

Please note: Leasing/renting is completely disallowed at Stonewall and strictly enforced. All units are expected to be owner occupied. Roommates are allowed by owner occupied units only and roommates must be registered with the Association. This is per our Declaration of Covenants, Conditions and Restrictions. Roommates may not have pets and may have only one car. Lineal descendants of owners who occupy the unit without the owner of record may not have roommates.

*****NOTE: THIS IS THE COMPILATION*****

DECLARATION OF CONDOMINIUM
FOR
STONEWALL, A CONDOMINIUM

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The following is a compilation of the original Stonewall Declaration of the Condominium Association and all amendments the Declaration. The original Declaration was recorded in the Cobb County, Georgia land records, at Deed Book 1283, page 201, et. seq. Subsequently the Declaration was amended. The amendment documents are recorded in the Cobb County, Georgia land records at Deed Book 1816, page 270, et. seq., in Deed Book 2713, page 376, et.seq., and in Deed Book 13261, page 74, et. seq. and in Deed Book 15397, page 696.

DECLARATION OF CONDOMINIUM

FOR

STONEWALL, A CONDOMINIUM

ARTICLE I

DEFINITIONS

Section 1. "Act" means the Georgia Condominium Act, Georgia Laws 1975, No. 463., Ga. Code Ann. Sections 85-1601(e) et. seq., as amended.

Section 2. "Assessment" means an owner's share of the common expenses which from time to time is assessed against an owner by the Association in the manner herein provided.

Section 3. "Association" means the Stonewall Condominium Association, Inc., its successors and assigns, acting on behalf of the owners in accordance with the development documents for the purpose of administering Stonewall.

Section 4. "Building" means the composite of all adjoining residences comprising a single residential structure as shown on the master plot plan or supplemental plats.

Section 5. "Building Number" means the number, letter or combination thereof designating a building in the development documents, the master plot plan or supplemental plats.

Section 6. "Common Area" means that portion of the property now or hereafter made subject to this Declaration and designated herein for the common use and enjoyment of the owners but shall not include any portion of the property now or hereafter made subject to this Declaration on which residences have been or shall be constructed pursuant to the terms of the development documents. The meaning of common area also includes, but shall not be limited to, all recreational facilities, community facilities, swimming pools, pumps, trees, landscaping, pavements, streets, pipes, wires, conduits and other public utility lines and other personal property owned by the owners as tenants in common which may be necessary or convenient to the existence, maintenance and safety of the development. All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained within a residence are not part of the common area.

Section 7. "Common Expenses" means (a) expenses of administration, maintenance, repairs and replacements of the common area, (b) expenses determined by the Association to be common expenses and which are lawfully assessed against the owners by the Association, and (c) expenses declared to be common expenses by provisions of the Act, this Declaration or the Bylaws of the Association.

Section 8. “Declarant” means Stonewall Associates, a joint venture comprised of Centennial Equities Corporation, a New York corporation, and Stonewall Condominium Corporation, a Georgia corporation, having its principal office at Cosmopolitan North, Suite 200, 6135 Barfield Road, Atlanta, Georgia 30328, its successors and assigns if such successors and assigns should acquire for the purpose of development all of the Phase I property, Phase II property and Phase III property then owned by the said Stonewall Associates.

Section 9. “Development” means the entire undertaking pursuant to the development documents which shall commence with the filing of this Declaration for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia and continue thereafter until terminated as provided for herein.

Section 10. “Development Documents” means those documents by means of which Stonewall will be established as a condominium consisting of (a) this Declaration of Covenants, Conditions and Restrictions, (b) the Bylaws of the Association, and (c) the deeds by means of which Declarant will convey particular residence to the purchasers thereof.

Section 11. “Majority or Majority of Owners” means the owners with more than fifty percent (50%) of the votes in accordance with the percentages assigned in this Declaration for voting purposes.

Section 12. “Master Plat Plan” means that plat of survey made by Urban Engineers, Inc., Registered Professional Engineers and Surveyors, dated July 28, 1971, which shall be filed for record, simultaneously with the filing of this Declaration, in the office of the Clerk of the Superior Court of Cobb County, Georgia.

Section 13. “Owner” means the record owner, whether one or more persons, of a fee simple title to any residence which is a part of the property and an undivided interest in the fee simple estate of the common area, excluding, however, those persons having such interest merely as security for the performance of an obligation. The Declarant is included within the meaning of said term so long as it is a record owner as herein provided.

Section 14. “Person” means an individual, corporation, partnership, association, trustee or other legal entity.

Section 15. “Phase I Property” means all that tract or parcel of land described in Phase I in Exhibit “A” attached hereto, and, by reference, made a part hereof.

Section 16. “Phase II Property” means all that tract or parcel of land described in Phase II in Exhibit “A” attached hereto, and, by reference, made a part hereof.

Section 17. “Phase III Property” means all that tract or parcel of land described in Phase III in Exhibit “A” attached hereto, and, by reference, made a part hereof.

Section 18. "Property" unless the context should otherwise require, means all those tracts or parcels of land described in Exhibit "A" attached hereto, and by reference, made a part hereof, now or hereafter submitted to the provisions of the Act by means of this Declaration or any duly authorized amendment hereof.

Section 19. "Residence" means a single family residential unit constructed or to be constructed as part of a residential building which contains two or more of such single family residential units. As used herein, the term "residence" shall be synonymous with such other terms, if any, which may be used to describe said units such as "townhouse", "apartment", "villa", "flat", "dwelling", etc.

Section 20. "Residence Number" means the number, letter or combination thereof designating a residence in the development documents, the master plat plan or the supplemental plats.

Section 21. "Supplemental Plat" means a plat which shall be filed for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia, for the purpose of further identifying the buildings and residences contained herein.

Section 22. "Stonewall" means the entire undertaking pursuant to the development documents which shall commence with the filing of this Declaration for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia, and continue thereafter until terminated as provided for herein.

Section 23. "Stonewall Condominium Association, Inc." means the non-profit corporation, its successors and assigns, acting on behalf of the owners in accordance with the development documents for the purpose of administering Stonewall.

ARTICLE II

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person who is the record owner of a fee or undivided fee interest in any residence which is a part of the property which is or may become subject by covenants of record to assessment by the Association shall be a member of the Association. Included as a member of the Association is the Declarant so long as it is a record owner as herein provided. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation. No owner, whether one or more persons, shall have more than one membership per residence. Membership shall be appurtenant to and may not be separated from ownership of any residence. Ownership of a residence shall be the sole qualification for membership.

Section 2. Voting Rights. The Association shall have one class of voting membership which shall consist of all owners including the Declarant. Such owners shall be entitled to one vote for each residence in which they hold the interest required for membership by Section 1 of this Article II. When more than one person holds such interest in any residence, the vote for such residence shall be exercised as they among themselves determine. In no event shall more than one vote be cast with respect to any residence.

ARTICLE III

PROPERTY RIGHTS

Section 1. Development Plan. Stonewall will be developed in the following manner:

(a) General. The Declarant shall construct or cause to be constructed on the Phase I property residential buildings containing a total of 17 residences. In the event that the Declaration should submit the Phase II property to the provisions of this Declaration pursuant to and in accordance with the option set forth in subparagraph (b) of this Section 1, the Declarant shall construct or cause to be constructed on said Phase II property various recreational facilities and residential buildings containing a total of 37 residences. In the event that the Declarant should submit the Phase III property to the provisions of this Declaration pursuant to and in accordance with the options set forth in subparagraph (c) of this Section 1, the Declarant shall construct or cause to be constructed on said Phase III property residential buildings containing a total of 43 residences. Each of said residences shall be constructed substantially in accordance with the master plat plan and architectural plans and specifications entitled "Stonewall" prepared by Bainbridge & Associates, Architects. That portion of said architectural plans which constitutes floor plans shall be filed for record simultaneously with the filing of this Declaration, in the Office of the Clerk of the Superior Court of Cobb County, Georgia. The Declarant expressly reserves the right (a) to make minor alterations in the location of said buildings, or any one or more of them, as shown on the master plot plan in order to alleviate problems of construction, if any, which may be caused by unsuitable terrain or soil conditions, and (b) to alter the composition of said buildings, or any one or more of them, as shown on the master plot plan by deleting therefrom any type of residence which may be determined by the Declarant on the basis of its marketing experience to be unpopular and by substituting in lieu thereof another type of residence the architectural floor plans of which shall have been filed for record as hereinabove provided; provided, however, that no such change shall be made in or to any particular building after the supplemental plat for same shall have been filed for record as hereinafter provided; and, provided further, that no change shall be made or permitted in the total number of residences contemplated within any particular phase, in the total number of residences contemplated within any particular building, in the principal materials of construction or in the general architectural design and appearance. As and when the construction of each of said buildings is completed and prior to the first conveyance of a residence contained therein there will be filed for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia, an amendment to this Declaration to which shall be attached a verified statement of a registered architect or licensed professional engineer certifying that the supplemental plat being filed simultaneously therewith,

together with such plans as may have been filed prior thereto, fully and accurately depict the layout, location, number/letter identification and dimensions of the buildings and residences described in said amendment as build. Said amendments and supplemental plats, together with such plans as may have been filed prior thereto, shall further describe the buildings and residences contained therein including the number of stories and basements, the number of residences contained in each building, the principal materials of which the buildings and residences are constructed, the approximate area of each residence, the number of rooms, immediate common area to which it has access and such other data as may be necessary for its proper identification. All of the property, except that on which residences shall have been constructed as evidenced by said supplemental plats, shall be common area.

(b) Option to Submit Phase II Property. Declarant hereby reserves unto itself the option, to be exercised at its sole discretion, to submit the Phase II property to the provisions of this Declaration and thereby cause said Phase II property to be and become a part of Stonewall. This option may be exercised by the Declarant only upon the execution by it of an amendment to this Declaration which shall be filed for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia, not later than two years from the date hereof. Any such amendment shall expressly submit the Phase II property to all of the provisions of this Declaration and the Bylaws of the Association, a copy of which is attached hereto as Exhibit "B" and, by reference, made a part hereof, as either or both may then be amended. Upon the exercise, if any, of this option, the provisions of this Declaration shall then be understood and construed as embracing the Phase I property and the Phase II property together with all improvements then constructed or to be constructed thereon. Should this option not be exercised within the terms specified, it shall in all respects expire and be of no further force or effect. In such event, the Declarant shall not be obligated to impose on the Phase II property any covenants, conditions or restrictions the same as or similar to those contained herein.

(c) Option to Submit Phase III Property. Declarant hereby reserves unto itself the option, to be exercised at its sole discretion, to submit the Phase III property to the provisions of this Declaration and thereby cause said Phase III property to be and become a part of Stonewall. This option may be exercised by the Declarant only after, or simultaneously with, the exercise of its option to submit the Phase II property and upon the execution by it of an amendment to this Declaration which shall be filed for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia, not later than three years from the date hereof. Any such amendment shall expressly submit the Phase III property to all of the provisions of this Declaration and the Bylaws of the Association, a copy of which is attached hereto as Exhibit "B" and, by reference, made a part hereof, as either or both may then be amended. Upon the exercise, if any, of this option, the provisions of this Declaration shall then be understood and construed as embracing the Phase I property, the Phase II property and the Phase III property together with all improvements then constructed or to be constructed thereon. Should this option not be exercised within the terms specified, it shall in all respects expire and be of no further force or effect. In such event, the Declarant shall not be obligated to impose on the Phase III property any covenants, conditions or restrictions the same as or similar to those contained herein.

Section 2. Residences. Each residence, together with its undivided interest in the common area, shall for all purposes constitute real property which may be owned in fee simple and which may be conveyed, transferred and encumbered in the same manner as any other real property, subject to the provisions of this Declaration. Each owner shall be entitled to the exclusive ownership and possession of his residence, subject to the provisions of the Act and this Declaration. Each residence shall include all of the space within the boundaries thereof. There shall be no horizontal boundaries. The vertical boundaries, however, shall be the outer unfinished surfaces of all exterior walls and the centerline of all party walls as shown on the supplemental plats provided for the Section 1 of this Article III and the floor plans which shall be filed for record, simultaneously with the filing of this Declaration, in the Office of the Clerk of the Superior Court of Cobb County, Georgia; provided, however, that all attachments to the exterior walls of a residence which are a part thereof, which protrude beyond said boundaries and which were constructed in conformity with the architectural plans and specifications, shall be deemed to be included within said boundaries. Each owner of a residence, by acceptance of a deed therefore, agrees that he has had full opportunity to inspect and examine the residence thus acquired by him and waives any claim or demand which he might otherwise have had against the Declarant or any other person whomsoever as a result of any discrepancy between the residence as it then exists and as it is described in this Declaration, the master plot plan, the supplemental plats and the architectural plans and specifications. The ownership of each residence shall include, and there shall pass with each residence as appurtenances thereto whether or not separately described, all of the right, title and interest of a residence owner in the property, which shall include but not be limited to an undivided interest in the common area, membership in the Association and an undivided interest in the funds and assets held by the Association.

Section 3. Common Area. Ownership of the common area shall be by the owners as tenants in common. The percentage of undivided interest of each owner in and to the common area at any particular time shall be as set forth in Exhibit "C" attached hereto and, by reference, made a part hereof. Declarant's percentage of undivided interest in and to the common area at any particular time shall be the percentage derived by subtracting from "100" percentum the total at said time of the percentages of all other residence owners. The percentages of undivided interest of the owners as defined in this Declaration may be altered only by the consent of all owners (or such lesser number of owners as may hereafter be prescribed by the Act) expressed in a duly recorded amendment to this Declaration; provided, however, that each owner of a residence, by acceptance of a deed therefore, consents and agrees to the alteration of said percentages in accordance with and as provided for in said Exhibit "C" at such time or times, if any, as the Phase II property and the Phase III property is submitted by the Declarant to the provisions of this Declaration as provided for in Section 1 of this Article III and, in furtherance thereof, each such owner irrevocably appoints the Declarant as his attorney in fact for the purpose of further evidencing such consent and agreement should the Declarant determine same to be necessary or desirable. The percentage of undivided interest of each owner in the common area is appurtenant to the residence owned by him. No appurtenance may be separated from the residence to which it appertains and such appurtenance shall be deemed to be conveyed or encumbered or to otherwise pass with the residence whether or not expressly mentioned or described in a conveyance or other instrument describing the residence. The common area shall

remain undivided and no owner nor any other person shall bring any action for partition or division of the whole or any part thereof except as provided in the Act and Article VIII, Section 4, hereof. Each owner and the Association may use the common area for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other owners.

Section 4. Limited Common Area. Ownership of each residence shall entitle the owner or owners thereof to the exclusive use of such portions of the common area as may be designated on the supplemental plats provided for in Section 1 of this Article III by the same number, letter or combination thereof as may be used to designate the residence to which such portions of the common area appertain, together with the right of ingress and egress in and upon such portions of the common area.

ARTICLE IV

ARCHITECTURAL CONTROLS

Section 1. Approval Required for Changes. No construction of any nature whatsoever shall be commenced or maintained upon any particular residence or the limited common area appertaining thereto after the purchase of such residence from the Declarant, its successors or assigns, nor shall any exterior addition to or change or alteration therein be made unless and until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Control Committee composed of three or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specification shall have been submitted to it, approval will not be required and this Article IV will be deemed to have been fully complied with.

ARTICLE V

MAINTENANCE

Section 1. Residences. Maintenance of a residence shall be the responsibility of the owner thereof, which responsibility shall include, but not be limited to, maintenance, repair and replacement, subject to the provisions of Article VIII, Section 4, hereof, and at the expense of such owner, of all portions of the residence, including all fixtures and equipment installed therein commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of the residence, such to be done without disturbing the rights of other owners. Notwithstanding the foregoing, the Association shall provide exterior maintenance upon each residence which is subject to assessment hereunder, as follows: paint, stain, repair, replace and care for roof surfaces (shingles), gutters, downspouts and, with the exception of hardware and glass, all exterior building surfaces. No owner shall decorate or change the appearance of any

portion of the exterior of a residence unless first approved in writing by the Association's Board of Directors or its designated committee. Nor shall any owner do any work which, in the opinion of said Board or committee, would jeopardize the soundness and safety of the property, reduce the value thereof or impair any easement or hereditament without in every such case the unanimous consent of all the other residence owners being first obtained.

Section 2. Common Area. Subject to the provisions of Section 3 of this Article V, maintenance of the common area shall be the responsibility of the Association, which responsibility shall include, but not be limited to, maintenance, repair and replacement, subject to the provisions of Article VIII, Section 4, hereof, and at the expense of the Association, of all trees, shrubs, grass, walks and other improvements situated upon the common area. After construction of all improvements to the common area by the Declarant, there shall be no alteration or further improvement thereto except as herein provided.

Section 3. Limited Common Area. Maintenance, repair or replacement of any patio, excluding, however, all patio fences, whether part of the original construction or otherwise, shall be the sole responsibility of the individual owner of the residence appurtenant thereto and not in any manner the responsibility of the Association. Should the Board of Directors determine that any owner has failed or refused to discharge properly his obligations with respect to such maintenance, repair or replacement, however, the Association may provide such maintenance, repair or replacement as it may deem necessary or advisable. Such maintenance, repair or replacement, if any, as may be performed by the Association hereunder shall be without liability to the Association, its officers, directors, agents and employees.

Section 4. Reimbursement by Owners. In the event that (a) the Association's Board of Directors should determine that the need for maintenance, repair or replacement by the Association as provided for in this Article V is caused through the willful or negligent act of an owner, his family, guests or invitees and is not covered or paid for by insurance, or (b) the Association should provide any maintenance, repair or replacement of any patio as provided for in Section 3 of this Article V; then the cost, both direct and indirect, of such maintenance, repair or replacement shall be added to and become a part of the assessment to which such owner is subject.

ARTICLE VI

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each owner of any residence, by acceptance of a deed therefor whether or not it shall be so expressed in any such deed is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, (b) special assessments, such assessments to be fixed, established and collected from time to time as hereinafter provided, and (c) any other charges lawfully assessed by the Association. These assessments or charges, together with such amounts as hereinafter provided, shall be a charge on a continuing lien upon the property against which each such assessment is

made from and after the due dates. Each owner shall be liable for his portion of each assessment coming due while he is the owner of a residence and his grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefore; provided, however, that any such grantee shall be entitled to a statement from the Association's Board of Directors or its duly authorized Manager setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the residence conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set forth. The purchaser of a residence at a judicial or foreclosure sale shall be liable only for assessments coming due after the date of such sale.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the property and in particular for the improvement and maintenance of the property, services and facilities devoted to this purpose and related to the use and enjoyment of the common area and of the residences situated upon the property. Such assessments shall include, but shall not be limited to, funds for the actual costs to the Association of all administration, insurance, repairs, replacements and maintenance of the residences and common area as may be required by the Declaration and as may from time to time be authorized by the Association or its Board of Directors. Other facilities and activities to be paid for by means of such assessments include management fees, mowing grass, caring for the grounds, landscaping, exterior roofing (shingle or built-up type) and outer surfaces of exterior walls of the residences, common area utilities, exterior painting, services, garage pickup, water and sewerage services furnished to residences by the Association, and other charges as may be required by this Declaration or that the Association or its Board of Directors shall determine to be necessary to meet the primary purposes of the Association, including the establishment and maintenance of a reserve for repairs, replacements and maintenance and other charges as specified herein. It is anticipated that ad valorem taxes and governmental assessments, if any, upon the property will be assessed by the taxing authorities upon the residence owners, and that each such assessment will include the assessed value of the residence and of the undivided interest of the residence owner in the common area. Any such taxes and special assessments upon the property which are not so assessed shall be included in the budget of the Association as a common expense. Each residence owner is responsible for making his own return of taxes and such return shall include such owner's undivided interest in the common area.

Section 3. Computation of Budget and Assessment. It shall be the duty of the Board acting through the treasurer and, if they so desire, a management agent at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated cost of operating the condominium during the coming year. The Board shall cause the budget and the assessments to be levied against each unit for the following year to be delivered to each member at least twenty-one (21) days prior to the meeting. The budget and the assessment shall become effective unless disapproved at the annual meeting by a vote of a majority of the total Association membership. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for

the succeeding year then and until such a time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year.

Section 4. Special Assessment. If the assessment proves inadequate for any year, or if funds are needed for a specific purpose the Board may at any time levy a special assessment against all owners; provided, however, prior to becoming effective, any special assessment shall be approved by the affirmative vote of two-thirds (2/3) of those present, in person or by proxy, at a special meeting of the members called for that purpose.

Section 5. Rate of Assessment. Subject to the provision of Sections 7 and 10 of this Article VI, and unless otherwise expressly provided herein, each owner's share of the total annual assessments and the total special assessments shall be in proportion to his percentage of undivided interest in and to the common area as provided for in Article III, Section 3, hereof.

Section 6. Quorum for any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided for in Sections 3 and 4 of this Article VI, the presence at the meeting of owners or of proxies entitled to cast forty percent (40%) of all the votes of the Association shall constitute a quorum. If the required quorum is not forthcoming at the first meeting called, not more than two subsequent meetings may be called, subject to the notice requirement set forth in said Sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for in this Article VI shall be established on a calendar year basis and shall commence as to each residence conveyed by the Declarant to another owner on the date of each such conveyance. The first annual assessment for each residence thus conveyed shall be adjusted according to the number of days remaining in the calendar year. Except for that portion of each such adjusted assessment as may be attributable to the number of days remaining in the month of conveyance which shall be paid to the Association at the time of such conveyance, each such adjusted assessment shall be paid by the owner to the day of the month following such conveyance. Unless otherwise provided by the Board of Directors, one-twelfth (1/12) of the annual assessment for each residence shall become due and payable on the first day of each month during the assessment period and shall be paid to the Association when due without further notice from the Association. Until such time as the Declarant delivers management of the development to the Association as provided for in Article VII, Section 4 hereof, those residences not previously conveyed by the Declarant to other owners shall be exempt from the assessments created herein, as provided for in Section 10 of this Article VI, although the Declarant shall provide such additional funds as may be necessary to defray all common expenses accruing up to such time, such additional funds to be provided by the Declarant without cost to or claim for reimbursement by the other owners and as and when necessary in order to administer the development in the manner provided for and contemplated herein. At such time as the Declarant delivers management of the development to the Association all residences contemplated in the development owned by the Declarant and not previously conveyed by it shall be and become

subject to the assessments provided for in this Article VI at such rates and on such terms and conditions as may then be applicable to all residences conveyed by the Declarant prior thereto.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, in addition to the amount of each assessment owed, the lien for assessments shall also include: (a) a late or delinquency charge in the amount of ten (\$10.00) dollars or ten (10%) percent of the principle amount of the assessment or installment thereof then due, whichever is greater; (b) interest on each assessment of installation thereof and on any delinquency or late charge thereof from the date the same was first due and payable at the rate of eight (8%) percent per annum; (c) the cost of collection including court costs, the expenses of sale, any expenses required for the protection and preservation of the unit, and reasonable attorney's fees actually incurred, and (d) the fair rental value of the condominium unit from the time of the institution of suit until the sale of the condominium at foreclosure or until the judgment rendered in such suit is otherwise satisfied. Each owner, by his acceptance of the deed to a residence, vests in the Association or its agents the right and power to bring all actions against him personally for the collection of such charges as a debt or foreclose the aforesaid lien in any of its particulars in the same manner as other liens for the improvement of real property. A lien provided for in this Article VI shall be in favor of the Association and shall be for the benefit of all other owners. The Association, acting on behalf of the owners, shall have the power to bid on the residence at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandoning of his residence.

Section 9. Priority of Lien. The lien of the assessments provided for in this Article VI shall be prior and superior to all other liens except only (a) ad valorem taxes and (b) all sums unpaid on a first mortgage or deed to secure debt or record. The sale or transfer of any residence shall not affect the assessments lien; provided, however, that the sale or transfer of any residence pursuant to the foreclosure of a first mortgage thereon, shall extinguish the lien of such assessments as to the payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such residence from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All residences which are a part of the property shall be exempt from the assessments created herein until each is conveyed by the Declarant to another owner; provided, however, that all such residences owned by the Declarant and not so conveyed by it shall be and become subject to such assessments at such time as the Declarant delivers management of the development to the Association whereupon such assessments shall be imposed at such rates and on such terms and conditions as may then be applicable to all residences conveyed by the Declarant prior thereto. Except as provided herein, no land or improvements devoted to dwelling use and no undivided interest in the common area shall be exempt from said assessments.

ARTICLE VII

ADMINISTRATION

Section 1. Responsibility for Administration. Subject to the provisions of Section 4 of this Article VII, the administration of Stonewall, the maintenance, repair, replacement and operation of the common areas and those acts required of the Association by the development documents shall be the responsibility of the Association. Such administration shall be governed by the Act and the development documents. The duties and powers of the Association shall be those reasonably implied to effect the purposes of the Association and the development. Such duties and powers shall be exercised in the manner provided by the development documents.

Section 2. Management Agreements. The Association shall enter into such management agreements as may be necessary or desirable for the administration and operation of the development. Such management agreements shall be entered into pursuant to resolution duly adopted by the Association's Board of Directors, each of which shall provide therein: the compensation to be paid, the terms thereof which shall not exceed 10 years, the manner in which the terms upon which same may be terminated, and such other matters as may be agreed upon which are not inconsistent with the terms of the development documents. During his tenure, the person with whom the Association contracts for the administration and operation of the development (hereinafter sometimes referred to as the "Manager") shall exercise all the powers and shall be responsible for the performance of all the duties of the Association as provided for in the Act and the development documents, excepting those powers and duties specifically and exclusively assigned to the officers, director or members of the Association by the Act or the development documents. The Manager shall be a responsible individual or corporation, as the Board of Directors shall determine, having experience adequate for the management of a development of this type and shall be bonded in such amount as the Board of Directors shall reasonably require. Prior to the expiration or termination of any such management agreement, or as soon thereafter as may be reasonably practicable, the Association shall enter into a new management agreement which shall become operative immediately upon the expiration or termination of the preceding management agreement or at the earliest practicable opportunity. Copies of each management agreement then currently in effect shall be made available for inspection by the owners, each of whom shall be bound by the terms and conditions thereof.

Section 3. Limitation of Liability; Indemnification. Notwithstanding the duty of the Association to maintain, repair and replace parts of the common area, the Association shall not be liable for injury or damage caused by any latent condition of the common area nor for injury caused by the elements, owners or other persons, nor shall any officer or director of the Association be liable to any owner for injury or damage caused by such officer or director in the performance of his duties unless due to the willful misfeasance or malfeasance of such officer or director. Each officer and director of the Association shall be indemnified by the owners against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been an officer or director of the Association, or any

settlement, whether or not he is an officer or director of the Association at the time such expenses and liabilities are incurred, except in such cases where the officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

Section 4. Administration by Declarant. Notwithstanding anything contained herein to the contrary, the Declarant shall be responsible for the administration of the development and the Association will not begin to function through its other members until (a) such time as the Declarant shall have conveyed all of the residences now or hereafter made subject to this Declaration to the respective purchasers of same, at which time such fact shall be certified to the Association by the Declarant, or (b) such time as the options reserved to the Declarant in Article III, Section 1 hereof shall have expired, whichever is later, at which time the management of the development shall be delivered to the Association together with all books and accounts which shall be in balance; provided, however, that the Declarant may, at its option and in the exercise of its sole discretion, deliver management of the development to the Association at such earlier date as may be selected by the Declarant. Until such time, the duties and powers of the Association, including those of the Board of Directors, as specified in the development documents, shall be performed by the Declarant and/or a Manager employed by the Declarant on behalf of the Association (as provided for in Section 2 of this Article VII and as herein expressly authorized) at a rate of compensation which, under the circumstances and in the sole discretion of the Declarant, shall be reasonable in amount. Such compensation, if any, shall be paid as a recurring common expense of the Association and out of the annual assessments provided for in Article VI hereof and not in lieu thereof or in addition thereto.

ARTICLE VIII

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all the improvements on the property (with the exception of improvements made by the respective owners at their expense) against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in amounts sufficient to cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard, and shall also obtain a public liability policy covering all common area and all damage or injury caused by the negligence of the Association, the Board of Directors and officers of the Association, all agents and employees of the Association, and all unit owners and other persons entitled to occupy any unit or portion of the Condominium, which public liability policy shall be in an amount to be determined by the Board of Directors, but not less than five hundred thousand (\$500,000.00) dollars for injury, including death to a single person, one million (\$1,000,000.00) dollars per

injury or injuries, including death, arising out of a single occurrence, and fifty thousand (\$50,000.00) dollars property damage.

(a) All policies shall be written with a company licensed to do business in the State of Georgia and holding a rating of "A-," "Excellent" or equivalent rating, or better by Best's Insurance Reports.

(b) All policies shall be for the benefit of the residence owners and their mortgagees as their interests may apply.

(c) Provision shall be made for the issuance of a certificate of insurance to each owner and his mortgagee, if any, which shall specify the proportionate amount of such insurance attributable to the particular owner's residence.

(d) The original of all policies and endorsements thereto may be deposited with the Insurance Trustee which may hold them subject to the provisions of Section 3 of this Article VIII.

(e) Exclusive authority to adjust losses under policies hereafter in force on the property shall be vested in the Association's Board of Directors; provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(f) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual owners or their mortgagees.

(g) Each owner may obtain additional insurance at his own expense; provided, however, that no owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all of the owners and their mortgagees, may realize under any insurance policy which the Association's Board of Directors may have in force on the property at any particular time.

(h) Any owner who obtains an individual insurance policy covering any portion of the property, other than improvements and betterments made by such owner at his expense and personal property belonging to such owner, shall be required to file a copy of each such individual policy with the Association's Board of Directors within thirty (30) days after purchase of such insurance.

(i) It shall be the individual responsibility of each owner at his own expense to provide, as he sees fit, title insurance on his individual residence, homeowner's liability insurance, theft and other insurance covering improvements, betterments and personal property damage and loss.

(j) The Associations' Board of Directors shall conduct an annual insurance review.

(k) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following: (1) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its Manager, the owners and their respective servants, agents and guests; (2) a waiver by the insurer of its right to repair or reconstruct instead of paying cash; (3) that the master policy on the property cannot be canceled, invalidated or suspended on account of any one or more individual owners; (4) that the master policy on the property cannot be canceled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association or its duly authorized Manager without a prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Manager, any owner or mortgagee; and (5) that any "other insurance" clause in the master policy exclude the individual owners' policies from consideration.

Section 2. No Partition. There shall be no judicial partition of the property or any part thereof, nor shall the Declarant or any person acquiring any interest in the property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 4 of this Article VIII in the case of damage or destruction or unless the property has been removed from the provisions of the Act as provided for in Article XIII, Section 3 hereof.

Section 3. Insurance Trustee. (a) All insurance policies purchased by and in the name of the Association may, at the option of the Board of Directors, provide that proceeds covering property losses should be paid jointly to the Association and their trustee which shall be a Georgia banking institution having trust powers in at least five million (\$5,000,000.00) dollars total capital and surplus as may be selected by the Board of Directors, which trustee is herein referred to as the Insurance Trustee. The Board of Directors shall utilize the Insurance Trustee, in accordance with the terms of this article, for any loss that exceeds the amount of surety bond then in effect on the Association's officers. All insurance policies shall so provide, and the Board will, upon request, provide a copy of the surety bond then in force to the insurance carrier and to the trustee. In the event that the Board of Directors does not elect to utilize an Insurance Trustee, the Board of Directors shall be the Insurance Trustee as provided herein and the procedures provided in this article for handling and dispersing funds and for making repairs apply to either form of trustee. Immediately upon receipt by the Association of such proceeds, the Association shall endorse the instrument by means of which such proceeds are paid and deliver or cause to be delivered such instrument to the Insurance Trustee. Any institutional Insurance Trustee employed shall not be liable for payment of premiums, for the renewal or sufficiency of the policy, or for the failure to collect any insurance proceeds. Nor shall the Insurance Trustee have any obligation to inspect the property to determine whether a loss has been sustained or to file any claim or claims against the insurer or any other person.

(b) The duty of the Insurance Trustee shall be to receive such proceeds as are paid and delivered to it and to hold such proceeds in trust for the benefit of the owners and their mortgagees in the following shares, but which shares need not be set forth in the records of the

Insurance Trustee. An undivided share of such proceeds on account of damage or destruction to the common area shall be held in trust for the owners in accordance with their respective percentages of undivided interest in and to the common area as provided for in Article III, Section 3 hereof. Proceeds on account of damage or destruction to residences shall be held in trust for the owners of the damaged or destroyed residences in proportion to the cost of repairing or reconstructing the damage or destruction suffered by each such owner. In the event that a mortgagee endorsement has been issued as to any particular residence, the share of such residence owner shall be held in trust for such owner and his mortgagee as their interests may appear.

(c) Proceeds of insurance policies received by the Insurance Trustee shall be disbursed as follows:

- (1) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, all expenses of the Insurance Trustee shall be first paid and the remaining proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such expenses of the Insurance Trustee and cost of repairs or reconstruction shall be disbursed to the beneficial owners, remittances to residence owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a residence and may be enforced by such mortgagee.
- (2) If it is determined as provided for in Section 4 of this Article VIII that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as therein provided.
- (3) Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sales proceeds or any combination thereof, to be made by the Insurance Trustee for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President or Vice President and attested by the Secretary setting forth whether or not the damage or destruction is to be repaired or reconstructed and whether the damage or destruction was to the common area or one or more residences or both. If the damage or destruction is not to be repaired or reconstructed, said certificate shall direct that disbursements be made by the Insurance Trustee as by law provided in accordance with the terms of Section 4(c) of this Article VIII.

If the damage or destruction is to the common area and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee known by the Insurance Trustee to have the largest interest in

or lien upon such common area and may direct that disbursements be made by the Insurance Trustee to those persons and in such amounts as may be specified therein or, in the alternative, said certificate may authorize the Insurance Trustee to make disbursements upon and pursuant to such written authorizations as may be submitted to it by an architect or other person named therein as having been employed by the Association to supervise such repairs or reconstruction.

If the damage or destruction is to one or more residences and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee or mortgagees, if any, known by the Insurance Trustee to have an interest in or lien upon such residence or residences and may direct that disbursements be made by the Insurance trustee to those persons and in such amounts as may be specified therein or, in the alternative, said certificate may authorize the Insurance Trustee to make disbursements upon and pursuant to such written authorizations as may be submitted to it by an architect or other person named therein as having been employed by the Association to supervise such repairs or reconstruction.

The Insurance Trustee shall not incur any liability to any owner, mortgagee or other person for any disbursements made by it pursuant to and in accordance with any such certificates or written authorizations.

Section 4. Damage and Destruction. (a) Immediately after the damage or destruction by fire or other casualty to all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty with each residence and the common area having the same vertical and horizontal boundaries as before.

(b) Any such damage or destruction shall be repaired or reconstructed unless at least ninety percent (90%) of the total vote of the Association shall decide within 60 days after the casualty not to repair or reconstruct. If, for any reason, the amount of the insurance proceeds to be paid as a result of such damage or destruction or reliable and detailed estimates of the cost of repair or reconstruction are not made available to the Association within said period of 60 days after the casualty, then such period shall be extended until such information shall be made available to the Association; provided, however, that said period of time shall in no event exceed 90 days after the casualty. No mortgagee shall have any right to participate in the determination as to whether the damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner prescribed above that the damage or destruction shall not be repaired or reconstructed, then and in that event (1) the property shall be deemed to be owned in common by the residence owners, (2) the undivided interest in the property owned in common which shall appertain to each residence owner shall be the percentage of undivided interest previously owned by such owner in the common area, (3) any liens affecting any of the residences shall be deemed to be transferred in accordance with the existing priorities to the percentage of undivided interest of the residence owner in the property, and (4) the property shall be subject to an action for partition at the suit of any residence owner, in which event the net proceeds of sale shall be paid to the Insurance Trustee. Said net proceeds of sale, together with the net proceeds of the insurance on the property, shall be considered as one fund which, after paying all expenses of the Insurance Trustee, shall be divided among all of the residence owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective share of the residence owners, to the extent sufficient for the purpose, all liens of the undivided interest in the property owned by each residence owner. Disbursements to such owners shall be made as provided for in Section 3 of this Article VIII. The foregoing provisions of this Section 4(c) shall apply only so long as may be necessary to comply with the applicable provisions of the Act. In the event that the Act should be hereafter amended so as to eliminate the necessity of terminating the development upon determining that the damage or destruction shall not be repaired or reconstructed, this Section 4(c), and such other provisions hereof as may be necessary to its implementation, shall be deemed amended accordingly.

Section 5. Repair and Reconstruction. (a) If the damage or destruction for which the insurance proceeds are paid to the Insurance Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors, shall, subject to Article V, Section 4, hereof and without a vote of the members, levy a special assessment against all owners of the damaged residences, and against all owners in the case of damage to the common area, in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction of their respective residences. Such assessments on account of damage to the common area shall be in proportion to the owner's share in the common area.

(b) Any and all sums paid to the Association under and by virtue of those special assessments provided for above to defray the estimated excess cost of repair or reconstruction shall be deposited by the Association with the Insurance Trustee. The proceeds from insurance and assessments, if any, received by the Insurance Trustee, when the damage or destruction is to be repaired or reconstructed, shall be disbursed as provided for in Section 3 of this Article VIII.

Section 6. Minor Repairs. (a) Notwithstanding the foregoing provisions of this Article VIII, in the event of damage by fire or other casualty to either the common area or a single residence covered by insurance written in the name of the Association and if the insurance proceeds initially offered or paid therefore are less than One Thousand Dollars (\$1,000.00) and the estimated cost of repairing such damage is less than twice the amount of such proceeds, then

the instrument by means of which such proceeds are paid shall be endorsed by the Insurance Trustee and delivered to the Association and the damage shall be repaired in accordance with the following provisions.

(b) If the damage is confined to the common area, such insurance proceeds shall be used by the Association to defray the cost of such repairs. If the cost of such repairs is less than the amount of such insurance proceeds, the excess shall be retained by the Association or its duly authorized agent and placed in the reserve maintenance fund or such other fund as may be established for the purpose of providing for the maintenance, repair and replacement of the common area. If the cost of such repairs exceeds the amount of such insurance proceeds, such excess may be provided, subject to Article V, Section 4 hereof, either by means of a special assessment levied by the Board of Directors, without a vote of the members, against all owners in proportion to each owner's share in the common area or by means of an appropriation from the reserve maintenance fund or such other fund as may be established for the purpose of providing for the maintenance, repair or replacement of the common area as the Board of Directors in the exercise of its sole discretion may determine.

(c) If the damage is confined to a single residence, such insurance proceeds shall be used by the Association to defray the cost of such repair. If the cost of such repairs is less than the amount of such insurance proceeds, the excess shall be paid jointly to the owner and his mortgagee, if any, who may use such proceeds as they along may determine. If the cost of such repairs exceeds the amount of such insurance proceeds, such excess shall be provided by means of a special assessment levied by the Board of Directors, subject to Article V, Section 4, hereof and without a vote of the members, against the owner of the damaged residence. Payments for repairs provided for in this subparagraph (c) shall be made only after all such repairs have been completed and approved by the Association, the owner and his mortgagee, if any, which approval shall not be unreasonably withheld.

ARTICLE IX

CONDEMNATION

Section 1. General. Whenever all or any part of the property shall be taken by any authority having the power of condemnation or eminent domain, each owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the Association if such award amounts to less than One Thousand Dollars (\$1,000.00) and to the Insurance Trustee if such award amounts to One Thousand Dollars (\$1,000.00) or more. Unless otherwise provided by law at the time of such taking, any award made therefore shall be disbursed by the Association or the Insurance Trustee, as the case may be, as hereinafter provided in this Article IX.

Section 2. Common Area. If the taking is confined to the common area on which improvements shall have been constructed and if at least ninety percent (90%) of the total vote of the Association shall decide within 60 days after such taking to replace said improvements, or

any part thereof, on the remaining land included in the common area and according to plans therefore first approved by the Association, then the Board of Directors shall arrange for such replacement and the Association or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the common area is to be repaired or reconstructed, as provided for in Article VIII hereof; subject, however, to the right hereby reserved to the Association and to be exercised by a majority of the total vote thereof to provide for the disbursement by the Insurance Trustee of the remaining proceeds held by it (after payment of all costs incident to such replacement including all expenses of the Insurance Trustee) to the owners or any one or more of them in amounts disproportionate to their percentages of undivided interest in the common area as established herein, which disproportionate amounts shall correspond with the disproportionate damages sustained by the owners or any one or more of them as the Association may determine by a majority of the total vote thereof. If at least ninety percent (90%) of the total vote of the Association shall not decide within 60 days after such taking to replace such improvements or if the taking is confined to the common area on which no improvements shall have been constructed, then the Association or the Insurance Trustee, as the case may be, shall disburse the proceeds of the award in the manner hereinabove provided for the disbursement of the remaining proceeds of an award after payment of all costs incident to replacement of improvements taken, including the right reserved to the Association to provide for the disbursement by the Insurance Trustee of the remaining proceeds held by it to the owners in disproportionate amounts.

Section 3. Residences. If the taking includes one or more residences, or any part or parts thereof, whether or not there is included in the taking any part of the common area, then the award shall be disbursed and all related matters, including without limitation alteration of the percentages of undivided interest of the owners in the common area, shall be handled pursuant to and in accordance with the consent of all owners (or such lesser number of owners as may then be prescribed by the Act for the purpose of altering the percentages of undivided interest of the owners in the common area) expressed in a duly recorded amendment to this Declaration. In the event that such an amendment shall not be recorded within 90 days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Article VIII, Section 4, hereof, whereupon the development will be terminated in the manner therein prescribed, unless then otherwise provided by law.

ARTICLE X

USE RESTRICTIONS

Section 1. Residential Purposes. All residences contemplated in the development shall be, and the same hereby are, restricted exclusively to residential use, except as provided in Section 5 hereof. All such residences shall be of new construction jointed together by common foundations. No structures or appurtenances of a temporary character, such as a trailer, basement, tent, shack, carport, enclosures, dog house, garage, barn, play equipment or

outbuildings shall be used as a residence or placed on any portion of the common property at any time either temporarily or permanent.

Section 2. Freehold Estate. Each residence shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof and of the Act.

Section 3. Vehicle Parking and Storage. Storage of autos, trailers, mobile homes and motor homes on the property is prohibited. The parking of vehicles and small boats authorized by the Board of Directors is restricted to remote areas of the property not normally used for every day parking of autos as may be designated from time to time by the Board of Directors.

Section 4. Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the property, except that dogs, cats or other household pets may be kept by the respective owners in their respective residences provided that they are not kept, bred or maintained for any commercial purpose and do not endanger the health or, in the sole discretion of the Association's Board of Directors, unreasonably disturb the owner of any residence or any resident thereof. In no event shall dogs be permitted in any of the common portions of the property unless under the direct control of the dog's owner or other responsible persons. Dogs must be either carried, on a leash or accompanied by and under the direct control of such owner or other responsible person. No animals are permitted in the clubhouse, around the pool, or in other recreational areas.

Section 5. Signs and Business Activities. No advertising, signs, except as stated herein, billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the property, nor shall the property be used in any way or for any purpose which may endanger the health of or unreasonably disturb the owner of any residence or any resident thereof. Each unit shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a unit or any part of the Condominium, except that the owner or occupant residing in a unit may conduct such ancillary business activities within the unit so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the unit; (b) the business activity does not involve regular, frequent or conspicuous visitation of the unit by employees, clients, customers, suppliers or other business invitees for business purposes; (c) the business activity conforms to all zoning requirements for the Condominium; (d) the business activity does not increase traffic in the Condominium (other than by deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services); (e) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; (f) the business activity is consistent with the residential character of the Condominium and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as may be determined in the sole discretion of the Board; and (g) the business activity does not result in a materially greater use of common element facilities or Association services.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (I) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. However, this provision shall not apply to activities of the Association.

Section 6. Clotheslines, Garbage Cans, Etc. All clotheslines, equipment, garbage cans, service yards, woodpiles and storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring residences and streets. All rubbish, trash and garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon. All clotheslines shall be confined to patio area.

Section 7. Patios and Other Common Area. Except in the individual patio adjacent to a residence, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said property except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Association's Board of Directors or their designated representatives. Except for the rights of ingress and egress, the owners of residences are hereby prohibited and restricted from using any of said property outside of their respective residences and the patios appurtenant thereto, except as may be allowed by the Association's Board of Directors or as expressly provided herein. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all owners in the development and is necessary for the protection of said owners.

Section 8. Antennas and Satellite Dishes. No transmission antenna, of any kind, may be erected anywhere on the Property unless approved in writing by the Board of Directors or the Architectural Control Committee. No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter may be placed, allowed or maintained upon any portion of the property, including a Lot. DBS and MMDS antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and rules and regulations of the Association authorized by the FCC, both, as may be amended from time to time.

ARTICLE XI

SALES LEASES, MORTGAGES, AND ROOMMATES: PROCEDURAL PROVISIONS, RESTRICTIONS, AND JOINT AND SEVERABLE LIABILITIES

Section 1. Procedural Provisions. An owner intending to sell or lease his or her residence or share the residence with a roommate shall give notice in writing to the Board of Directors of such intention on the forms promulgated therefore by the Board of Directors, not less than ten (10) days before the date of actual occupancy. A copy of the lease, the tenant's

name and address, the names and relationships to the owner or tenant of all people who will occupy the residence, and the owner's forwarding address shall be included with the notice. The Board shall post at the clubhouse the name of the person from who forms may be obtained. These forms may require such information as is reasonable to enable the Board to carry out the purposes of this Article.

The Notice and Enclosures shall indicate and verify that the prospective purchaser, roommate or tenant at the time of the delivery of the Notice and thereafter through the period of occupancy will occupy the residence in conformance with the covenants contained herein and the Association's rules and regulations existing at the time of the delivery of the Notice.

In the event the Notice does not verify and indicate this, then, said Notice shall conclusively be deemed null and void and not in conformance with this Article and the sale or lease of a residence shall be considered unauthorized pursuant to the terms of this Declaration. Furthermore, if the Notice does not indicate and verify the above, the prospective purchaser, roommate or tenant shall conclusively be presumed not to be a bona fide purchaser or tenant for purposes of the provisions herein contained.

Section 2. Action by the Board of Directors. Within ten (10) days after receipt by the Board of a complete Notice as required in Section 1, the Board shall notify the owner in writing of its approval of the transaction or of the reasons for its disapproval. Failure to comply with the provisions of this Article or failure to have all assessments against the residence and the owner paid in full shall result in disapproval. Occupancy of the residence by the new owner, roommate, or tenant prior to approval by the Board shall be a violation of the terms of this Article, including Section 9. Failure of the Board to provide written notice of disapproval shall be deemed approval if the Notice requirements of Section 1 were fully met.

Section 3. Leasing of Residences -- Restrictions.

(a) Purposes. In order to (1) protect the equity of the individual property owners; (2) carryout 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.

(b) In General. Leasing shall not be allowed as a regular practice or for business, speculative investment, or other similar purposes. The Board of Directors shall be empowered to allow reasonable leasing of residences upon the application made in accordance with Section 1 of this Article to avoid undue hardship upon an Owner, in but not limited to, those instances in which an Owner must relocated his or her residence because of employment and has difficulty

selling the residence; provided, however, such lease complies with the provisions of this Declaration, including this Section.

(c) Undue Hardship. Those owners who have complied with Section 1 of this Article and have demonstrated that the inability to lease their residence would result in undue hardship and have obtained the requisite approval of the Board may lease their residences for such duration as the Board reasonably determines is necessary to prevent undue hardship and is allowable in accordance with the provisions of this Declaration.

(d) Grandfather Clause. Any owner of a residence who records his or her title prior to the recordation of this amendment shall not be subject to the restrictions contained in this Section.

Section 4. Tenant's Responsibilities. Any lessee or tenant of a residence shall in all respects be subject to the Declaration, Bylaws, and all rules and regulations as are from time to time promulgated by the Association or Board of Directors as though such lessee or tenant were an Owner. The lease of any residence shall be in writing and in a form approved by the Board and include the stipulation contained in Section 5 together with any other provisions deemed necessary by the Board. The Association is irrevocably appointed as agent for each Owner for the purpose of complying with the provisions of the stipulation if the owner fails to do so. All costs incurred by the Association for such proceedings shall be for the benefit of and on behalf of the Owner of the residence and collectible in the same fashion as other assessments levied against the Owner. Each Owner agrees, furthermore, to cause his or her lessee or persons living with such Owner or with his or her lessee to comply with the Declaration, bylaws, and the rules and regulations promulgated thereunder, and agrees that each Owner is jointly and severally with his or her tenants responsible and liable for all violations and losses caused by such tenant or lessee, notwithstanding the fact that such occupants of the residences are fully liable for any violation of the Condominium documents and regulations.

Section 5. Rules and Regulations: Lessees.

1. No Lease shall be for less than twelve months nor cover less than an entire residence. A residence shall be leased only one time during a twelve month period.
2. Residences must be leased for residential purposes only.
3. Lessees living at Stonewall may have a total of two vehicles per residence.
4. Lessees and/or lessee's family living at Stonewall may not have pets.
5. Lessees may not have roommates or non-family members living with him or her except in cases where both names appear on the lease. Family shall mean those bearing the following relationship to an individual or his spouse: father, mother, sister, brother, son, daughter, husband, wife.

6. The following Special Stipulation must be contained in all leases:

This lease shall in all respects be subject to the terms and conditions of the Declaration, the Bylaws, the Articles of Incorporation and the Rules and Regulations pursuant thereto. Failure of the lessee to abide by the provisions of these instruments shall be grounds for eviction. In the event grounds for eviction are found to exist, the Owner shall be required to evict his or her lessee and upon the Owner's failure to commence eviction proceedings within fifteen (15) days of the Association's written notice to do so, the Association shall have the right to evict said lessee on behalf of the Owner. Owner and tenant shall be jointly and severally liable for all assessments, fines, and compensation due the Association for damages caused by either party. This clause shall govern and have priority over any contradictory clauses in this lease. All costs incurred by the Association in eviction or collection proceedings shall be for the benefit of and on behalf of the residence Owner, and collectible in the same fashion as other assessments levied against the Owner. Failure by the tenant to comply with the above will result in a fine of \$25.00 per day being levied against the tenant.

Section 6. Rules and Regulations: Roommates.

1. Number of Occupants. The maximum number of occupants in a unit shall be limited to two (2) people per bedroom in the Unit, (as such bedrooms are depicted on the original plats and plans filed in the Cobb County, Georgia records). This provision shall apply to all units, whether occupied by the unit owner(s), roommates and/or tenants. "Occupancy," for purposes hereof, shall be defined as staying overnight in a unit for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any calendar year. This occupancy restriction shall not apply to require the removal of any person lawfully occupying a unit on the date of recording of this Amendment in the Cobb County, Georgia records. [May 8, 2000]. Upon written application, the Board shall grant variances to this restriction and to the restrictions in Section 5 above to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

2. A roommate may not have pets.

3. A roommate may have only one vehicle.

4. Roommate and Owner must sign the following special agreement and place it on file with the Board of Directors:

Roommate shall in all respects be subject to the terms and conditions of the Declaration, Bylaws, the Articles of Incorporation, and the Rules and Regulations pursuant thereto. Failure of the roommate to abide by the provisions of these instruments shall be grounds for eviction. In the event grounds for eviction are

found to exist, the Owner shall be required to evict his or her roommate and upon fifteen (15) days of the Association's written statement to do so, the Association shall have the right to evict said roommate on behalf of the Owner. All costs incurred by the Association for such proceedings shall be for the benefit of the Owner, and collectible in the same fashion as other assessments levied against the Owner. Residence Owner has made copies of the Handbook of Community Affairs which contains the Rules and Regulations of the community available to the roommate. Failure of the roommate to comply with the above will result in a fine of \$25.00 per day being levied against the roommate.

Section 7. Lease-Purchase Agreements. Occupants under a Lease-Purchase or similar agreement shall be tenants for the purposes of this Article until record transfer of legal title.

Section 8. Validity of Mortgages. Nothing herein contained shall render void or unenforceable as to the maker thereof or the secured property any mortgage secured by a residence at Stonewall, provided sale by the mortgagee at foreclosure or otherwise complies with the provisions of this Article.

Section 9. Penalties for Non-Compliance. Failure to comply with the provisions of this Article shall result in assessment of a fine of \$25.00 per day for each day in which a new owner, tenant roommate or unauthorized person or persons occupies the residence. This fine shall become a lien upon the title to the residence. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Article shall be voidable at the option of the residence Owner or the Board of Directors until such time as same shall be approved by the Board of Directors.

Section 10. Owners, Tenants and Roommates Jointly and Severally Liable. Owners and their tenants and roommates shall be jointly and severally liable for all violations by owners, tenants and roommates of this Article, including penalties imposed under Section 9, and this Declaration, all assessments levied against the residence and any damage to the property of the Association caused by the tenants or roommates.

Section 11. Recordation of Decisions. Any owner or mortgagee may, upon payment of a document preparation fee of \$25.00, obtain from the Board of Directors a document in recordable form certifying approval of any transaction approved under the terms of this Article. The Association, additionally, is empowered, at the discretion of the Board of Directors, to record a statement certifying to the noncompliance with the approval requirements of this Article in all cases where such noncompliance does in fact occur. Recordation of such a statement shall not be a prerequisite to assessment of the fine or creation of the lien imposed under Section 9.

Section 12. Non-Waiver of Association's Rights. Approval by the Board of Directors of any such sale, mortgage, lease or roommate shall not constitute a waiver of the right of approval of any other such transaction.

Section 13. Non-Limitation on Association's Power. Nothing herein contained shall be construed or interpreted as limiting the power or right of the Board of Directors or the Association to adopt, amend, or repeal rules and regulations and/or provisions of the Declaration, Bylaws, or Articles of Incorporation.

ARTICLE XII

EASEMENTS

Section 1. Enjoyment of Common Area. Every owner shall have a right and easement of enjoyment in and to the unlimited common area (as distinguished from limited common area) and such easement shall be appurtenant to and shall pass with the title to every residence, subject to the following provisions: (a) the right of the Association's Board of Directors to limit the number of guests that may use the common area, (b) the right of the Association's Board of Directors to charge reasonable admission and other fees for the use of any recreational facilities situation upon the common area; and (c) the right of the Association's Board of Directors to suspend the voting rights and right to use the recreational facilities by an owner for any period during which any assessment against his residence remains unpaid, and for a period not to exceed 30 days for any infraction of its published rules and regulations. Any owner may delegate, in accordance with the Bylaws, his right of enjoyment to the common area to the members of his family or his tenants who reside on the property.

Section 2. Encroachments and Support. Each residence and the property included in the common area shall be subject to an easement for encroachments created by construction, settling and overhangs as designed or constructed by the Declarant. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist. In the event that any building is partially or totally destroyed and then rebuilt, the owners of the residences so affected agree that minor encroachments of parts of the adjacent residence or common area due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist. Every portion of a residence contributing to the support of an abutting residence shall be burdened with an easement of support for the benefit of such abutting residence. Also, a valid easement shall and does exist in favor of each owner to make reasonable use, not inconsistent with the terms of this Declaration, of the exterior wall of such wall shall serve and separate any portion of such owner's residence or limited common area appertaining thereto and such adjoining residence notwithstanding the inclusion of such wall within the vertical boundaries of such wall within the vertical boundaries of such adjoining residence.

Section 3. Utilities, Etc. There is hereby granted a blanket easement upon, across, over and under all of the property for ingress, egress, installation, replacing, repairing and maintaining a master television antenna system and all utilities including, but not limited to, water, sewers, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary poles and other

necessary equipment on said property and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the residences. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said property except as initially may be installed or relocated on said property except as initially programmed and approved by the Declarant or thereafter approved by the Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Declarant shall have the right to grant such easement on said property without conflicting with the terms hereof. The easements provided for in this Article XII shall in no way affect any other recorded easement on said property.

Section 4. Other. There is hereby granted a blanket easement to the Association, its directors, officers, agents and employees, to any Manager employed by or on behalf of the Association and to all policemen, firemen, ambulance personnel and all similar persons to enter upon the property or any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights accompanying the easements provided for in this Article XII shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with the permission of the owner or owners directly affected thereby.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Amendment: By Declarant. Amendments to this Declaration for the purpose of further identifying the residences contemplated in the development shall be made as and when the construction of each of the buildings is completed. Amendments to this Declaration for the purpose of submitting the Phase II property and the Phase III property to the provisions of this Declaration may be made pursuant to Article III, Section 1, hereof. Each such amendment shall be approved by the Declarant and filed for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia, at which time the same shall become effective. Other amendments which are authorized by this Declaration and the Act and made prior to the date on which the Declarant delivers management of the development to the Association shall become effective when approved and recorded in the manner hereinabove provided; provided, however, that such amendments shall not affect materially any rights of any then existing mortgage holders or residence owners. In the event that such an amendment does affect materially any rights of any then existing mortgage holders or residence owners, the amendment shall be valid only upon the written consent thereto of all of the then existing mortgage holders and a majority of the then existing residence owners. Such amendment shall be certified by the Declarant as having been duly approved and shall be effective when recorded in the Office of the Clerk of the Superior Court of Cobb County, Georgia.

Section 2. Amendment: Other. Amendments to this Declaration, other than those provided for in Section 1 of this Article XIII, which are authorized by this Declaration and the Act, shall be proposed and adopted in the following manner:

(a) Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting of the Association at which a proposed amendment shall be considered.

(b) Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the membership of the Association, and after being proposed and approved by one of such bodies it must be approved by the other. Directors and members not present at the meetings considering the amendment may express their approval in writing. Such approvals must be by all of the Directors and, unless otherwise specified in this Declaration or the Act, by not less than seventy-five percent (75%) of the total vote of the Association; provided, however, that in the event the proposed amendment should affect materially any rights of any then existing mortgage holders, such amendment shall also require the written consent thereto of all of the then existing mortgage holders, and provided further, that if the Association shall vote to amend the Bylaws in any respect, such Bylaws amendment shall be set forth in an amendment to this Declaration as required by the Act, and such amendment to this Declaration shall be valid when approved by a majority of the total vote of the Association.

(c) Recording. A copy of each amendment provided for in this Section 2 shall be certified by the Board of Directors of the Association as having been duly adopted and shall be effective when filed for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia.

Section 3. Termination. The development shall be terminated and the property removed from the provisions of the Act in the following manner:

(a) Agreement. All of the residence owners may remove the property from the provisions of the Act by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the residences consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the percentage of undivided interest of the residence owner in the property.

(b) Destruction. In the event it is determined in the manner provided in Article VIII, Section 4, hereof, that the property shall not be repaired or reconstructed after casualty, the development will be terminated and the development documents revoked pursuant to Article VIII, Section 4(c) hereof, unless then otherwise provided by law. the determination not to repair or reconstruct after casualty shall be evidenced by a certificate of the Association certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Office of the Clerk of the Superior Court of Cobb County, Georgia.

(c) Condemnation. In the event that one or more residences, or any part or parts thereof, shall be taken by any authority having the power of eminent domain and the consent of all owners (or such lesser number of owners as may then be prescribed by the Act for the purpose of altering the percentages of undivided interest of the owners in the common area) shall not be expressed in an amendment to this Declaration duly recorded within 90 days after such taking as provided for in Article IX, Section 3, hereof, the development will be terminated and the development documents revoked pursuant to Article VIII, Section 4(c) hereof, unless then otherwise provided by law. Such taking shall be evidenced by a certificate of the Association certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Office of the Clerk of the Superior Court of Cobb County, Georgia.

(d) Ownership after Termination. After termination of the development, the rights of the residence owners and their respective mortgagees and licensees shall be determined in the manner provided in Article VIII, Section 4 hereof.

Section 4. Covenants Running With the Land. All provisions of this Declaration shall be construed to be covenants running with the land, and with every part thereof and interest therein, including, but not limited to, every residence and the appurtenances thereto; and every residence owner and claimant of the land or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of this Declaration.

Section 5. Duration. So long as Georgia law limits the period during which covenants restricting lands to certain uses may run, it shall be the duty of the Association's Board of Directors to cause the covenants contained herein, as amended from time to time, to be extended when necessary by filing in the Office of the Clerk of the Superior Court of Cobb County, Georgia, a document bearing the signatures of a majority of the then owners reaffirming and newly adopting the Declaration and covenants then existing in order that the same may continue to be covenants running with the land. Such adoption by a majority shall be binding on all, and each owner of any residence, by acceptance of a deed therefore, is deemed to agree that the Declaration and covenants may be extended as provided in this Section 5.

Section 6. Deeds. The deeds by which the Declarant will describe and convey the residences shall be substantially in the form attached hereto as Exhibit "D" and, by reference, made a part hereof. Any transfer of a residence shall include all appurtenances thereto whether or not specifically described, including, but not limited to, the owner's membership in the Association and his percentage of interest in the common area and in the funds and assets held by the Association.

Section 7. Bylaws. A true copy of the Bylaws of the Association which shall govern the administration of the development is attached hereto as Exhibit "B" and, by reference, made a part hereof.

Section 8. Enforcement. Each owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and the restrictions set forth in this Declaration or in the deed to his residence. The Association shall be empowered, in order to enforce compliance, to impose and assess monetary fines in an amount not to exceed twenty-five (\$25.00) dollars per violation, such amount to be assessed per day for a continuing violation. The Board may collect such fines in the same manner in which any and all assessments owed by a unit may be collected. Notwithstanding this right of collection, failure to comply with the Bylaws, with the administrative rules and regulations adopted pursuant thereto, and with the covenants, conditions and restrictions set forth in this Declaration or in the deed to a residence shall be grounds for an action to recover sums due, for damages or injunctive relief or both maintainable by the Board of Directors on behalf of the Association or, in a proper case, by an aggrieved owner. Failure by the Association or any owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

Section 9. Severability. Invalidation of any covenant, condition, restriction or other provision of this Declaration or the Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 10. Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the survivor of the now living descendants of Richard M. Nixon, President of the United States, and Lyndon B. Johnson, former President of the United States.

Section 11. Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 12. Agent for Service of Process. The Declarant hereby designates Thomas K. Winingder, 3418 Mission Ridge Circle, Atlanta, Cobb County, Georgia 30339 to receive service of process in the cases provided for in the Act.

BY-LAWS OF THE
STONEWALL CONDOMINIUM ASSOCIATION, INC.

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The following is a compilation of the original By-Laws of the Stonewall Condominium Association, Inc., and all amendments the By-Laws.

**BY-LAWS
OF THE
STONEWALL CONDOMINIUM ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

Section 1. Name. The name of the Association is Stonewall Condominium Association, Inc., (hereinafter referred to as the "Association").

Section 2. Location. The Association shall have no principal office. Meetings of members and directors may be held at such places within the State of Georgia, County of Cobb or County of Fulton, as may be designated from time to time by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. Act means the Georgia Condominium Act, Georgia Laws 1975, No. 463 as amended.

Section 2. Assessment means a member's share of the common expenses which from time to time is assessed against a member by the Association in the manner provided for in the Declaration.

Section 3. Association means Stonewall Condominium Association, Inc., its successors and assigns acting on behalf of the members for the purpose of administering Stonewall.

Section 4. Common Area means that portion of the property as designated in the Declaration for the common use and enjoyment of the members but shall not include any portion of the property on which residences have been or shall be constructed.

Section 5. Declarant means Stonewall Associates, a joint venture comprised of Centennial Equities Corporation, a New York Corporation, and Stonewall Condominium Corporation, a Georgia Corporation, having its principal office at 6135 Barfield Road, Atlanta, Georgia 30328.

Section 6. Declaration means the Declaration of Covenants, Conditions and Restrictions applicable to the property which shall be recorded in the Office of the Clerk of the Superior Court of Cobb County, Georgia.

Section 7. Development means the entire undertaking pursuant to the Declaration and these By-Laws which shall commence with the filing of the Declaration and continue thereafter until terminated as provided for therein.

Section 8. Owner means the record owner, whether one or more persons, of a fee simple title to any residence which is a part of the property and an undivided interest in the fee simple estate of the common area, excluding, however, those persons having such interest merely as security for the performance of an obligation.

Section 9. Person means an individual, corporation, partnership, association, trustee or other legal entity.

Section 10. Property unless the context should otherwise require, means those tracts or parcels of land described in the Declaration now or hereafter submitted to the provisions of the Act by means of the Declaration or any duly authorized amendment thereof.

Section 11. Residence means a single family residential unit constructed or to be constructed as part of a residential building which contains two or more of such single family residential units.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person who is the record owner of a fee or undivided fee interest in any residence which is a part of the property and which is or may become subject by covenants of record to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation. No owner, whether one or more persons, shall have more than one membership per residence. Membership shall be appurtenant to and may not be separated from ownership of any residence. Ownership of a residence shall be the sole qualification for membership.

Section 2. Voting Rights. The Association shall have one class of voting membership which shall consist of all members including the Declarant. Such member shall be entitled to one vote for each residence in which they hold the interest required for membership by Section 1 of this Article III. When more than one person holds such interest in any residence the vote for such residence shall be exercised as they among themselves determine. In no event shall more than one vote be cast with respect to any residence.

Section 3. Suspension of Membership and Voting Rights. During any period in which a member shall be in default in the payment of any annual or special assessments or any charge levied by the Association, the voting rights and right to use recreational facilities, if any, of such member may be suspended by the Board of Directors until such

assessments or charges have been paid and for such additional period not to exceed thirty (30) days as the Board might impose. Such rights of a member may also be suspended for a period not to exceed thirty (30) days, for violation of any rules and regulations adopted by the Board of Directors; provided however, suspension may, for a continuing violation, be for the duration of the violation plus a period not to exceed thirty (30) days.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Delegation of Rights. Each member shall be entitled to the use and enjoyment of the common area as provided in the Declaration. Any member may delegate his rights of enjoyment of the common area to the members of his family or his tenants who reside on the property. Such member shall notify the secretary in writing of the name of any such tenant. The rights and privileges of any such delegee are subject to suspension to the same extent as those of the member.

Section 2. Admission Fees. Irrespective of the fact that the Declaration gives the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the common area, this right may be exercised only upon the approval of at least two-thirds (2/3) of the entire membership.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. From and after the first annual meeting of members, the affairs of the Association shall be managed by nine directors, each of whom shall be a member of the Association. The number of directors was changed from 9 to 7 via an amendment which was recorded in the Cobb County land records in November 29, 2016.

Section 2. Election. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years. Amended accordingly to reflect the change from 9 to directors, as recorded in the Cobb County land records in November 29, 2016.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Commencing with the month following that in which the first annual meeting of members takes place, regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Except as otherwise expressly provided, every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. The first Board of Directors shall be elected at the first annual meeting of members and nominations therefore shall be made only from the floor. Thereafter, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of

vacancies that are to be filled. Such nominations shall be made from among the members of the Association.

Section 2. Election. Election to the Board of Directors shall be the secret written ballot cast at the annual meeting. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the larger number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power:

- (a) To adopt and publish rules and regulations governing the use of the common area and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To exercise for the Association all powers, duties and authority vested in or delegated to the Association not reserved to the membership by other provisions of these By-Laws or the Declaration;
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors; and
- (d) To enter into management agreements with third parties in order to facilitate efficient operation of the development. It shall be the primary purpose of such management agreements to provide for the administration of the development, the maintenance, repair, replacement and operation of the common area, the roof surfaces (shingles) and exterior building surfaces of the residences, and the receipt and disbursement of funds as may be authorized by the Board of Directors. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interests of the Association and shall be subject in all respects to the By-Laws and the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by at least one-fourth ($\frac{1}{4}$) of the members who are entitled to vote;

- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration Article VI as herein amended fix the amount of the annual assessment against each residence and deliver written notice of each assessment to each residence or send written notice of each assessment to every member in advance of each annual assessment period.
- (d) To issue, or to cause its duly authorized agent or an appropriate officer to issue, upon demand by a member at any time a certificate setting forth whether the assessments on such member's residence have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.
- (e) To procure and maintain insurance and perform all functions related thereto as provided for and in accordance with the terms of the Declaration.
- (f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (g) To cause the common area to be maintained; and
- (h) To cause the roof surfaces (shingles) and exterior building surfaces of the residences to be maintained.

ARTICLE IX

COMMITTEES

Section 1. Appointment. The Association shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

1. A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational programs and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;
2. A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the development and shall perform such other functions as the Board in its discretion, determines;

3. A Publicity Committee which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and
4. An Audit Committee which shall supervise the audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8(d), hereof. The Treasurer shall be an ex officio member of the Committee.

Section 2. Action on Complaints. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of members shall be called by the Declarant and shall be held at such time as management of the development is delivered by the Declarant to the Association as provided for in the Declaration. Each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at a time established by the Board not earlier than 4:00 p.m. unless otherwise provided by the members at any previous meeting. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote at least fifteen percent (15%) of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, (a) by delivering a copy of such notice to each residence at least twenty-one (21) days before such meeting, or (b) by mailing a copy of such notice, postage prepaid, at least twenty-one (21) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, at least one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At any meetings of members, each member may vote in person or by proxy in which the designated representative is another member or a member's spouse. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by a member of his residence. In the Board's discretion, proxy forms supplied by the Board to the Association members for votes on Association matters may be directed proxies, which indicate how the Owner's vote is to be cast on particular Association issues. The Board may accept an Owner's directed proxy as a ballot for the Owner's vote.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, a treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of Article XI.

Section 8. Duties. The duties of the officers are as follows:

President

- (a) The president shall preside at all meetings of the Board of Directors; shall see that orders and regulations of the Board are carried out; shall sign all written instruments regarding the common area and shall co-sign all checks and promissory notes, if any.

Vice-President

- (b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as may be required of him by the Board.

Treasurer

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all check and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall cause to be prepared in accordance with Article VI of the Declaration as herein amended, a budget.

ARTICLE XII

BOOKS AND RECORDS

Section 1. Inspection. The Declaration, By-Laws, books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member.

ARTICLE XIII

ASSOCIATION SEAL

Section 1. Description. The Association shall have a seal in circular form having within its circumference the words: Stonewall Homeowners Association.

ARTICLE XIV

AMENDMENTS

Section 1. Procedure. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of ~~a quorum of members present in person or by proxy, except that any such amendment shall become effective only when set forth in a duly adopted and recorded amendment to the Declaration as required by the~~
Act: the total vote of the Association, as provided for in Article XIII, Section 2 of the Declaration. Any such amendment to the Bylaws shall become effective when approved by a majority of the total vote of the Association, and shall be recorded in the Office of the Clerk of the Superior Court of Cobb County, Georgia. (Amended November 29, 2016 D15397 P696)

Section 2. Conflicts. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date on which the Declaration is filed for record in the Office of the Clerk of the Superior Court of Cobb County, Georgia.