

-----[Space Above Reserved for Recording Data]-----

Return to:

Cobb, Olson and Andrie, LLC  
500 Sugar Mill Road, Suite 160-B  
Atlanta, Georgia 30350  
Attention: Frank R. Olson Esq.

Cross-reference to:

Deed Book 1283, Page 201  
Deed Book 1816, Page 270  
Deed Book 2713, Page 376  
Deed Book 13261, Page 74  
Deed Book 15397, Page 696  
Cobb County, Georgia Records

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
STONEWALL CONDOMINIUM ASSOCIATION, INC.**

This Resolution is made and adopted to be effective as of the 1<sup>st</sup> day of January, 2020 (the “Effective Date”) by the Board of Directors of Stonewall Condominium Association, Inc. (“Stonewall” or the “Association”).

WITNESSETH

WHEREAS, pursuant to, *inter alia*, Article VIII, Section 1 of the Association’s Bylaws (the “Bylaws”), the Association, acting through its Board of Directors, has the right and authority to make and to enforce reasonable rules and regulations governing the conduct of its members, including leasing activities and members’ use of and conduct upon the Common Property; and

WHEREAS, pursuant to, *inter alia*, Article XI, Section 9, and Article XIII, Section 8 of the Declaration of Condominium for Stonewall, the Association, acting through its Board of Directors, has the right and authority to enforce use restrictions, to enforce Declaration and Bylaws provisions, and adopt and enforce rules and regulations by the imposition of reasonable monetary fines, towing of vehicles, and suspension of use and voting privileges; and

WHEREAS, Article XI, Section 3 of the Declaration explicitly states: “[i]n order to (1) protect the equity of the individual property owners; (2) carry out the purpose for which the Condominium was formed by preserving the character of the Condominium as a homogeneous residential community of predominantly owner-occupied homes, and by preventing the Condominium from assuming the character of an apartment, renter-occupied complex, (3) comply with the eligibility requirements for financing of the Federal National Mortgage Association insofar as such criteria provide that the project be substantially owner-occupied, and (4) maintain insurability of the complex at reasonable rates, ***leasing of residences shall be prohibited***, except in accordance with the restrictions imposed in this Section.” (Emphasis added); and

WHEREAS, pursuant to *inter alia*, Article XI, Section 3(b) of the Declaration, leasing of Units at Stonewall is in fact completely prohibited except (1) in cases of undue hardship or (2) an immediate family member of an Owner (defined in the Stonewall Declaration at Article XI, Section 5 of the Stonewall Declaration as “those bearing the following relationship to an individual or his spouse: father, mother, sister, brother, son, daughter, husband, wife”) occupies the Unit as his or her principal residence; and

WHEREAS, it is understood by the Board that sophisticated efforts are employed by property owners and real estate investors in Georgia to evade and violate lawful leasing restrictions in restrictive covenant communities, including transfers of properties into trusts, partnerships, LLCs, and/or partial or fractional deed conveyances of as little as One Percent (1%) ownership interest to others (or "Sham Conveyances" as they are generally known); and

WHEREAS, these Sham Conveyances violate not only the letter and spirit of the leasing restrictions in the Stonewall Declaration and the character of Stonewall, but are often a nullity or illegal in Georgia owing to the recipient's failure to receive sufficient consideration for the conveyance. See *Dixon v. Murphy*, 259 Ga. 643, 644(2), 385 S.E.2d 408 (1989); *Parker v. Thompson*, 219 Ga. 293, 296, 133 S.E.2d 28, 29 (1963);

WHEREAS, these Sham Conveyances directly impact the enforceability of leasing restrictions at Stonewall and as such, are regulated by, *inter alia*, Article XI of the Declaration; and

WHEREAS, the Board believes it to be in the best interests of the Association and its Members to adopt regulations to prohibit and curtail such actions.

NOW, THEREFORE, BE IT RESOLVED that no Owner shall convey less than a 50% interest in his or her Unit at Stonewall to any third-party person or entity in an effort (as demonstrated, by way of example but not limitation, in the collection of rental proceeds or entering into a lease despite the existence of a Sham Conveyance) to violate or evade the existing leasing restrictions of Stonewall; and

BE IT FURTHER RESOLVED THAT any Owner who does not, except in cases of undue hardship under Article XI, Section 3(c) of the Declaration, maintain and occupy his or her Unit as his or her principal residence and homestead as defined in Georgia law and claim a homestead exemption thereon with the Cobb County property tax authority, or have his or her immediate family member under Article XI, Section 5 of the Declaration occupy the Unit as his or her principal residence, shall be deemed to be illegally leasing his or her Unit; and

BE IT FURTHER RESOLVED THAT the Board of Directors may obtain, or require to be produced, from any Owner(s) and occupant(s) suspected of illegally leasing a Unit without a hardship leasing permit or having engaged in a Sham Conveyance, the following information to confirm that such person actually resides in the Stonewall Unit as his or her principal residence or is an immediate family member of an Owner, including but not limited to: birth certificates, marriage certificates, copies of driver's licenses, utility bills, property tax returns, income tax returns, county vehicle registrations, skiptrace results, private investigation results, vehicle license tag verifications, lease agreements, or any such similar evidence or documentation; and

BE IT FURTHER RESOLVED THAT any Owner who is shown to have made a Sham Conveyance of a Unit and/or who, without a hardship leasing permit, fails to maintain and occupy his or her Unit as his or her principal residence and homestead as defined in Georgia law and claim a homestead exemption thereon with the Cobb County property tax authority as described *supra*, or who fails to have an immediate family member occupy the Unit as his or her principal residence, is deemed to have violated the leasing restrictions of the Declaration, and shall be subject to an initial fine of up to \$300.00 and daily fines of \$25/day, as may be determined and adjusted in the sole discretion of the Board of Directors and as further allowed under Georgia law.

BE IT FURTHER RESOLVED THAT failure to comply with any of the foregoing rules and regulations shall result in a suspension of (1) the Owner's right to vote in Association matters, and (2) the Owner's and any

Occupant's or tenant's right to use the Association's Common Property, including, without limitation, all amenities and parking privileges. The Association further reserves all additional enforcement remedies allowed under Georgia law, the Nonprofit Corporation Code or the Association's governing instruments, including, without limitation, impounding and towing of vehicles off the Association's Common Property.

RESOLVED AND ADOPTED unanimously by the Board of Directors of the Stonewall Condominium Association, Inc., effective as of January 1, 2020.

**STONEWALL CONDOMINIUM ASSOCIATION, INC. BOARD OF DIRECTORS**

By: Christine Nelson  
Print Name: Christine Nelson  
Position on Board: President

By: Patty M. Kipp  
Print Name: Patty Kipp  
Position on Board: Vice President

By: Travis Tatom  
Print Name: Travis Tatom  
Position on Board: Director

By: Jon Selcer  
Print Name: Jon Selcer  
Position on Board: Director

By: Sraeya Crowder  
Print Name: Sraeya Crowder  
Position on Board: Director

By: Gwen Sims  
Print Name: Gwen Sims  
Position on Board: Director

By: Homer Gaines  
Print Name: Homer Gaines  
Position on Board: Director

[Signature]  
Unofficial Witness

Sworn to and subscribed before me  
this 20 day of July, 2020.

[Signature]  
Notary Public  
My commission expires: 9-29-22

