wide ingress and egress easement and the westerly right-of-way line of Cedar Grove Road; thence, leave the southerly line of a 20 foot wide ingress and egress easement and run along and coincident with the westerly right-of-way line of Cedar Grove Road, South 30 degrees 45 minutes 30 seconds East, a distance of 23.30 feet, to a point located at the intersection of the westerly right-of-way line of Cedar Grove Road and the northerly line of a 20 foot wide ingress and egress easement, said point being the TRUE POINT OF BEGINNING.

Beginning point located at the intersection of the westerly right-of-way line of Cedar Grove Road and the northerly line of a 20 foot wide ingress and egress easement the following courses and distances: South 30 degrees 45 minutes 35 seconds East, a distance of 46.59 feet, to a point; thence, run South 30 degrees 44 minutes 15 seconds East, a

Property Description
Cedar Grove – PHASE I FINAL PLAT

All that tract or parcel of land lying and being in Land Lots 107, 108, 117 and 118 of the 7th District of Fulton County, Georgia, and being more particularly described as follows:

COMMENCE at a concrete monument found, located at the intersection of the southeasterly right-of-way line of South Fulton Parkway (300 foot right-of-way width) and the southwesterly right-of-way line of Cedar Grove Road (right-of-way width varies); thence, run along and coincident with the southwesterly right-of-way line of Cedar Grove Road the following courses and distances: South 36 degrees 12 minutes 18 seconds East, a distance of 6.86 feet, to a concrete monument found; thence, along the arc of a curve, an arc distance of 551.00 feet (said curve having a radius of 1482.40 feet, being subtended by a chord bearing South 46 degrees 30 minutes 29 seconds East, a chord distance of 547.83 feet), to a concrete monument found; thence, run South 57 degrees 09 minutes 42 seconds East, a distance of 284.67 feet, to a point; thence, run South 57 degrees 09 minutes 39 seconds East, a distance of 30.79 feet, to a point; thence, run South 57 degrees 09 minutes 48 seconds East, a distance of 18.18 feet, to a point; thence, run South 57 degrees 09 minutes 42 seconds East, a distance of 124.42 feet, to a point; thence, along the arc of a curve to the right, an arc distance of 173.11 feet (said curve having a radius of 1382.40 feet, being subtended by a chord bearing South 53 degrees 36 minutes 32 seconds East, a chord distance of 172.99 feet), to a point; thence, run South 49 degrees 59 minutes 07 seconds East, a distance of 37.10 feet, to a point; thence, leave the southwesterly right-of-way line of Cedar Grove Road and run South 10 degrees 17 minutes 47 seconds West, a distance of 262.51 feet, to an iron pin; thence, run South 89 degrees 24 minutes 01 seconds West, a distance of 157.32 feet, to an iron pin; thence, run South 00 degrees 04 minutes 51 seconds West, a distance of 388.06 feet, to an iron pin; thence, run South 00 degrees 16 minutes 55 seconds West, a distance of 1496.63 feet, to an iron pin; thence, run North 89 degrees 04 minutes 56 seconds East, a distance of 877.31 feet, to an iron pin; thence, run South 03 degrees 58 minutes 43 seconds East, a distance of 141.35 feet, to a point located on the southerly line of a 20 foot wide ingress and egress easement; thence, run along and coincident with the southerly line of a 20 foot wide ingress and egress easement, South 89 degrees 54 minutes 15 seconds East, a distance of 779.90 feet, to a point located at the intersection of the southerly line of a 20 foot wide ingress and egress easement and the westerly right-of-way line of Cedar Grove Road; thence, leave the southerly line of a 20 foot wide ingress and egress easement and run along and coincident with the westerly right-of-way line of Cedar Grove Road, South 30 degrees 45 minutes 30 seconds East, a distance of 23.30 feet, to a point located at the intersection of the westerly right-of-way line of Cedar Grove Road and the northerly line of a 20 foot wide ingress and egress easement, said point being the TRUE POINT OF BEGINNING.

Beginning point located at the intersection of the westerly right-of-way line of Cedar Grove Road and the northerly line of a 20 foot wide ingress and egress easement the following courses and distances: South 30 degrees 45 minutes 35 seconds East, a distance of 46.59 feet, to a point; thence, run South 30 degrees 44 minutes 15 seconds East, a

EXHIBIT "B"

Land Subject to Annexation

All real property lying and being within a 10-mile radius of any boundary of any property described in Exhibit "A," as such boundary lines may be revised to accommodate minor survey variances or errors.

18.3. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege). An amendment shall not be effective unless the approval requirements set forth in Article XIV also are met, if applicable.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

18.4. Exhibits.

Exhibits "A" and "B" attached to this Declaration are incorporated by this reference, and this Article shall govern amendment of such exhibits. Exhibit "C" is incorporated by reference and may be amended pursuant to Section 18.1 and 18.2 or as provided in Article III. Exhibit "D" is attached for informational purposes and may be amended as provided therein

EXHIBIT "C"

Initial Use Restrictions

The purpose of Architectural Guidelines and Use Restrictions is not to anticipate all acceptable or unacceptable behavior in advance and eliminate all improvements or activities which fall outside of "the norm." In fact, it is expressly intended that the Reviewer under Article IV, and the Board, as appropriate, have discretion to approve or disapprove items, or to enforce or not enforce technical violations of the Governing Documents, based upon aesthetic or other considerations consistent with the established guidelines. As such, while something may be approved or permitted for one Unit under one set of circumstances, the same thing may be disapproved for another Unit under a different set of circumstances. The exercise of discretion in approving or enforcement shall not be construed as a waiver of approval or enforcement rights, nor shall it estop the Board from taking enforcement action in any appropriate circumstances.

Subject to the above, the following restrictions shall apply to all of The Lakes at Cedar Grove until such time as they are amended, modified, repealed, or limited pursuant to Article III and Article XVIII of the Declaration.

1. General. The Lakes at Cedar Grove shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for Declarant, its Affiliates, or its designees for use in connection with the marketing and sale of property within The Lakes at Cedar Grove, offices for any property manager which the Association retains, or business offices for Declarant, its Affiliates, and designees, or the Association) consistent with this Declaration.

2. Restricted Activities. The following activities are prohibited within The Lakes at Cedar Grove unless the Board expressly authorizes them, and, if authorized, shall be subject to such conditions as the Board may impose:

(a) parking any vehicles on streets or thoroughfares, or parking commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, and stored or inoperable vehicles in places other than enclosed garages; provided, construction, service, and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Area;

(b) raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be kept in a Unit. Pets shall be kept on a leash or otherwise confined in a manner the Board requires whenever outside the dwelling. All pets shall be registered, licensed, and inoculated as required by law. The keeping of pets within The Lakes at Cedar Grove is subject to applicable Fulton County ordinances;

(c) activities which emit foul or obnoxious odors outside the Unit or create noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Units;

(d) activities which violate local, state, or federal laws or regulations; provided, the Board shall be under no obligation to take enforcement action in the event of a violation;

(e) pursuit of hobbies or other activities which tend to cause an unclean, unhealthy, or untidy condition outside of enclosed structures on the Unit;

(f) noxious or offensive activities which in the Board's judgment tend to cause embarrassment, discomfort, annoyance, or nuisance to others;

(g) outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a dwelling on a Unit;

(h) use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be an unreasonable annoyance to others, as determined in the Board's discretion, except alarm devices used exclusively for security purposes;

(i) use and discharge of firecrackers and other fireworks;

(j) dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within The Lakes at Cedar Grove, except that fertilizers may be applied to landscaping on Units, provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks removed from a building site on such building site;

(k) accumulation of rubbish, trash, or garbage except between regular garbage pick-ups, and then only in approved containers; such containers shall be screened from view from outside the Unit, except during regular pick-up periods;

(l) obstruction or rechanneling of drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent;

(m) subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and recorded, except that Declarant shall be permitted to subdivide or replat Units it owns;

(n) discharge of firearms; provided, the Board shall be under no obligation to take action to prevent or stop such discharge;

(o) on-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of lawn

mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Article IV;

(p) any business, trade, or similar activity, except that the Board may permit the operation of businesses on the Common Area which serve or complement recreational or other uses on the Common Area (e.g., bait shop, snack shop, etc.) and a Person residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for The Lakes at Cedar Grove; (iii) the business activity does not involve door-to-door solicitation of residents of The Lakes at Cedar Grove; (iv) the business activity does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in The Lakes at Cedar Grove which is noticeably greater than that which is typical of Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of The Lakes at Cedar Grove and does not constitute a nuisance, a hazardous or offensive use, or a threat to the security or safety of others, as the Board determines in its discretion.

The foregoing limitations shall not preclude occasional garage sales, moving sales, rummage sales, or similar activities, provided that such activities may not be held on any one Unit more than once in any three-month period and, when held, may not exceed three consecutive days in duration.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Leasing a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity that Declarant or a Builder approved by Declarant conducts with respect to the development and sale of The Lakes at Cedar Grove or its use of any Units they own within The Lakes at Cedar Grove;

(q) capturing, trapping, or killing wildlife within The Lakes at Cedar Grove, except in circumstances posing an imminent threat (i) to the safety of persons, or (ii) of damage to personal property within The Lakes at Cedar Grove;

(r) activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within The Lakes at Cedar Grove or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;

(s) conversion of any carport or garage to finished space for use as an apartment, an integral part of the Unit's living area, or for purposes other than parking vehicles and ancillary

storage, without prior approval pursuant to Article IV. Garage doors shall be kept closed at all times except when entering, exiting, or otherwise actively using the garage;

(t) operation of motorized vehicles on pathways or trails the Association maintains;

(u) any construction, erection, placement, or modification of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the Architectural Guidelines and with approval pursuant to Article IV of the Declaration. This shall include, without limitation, signs, basketball hoops, swing sets, and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools; and hedges, walls, animal pens, or fences of any kind.

3. Prohibited Conditions and Activities. The following shall be prohibited at The Lakes at Cedar Grove:

(a) plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may materially diminish or destroy the enjoyment of The Lakes at Cedar Grove;

(b) structures, equipment, or other items on the exterior portions of a Unit which have become rusty, dilapidated, or otherwise fallen into disrepair;

(c) sprinkler or irrigation systems or wells of any type which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within The Lakes at Cedar Grove, except that Declarant and the Association shall have the right to draw water from such sources;

(d) satellite dishes, antennas, and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that Declarant and the Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of The Lakes at Cedar Grove; and (i) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennas or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennas or satellite dishes designed to receive television broadcast signals ((i), (ii), and (iii), collectively, "Permitted Devices") shall be permitted, *provided that* any such Permitted Device is placed in the least conspicuous location on the Unit at which an acceptable quality signal can be received and is screened from view in a manner consistent with the Community-Wide Standard and the Architectural Guidelines; and

(e) use of any Unit for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years.

4. Leasing of Units. The leasing of Units is permitted subject to any reasonable Use Restrictions and/or Board Rules which may be imposed. An Owner must make copies of the Governing Documents available to the lessee of his or her Unit and lessees shall be required to comply in all respects with the Governing Documents.

5. Use of Docks and Lakes and Other Water Bodies. The use of docks and lakes and other bodies of water within the Community for boating, fishing, or other purposes is subject to Board regulation. In any event, (i) fishing may be permitted only if required governmental licenses are obtained; (ii) swimming and ice skating in or on lakes shall not be permitted; (iii) the use of boats with internal combustion engines shall not be permitted on any lakes; and (iv) no Person may dump any rocks, stones, trash, garbage, sewage, wastewater, rubbish, debris, ashes, or other refuse into any lake.

Deed Book 31295 Pg 691

EXHIBIT "D"

By-Laws of The Lakes at Cedar Grove Neighborhood Association, Inc.

Deed Book 31295 Pg 692

After recording, please return to:
David A. Herrigel, Esq.
Hyatt & Stubblefield, P.C.
225 Peachtree Street, Suite 1200
Atlanta, Georgia 30303

Deed Book 36877 Pg. 33
Filed and Recorded Jan-13-2004 00:57am
2004-0014795
Real Estate Transfer Tax \$0.00
Juanita Hicks
Clerk of Superior Court
Fulton County, Georgia
I HEREBY ADVISE YOU THAT THIS DOCUMENT IS BEING RECORDED IN FULL PAYMENT OF THE TAXES DUE ON THIS DOCUMENT.

STATE OF GEORGIA
COUNTY OF FULTON

Reference: Deed Book 31295
Page 00627

**FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR THE LAKES AT CEDAR GROVE**

THIS AMENDMENT is made as of the date set forth below by Cedar Grove Lakes, LLC, a Georgia limited liability company ("Declarant").

WHEREAS, on November 16, 2001, Declarant recorded that certain Declaration of Covenants, Conditions, and Restrictions for The Lakes at Cedar Grove in Deed Book 31295, Page 627, *et seq.*, in the Office of the Clerk of the Superior Court of Fulton County, Georgia (as may be amended and supplemented from time to time, the "Declaration"); and

WHEREAS, pursuant to the terms of Section 18.1 of the Declaration, until termination of the Class "B" Control Period, Declarant unilaterally may amend the Declaration for any purpose; and

WHEREAS, as of the date of this Amendment, the Class "B" Control Period has not terminated; and

WHEREAS, Declarant desires to amend the Declaration to limit the rights of Owners to lease multiple Units at the same time;

NOW, THEREFORE, pursuant to its reserved authority, Declarant hereby amends the Declaration as follows:

1.

Exhibit "C" of the Declaration, Section 2, Restricted Activities, sub-Section (p) is hereby amended by deleting the last paragraph of such sub-Section in its entirety and substituting the following therefor:

2. Restricted Activities. The following activities are prohibited within The Lakes at Cedar Grove unless the Board expressly authorizes them, and, if authorized, shall be subject to such conditions as the Board may impose:

Juanita Hicks
Clerk of Superior Court
Fulton County, Georgia

(p)

Leasing of up to two Units at the same time by the same Owner shall not be considered a business or trade within the meaning of this subsection. The leasing of more than two Units at the same time (i) by a single Owner; (ii) by a group of Owners acting in concert or with a common ownership interest; or (iii) by a group of Owners who are affiliated with or otherwise under the control or direction of a single Person, shall be a prohibited business activity. This paragraph shall not apply to prohibit any activity that Declarant or a Builder approved by Declarant conducts with respect to the development and sale of The Lakes at Cedar Grove or its use of any Units they own within The Lakes at Cedar Grove or to the leasing of Units by an institutional lender following foreclosure on any Unit(s).

2.

Exhibit "C" of the Declaration, Section 4, Leasing, is hereby amended by deleting such Section in its entirety and substituting the following therefor:

4. Leasing of Units: Subject to sub-Section 2(p) of this Exhibit "C," the leasing of Units is permitted subject to any reasonable Use Restrictions and/or Board Rules which may be imposed. An Owner must make copies of the Governing Documents available to the lessee of his or her Unit and lessees shall be required to comply in all respects with the Governing Documents.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration on the 29th day of December, 2003.

DECLARANT:

CEDAR GROVE LAKES, LLC,
a Georgia limited liability company

By: Cousins Real Estate Corporation, a Georgia
corporation, its sole member

By: Bruce E. Smith
Name: Bruce E. Smith
Its: President, Residential Division



Signed, sealed, and delivered this 29th day
of December, 2003,
in the presence of:

Delos A. Smith
WITNESS

NOTARY PUBLIC
4916 The Lakes at Cedar Grove/CAD004



Deed Book 40253 Pg. 283
Filed and Recorded Jun-22-2005 10:10am
2005-0218119
Georgia Intangible Tax Paid \$0.00
Juanita Hicks
Clerk of Superior Court
Fulton County, Georgia

Prepared by and, upon recording, please return to:
David A. Hestigall, Esq.
Hyonik & Noblefield, P.C.
Executive Center, South Tower
225 Peachtree Street, N.E., Suite 1200
Atlanta, Georgia 30303

Cross-Reference:
Declaration: Book 31295, Page 627

**SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
THE LAKES AT CEDAR GROVE**

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE LAKES AT CEDAR GROVE (as may be amended and supplemented, the "Supplemental Declaration") is made this 16th day of June, 2005, by Cedar Grove Lakes, LLC, a Georgia limited liability company ("Declarant").

WITNESSETH

WHEREAS, on November 16, 2001, Declarant recorded that certain Declaration of Covenants, Conditions, and Restrictions for The Lakes at Cedar Grove in Deed Book 31295, Page 627, *et seq.*, in the Office of the Clerk of the Superior Court of Fulton County, Georgia (as amended and supplemented and as may be further amended and supplemented from time to time, the "Declaration"); and

WHEREAS, in accordance with Section 7.2 of the Declaration, Declarant may, by Supplemental Declaration, designate portions of The Lakes at Cedar Grove as being a part of the Area of Common Responsibility (as such capitalized terms are defined in the Declaration); and

WHEREAS, in accordance with Section 9.3 of the Declaration, Declarant may subject any portion of The Lakes at Cedar Grove to additional covenants and easements, including covenants obligating The Lakes at Cedar Grove Neighborhood Association, Inc. (the "Association") to maintain and insure such property; and

WHEREAS, Declarant desires to supplement the Declaration to designate the property described in Exhibit "A" attached hereto as a part of the Area of Common Responsibility and provide for the maintenance of and to create easements over such property;

NOW, THEREFORE, pursuant to Declarant's authority under the Declaration, Declarant hereby supplements the Declaration as follows:

ARTICLE I
Definitions

The definitions set out in Article I of the Declaration are incorporated herein by this reference.

ARTICLE II
Additional Covenants and Restrictions

2.1. Dedication and Maintenance of Area of Common Responsibility. Those certain alleys, private roads, private drives, or access easement areas and landscape easements areas, as more particularly described in Exhibit "A" attached hereto, shall be a part of the Area of Common Responsibility for which the Association shall be responsible for maintaining, repairing, replacing, and insuring as a Common Expense in the manner provided in the Declaration for the Area of Common Responsibility.

2.2. Additions or Modifications to Area of Common Responsibility. No Person, including the Owner of a Unit which contains a portion of the Area of Common Responsibility, shall place, erect, or install upon any portion of the Exhibit "A" property any landscaping, fence, wall, gate, barrier, blockade, or any other structure or thing, except as specifically approved in writing by the Board and Declarant, during the Development and Sale Period.

2.3. Easement for Association Access. The Association shall have a perpetual, non-exclusive easement over each Unit containing an Area of Common Responsibility (but not inside any structure) for the purpose of performing its maintenance responsibilities under the Declaration. The Association, its officers, directors, employees, agents, and contractors may exercise such easement, without prior notice, and entry upon any Unit for such purpose shall not be deemed a trespass.

2.4. Easement for Ingress and Egress. That portion of any Unit on which any alley, private road, private drive, or access easement designated by this Supplemental Declaration as Area of Common Responsibility is included is subject to a perpetual, non-exclusive easement for the purpose of ingress and egress to all such Units by which access is provided by an Area of Common Responsibility. Such easement for ingress and egress may be exercised by the Owner of each benefited Unit and the Owner's family, tenants, guests, invitees, contractors, and agents without prior notice, and entry upon such burdened Unit for such purpose shall not be deemed a trespass.

2.5. Rules and Regulations. The Association shall have the right to adopt reasonable rules and regulations governing the use of the Area of Common Responsibility; provided, no rule or regulation shall restrict ingress or egress to and from Units by Owners and occupants of such Units.

ARTICLE III
Amendment

The provisions of Article XVIII of the Declaration relating to amendments to the Declaration shall apply to this Supplemental Declaration and are specifically incorporated by this reference; provided, the consent of the Owner of any Unit containing any portion of the Area of Common Responsibility described on Exhibit "A" shall be required if the amendment seeks to (i) reduce, remove, or relocate that portion of the Unit that is Area of Common Responsibility; (ii) reduce the Association's level of maintenance responsibility pertaining to the Area of Common Responsibility on such Unit; or (iii) treat the expenses associated with the maintenance, repair, replacement, and insurance of the Area of Common Responsibility of such Unit in a manner other than as a Common Expense.

ARTICLE IV
Binding Effect

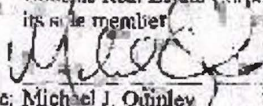
The property described in Exhibit "A" shall be subject to the covenants, conditions, easements, and restrictions set forth in the Declaration and this Supplemental Declaration, which shall run with the title to such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplemental Declaration, in accordance with its terms and the terms of the Declaration, shall be binding upon the Association.

[signatures following]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Supplemental Declaration the date and year first written above.

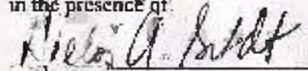
DECLARANT: CEDAR GROVE LAKES, I.L.C.,
a Georgia limited liability company. [SEAL]

By: Cousins Real Estate Corporation,
its sole member.

By: 
Name: Michael J. Quinley
Its: Senior Vice President



Signed, sealed, and delivered this 14th day
of June, 2005,
in the presence of:



WITNESS


METTE STAHR
NOTARY PUBLIC
COBB COUNTY, GEORGIA

4916 State Street, Suite 200, Marietta, Georgia 30066
Area of Comm. Reg-051305

Exhibit "A"

Area of Common Responsibility

Area 1

ALL THAT TRACT AND PARCEL OF LAND lying and being in Land Lot 118, 7th District, Fulton County, Georgia, and shown as a "Private Drive" over and across Int 198, 7556 The Lakes Drive, as more particularly described in that certain Final Plat (Unit 1 - Phase 1) for The Lakes of Cedar Grove, prepared by William J. Daniel, III, Registered Land Surveyor, Lowe Engineers, dated November 16, 2001 and last revised April 8, 2005, and recorded April 8, 2005 in Plat Book 277, Page 57, *et seq.*, in the Office of the Clerk of Superior Court of Fulton County, Georgia.

Area 2

ALL THAT TRACT AND PARCEL OF LAND lying and being in Land Lot 117, 7th District, Fulton County, Georgia, and shown as a "Private Drive" over and across Lots 1, 2, 3, 4, 5, and 6 (7553, 7565, 7571, 7577, 7583, and 7589 The Lakes Drive), as more particularly described in that certain Final Plat (Unit 1 - Phase 1) for The Lakes of Cedar Grove, prepared by William J. Daniel, III, Registered Land Surveyor, Lowe Engineers, dated November 16, 2001 and last revised April 8, 2005, and recorded April 8, 2005 in Plat Book 277, Page 57, *et seq.*, in the Office of the Clerk of Superior Court of Fulton County, Georgia.

Area 3

ALL THAT TRACT AND PARCEL OF LAND lying and being in Land Lot 118, 7th District, Fulton County, Georgia, and shown as a "Private Drive" over and across or adjacent to Lots 173, 195, 196, and 197 (6316 and 6310 Pheasant Trail; 7610 Lakeshore Lane; and 7592, 7586, and 7580 The Lakes Drive), as more particularly described in that certain Final Plat (Unit 1 - Phase 1) for The Lakes of Cedar Grove, prepared by William J. Daniel, III, Registered Land Surveyor, Lowe Engineers, dated November 16, 2001 and last revised April 8, 2005, and recorded April 8, 2005 in Plat Book 277, Page 57, *et seq.*, in the Office of the Clerk of Superior Court of Fulton County, Georgia.

Area 4

ALL THAT TRACT AND PARCEL OF LAND lying and being in Land Lot 117, 7th District, Fulton County, Georgia, and shown as "Cedar Grove Court" and "HOA" fronting or adjacent to Lots 8, 9, 10, 11, 12, 13, 14, and 15 (7607, 7613, 7619, 7625, 7631, 7637, 7643, and 7649 The Lakes Drive), as more particularly described in that certain Final Plat (Unit 1 - Phase 1) for The Lakes of Cedar Grove, prepared by William J. Daniel, III, Registered Land Surveyor, Lowe Engineers, dated November 16, 2001 and last revised April 8, 2005, and recorded April 8, 2005 in Plat Book 277, Page 57, *et seq.*, in the Office of the Clerk of Superior Court of Fulton County, Georgia.