

BY-LAWS
OF
BRANDON MILL FARMS CONDOMINIUM ASSOCIATION, INC.

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ARTICLE I

NAME, LOCATION AND APPLICATION

Section 1. Name. The name of the Association is the Brandon Mill Farms Condominium Association, Inc. (the "Association").

Section 2. Location. The Association shall have its principal office at the Brandon Mill Farms Condominium, which is located on _____, Fulton County, Georgia.

Section 3. Application. These By-Laws provide for the self-government of the Condominium in accordance with the Articles of Incorporation, the Declaration of Condominium for Brandon Mill Farms Condominium, as recorded in Deed Book _____, Page _____, Fulton County, Georgia Records, the As-Built Survey recorded in Condominium Plat Book _____, Page _____, Fulton County, Georgia Records and the Floor Plans filed in Condominium File Folder _____ of Fulton County, Georgia Records.

Section 4. Purpose. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting contributions for common expenses, arranging management of the Condominium and performing all other acts that the Georgia Condominium Act and the Declaration require the Association to perform. Except as to those matters which either the Georgia Condominium Act, the Declaration, or the Georgia Non-Profit Corporation Code specifically require to be authorized by a vote of the Association, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth herein.

ARTICLE II

DEFINITIONS

Unless the context otherwise requires, the terms as used in these By-Laws, the Declaration and the Articles of Incorporation shall have the following meanings:

Section 1. Act shall mean the Georgia Condominium Act Official Code of Georgia Annotated Section 44-3-70 et seq., as such act may be amended.

Section 2. Association shall mean Brandon Mill Farms Condominium Association, Inc. and its successors.

Section 3. Common Elements or common areas shall mean that area and property submitted to be part of the Condominium but not included within the boundaries of a unit and as defined in Paragraph 5 of the Declaration.

Section 4. Condominium shall mean all that property submitted to the Act by the Declaration.

Section 5. Declaration shall mean that certain document, described in Section 3 of Article I above, filed of record in the Office of the Clerk of the Superior Court of Fulton County, Georgia.

Section 6. Limited Common Elements shall mean those portions of the Common Elements set aside for limited use as described in Section 6 of the Declaration.

Section 7. Mortgage shall refer to any mortgage, deed to secure debt, deed of trust or other transfer or conveyance for the purpose of securing the performance of an obligation by any unit in the Condominium, including, without limitation, a transfer or conveyance of fee title for such purpose.

Section 8. Board of Directors shall mean those individuals elected to serve as Directors of the Association.

Section 9. Officer shall mean any of those individuals who are elected by the Board of Directors to serve as President, Vice President, Secretary, or Treasurer or such other subordinate offices as the Board may determine necessary.

Section 10. Owner shall mean the record title holder of a unit within the Condominium, but shall not mean a mortgage holder.

Section 11. Person shall mean any individual, corporation, firm, association, partnership or other legal entity.

Section 12. Unit shall mean that portion of the Condominium intended for individual ownership and use as described in the Declaration.

Other terms shall have their natural meanings or the meanings given in the Declaration, the Act, or the Georgia Non-Profit Corporation Code.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. An owner of a unit shall automatically become a member of the Association upon taking title to the unit and shall remain a member for the entire period of ownership. Subject to the provisions of the By-Laws, a spouse of a member may exercise the powers and privileges of the member. Membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the owner's membership. Membership shall be appurtenant to and may not be separated from the ownership of the unit to which it appertains and membership shall be transferred automatically by conveyance of the unit.

Section 2. Voting. Each unit shall be entitled to a vote equal to the percentage attributable to that Unit which may be cast by the owner, the owner's spouse, or by a lawful proxy as provided below. When more than one person owns a unit, the vote for such unit shall be exercised as they unanimously agree between or among themselves, but in no event shall more than one vote be cast with respect to any unit than allocated to that unit by the Declaration. In the event of disagreement among such persons and an attempt by two or more of them to cast such vote or votes, such persons shall not be recognized and such vote or votes shall not be counted.

Section 3. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totalling more than fifty (50%) percent of the total number of votes. Unless otherwise specifically stated, the words "majority vote" mean more than fifty (50%) percent of the votes cast by members in person or by proxy. Unless otherwise provided in the Declaration or these By-Laws, all issues that must be determined by a vote shall be decided by majority vote.

Section 4. Suspension of Membership and Voting Rights. If, during any period, a member fails to pay any annual or special assessment duly levied by the Association for a period of more than thirty (30) days after it is due and payable, the voting rights and right to the use of the recreational facilities of the Condominium, if any, of such member may be suspended by the Board of Directors until such assessment has been paid. Such membership rights may also be suspended, for violation of any of the rules and regulations, promulgated by the Board of Directors or Association governing the use of the Common Elements for the greater of (1) a

period of time not exceeding thirty (30) days or (2) the period of time during which said rules and regulations continue to be violated.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first Annual Meeting of members shall be called by the Declarant within a period of one year from the date upon which the Association is formed and each subsequent regular Annual Meeting of the members shall be held not less frequently than annually on a day and at an hour set by the Board of Directors. Meetings shall be held at the Condominium or other suitable place as set by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, Secretary, or Treasurer, or by request of any two or more members of the Board of Directors, or upon written request of the members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail postage prepaid or to cause to be personally delivered to the units and to all requesting holders of mortgages in units of the Condominium a notice of each meeting of the members of the Association at least twenty-one (21) days prior to each annual or regularly scheduled meeting including any meeting at which an amendment to any of the Condominium Instruments will be discussed or voted upon (except the First Annual Meeting called by the Declarant), or at least seven (7) days prior to any other meeting, including the First Annual Meeting, stating the time and place where it is to be held and the purpose of the meeting if it is a special meeting, to each owner of record. If any owner wishes notice to be given at an address other than his or her unit, the owner shall designate such other address by written notice previously delivered to the Secretary. If a notice of meeting is deposited in the United States mail to a unit or personally delivered in the manner provided in this Section then the notice shall be deemed delivered to such owner. All holders of mortgages that have previously requested notice shall be given the written notice of all meetings required above at the address designated by each such holder of a mortgage and shall be permitted to designate a representative to attend and observe any such meeting.

Section 4. Waiver of Notice. Waiver of notice of meeting by owners shall be deemed the equivalent of proper notice. Any owner may, in writing, waive notice of any meeting of the owners, either before or after such meeting. Attendance at a meeting by an owner, whether in person or by proxy, shall be deemed waiver by such owner of notice of the time, date and place thereof unless such owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 5. Quorum. Except as otherwise provided in these By-Laws, a quorum shall be deemed present throughout any meeting of the members of the Association until adjourned if persons entitled to cast more than one-third of the total votes of the Association are present at the beginning of that meeting. If the required quorum is not present at any meeting of members, a subsequent meeting may be held within 60 days following the previous meeting upon notice as provided in these By-Laws, and one-half of the votes required to constitute a quorum at the previous meeting shall constitute a quorum at that subsequent meeting.

Section 6. Adjournment. Any meeting of the members may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of the members holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

Section 7. Proxy. Except for a vote concerning amendment of any of the Condominium Instruments, any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, (1) the proxy must not purport to be revocable without the requirement that written notice of its revocation be delivered to the Association before the vote, (2) the proxy must be dated and (3) the proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used.

Section 8. Consents. Except for a vote concerning amendment of any of the Condominium Instruments, any action which may be taken by a vote of the owners may also be taken by written consent signed by all owners.

ARTICLE V

BOARD OF DIRECTORS

Part A. Composition and Selection.

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall consist of at least three (3) directors during the Control Period and after the expiration of the Control Period shall consist of five (5) directors. Except for Directors appointed by Declarant and as provided in Part E of this Article V, the Directors shall be owners of units or spouses of such owners, provided however, that no owner and his or her spouse may serve as a Director of the Board of Directors, at the same time. The precise number of Directors shall be changed by resolution of the Board of Directors members.

Section 2. Term of Office. From and after the time the right of the Declarant to appoint members to the Board of Directors expires, the Directors shall be elected as provided in Section 7 of this Article, for staggered terms of two years in order that in any year no more than three (3) Directors' terms expire. A Director whose term expires shall hold office until his successor has been elected and has attended his first meeting.

Section 3. Removal of Members of the Board of Directors. After the expiration of the Control Period, at any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a majority vote and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given at least seven (7) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a Director by vote of the Association, shall be filled for the remainder of the term of the member being replaced by a vote of the majority of the remaining Directors, even though less than a quorum, at any meeting of the Board of Directors.

Section 5. Compensation. Directors shall not be compensated unless and to the extent the members of the Association authorize at any meeting duly called for that purpose.

Section 6. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee which shall consist of three (3) members appointed

by the President to serve from the close of one annual meeting to the close of the succeeding annual meeting. The nominating committee shall be announced at the annual meeting. The nominating committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected; provided however, said individuals must also be unit owners from and after the date the Declarant's right to appoint Directors expires. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from members from the floor at the meeting.

Section 7. Elections. Directors shall be elected by the members from those nominated, by a majority vote at the annual meeting, a quorum being present.

Part B. Meetings.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board of Directors, but such meetings shall be held at least once every three months. The Board of Directors shall meet within ten (10) days after each annual meeting of members.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President, Secretary or Treasurer in like manner and upon like notice on the written request of at least two (2) Directors.

Section 10. Waiver of Notice. Any Director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order (latest edition) shall

govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration or these By-Laws. A majority of the total number of Directors shall constitute a quorum for the transaction of business.

Section 12. Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Part C. Powers and Duties.

Section 13. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Condominium and may do all such acts and things as are not prohibited by the Declaration, Articles of Incorporation, or these By-Laws. The Board shall have the power to adopt such rules and regulations as it deems necessary and appropriate and to impose sanctions for violations thereof, including, without limitation, monetary fines. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to, and be responsible for, the following in way of explanation, without limitation:

(a) Preparation and adoption of an annual budget, which shall establish the contribution amount of each owner for Common Expenses.

(b) Making assessments to pay Common Expenses, establishing means and methods of collecting such assessments, and establishing the period of installment payments for the annual assessment. Unless otherwise determined by the Board of Directors, the annual assessment against the proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each calendar month for said month.

(c) Providing for the operation, care, upkeep, and maintenance of all of the Condominium Property for which it has responsibility pursuant to Article VII, Section 5 hereof.

(d) Designating, hiring and dismissing personnel necessary for maintenance, operation, repair and replacement of the Association, its property and the Condominium Property

for which it has responsibility pursuant to Article VII, Section 5 and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties.

(e) Collecting the assessments, depositing the proceeds thereof in a bank depository insured by the Federal Deposit Insurance Corporation using the proceeds to administer the Association.

(f) Making, amending, repealing rules and regulations.

(g) Opening bank accounts on behalf of the Association and designating the signatories.

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of the Common Elements in accordance with the other provisions of the Declaration and these By-Laws, after damage or destruction by fire or other casualty.

(i) Enforcing by legal means the provisions of the Declaration, these By-Laws and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of the owners concerning the Association.

(j) Obtaining and maintaining insurance coverage against casualties and liabilities, as required herein, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Association or its members and not chargeable to owners.

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. Said books and vouchers accrediting the entries thereupon shall be available for examination by the unit owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the unit owners. All books and records shall be kept in accordance with generally accepted accounting practices.

(m) Licensing, leasing or assigning to unit owners the use of parking spaces within or without garages, storage lockers and/or laundry facilities and including the right, at the Board of Directors' discretion, to levy a charge or rent for the use thereof.

(n) Notwithstanding anything herein to the contrary, after the termination or expiration of the Control Period, the Board of Directors shall be authorized, without any vote of the members, to lease the reception center and office located adjacent to the pool and tennis courts to the Declarant or its successors for a period of up to twenty-four months after the commencement of said lease for the exclusive use of the Declarant or its successors as a sales and management office for the sale of condominium units or other property located on the Property that is adjacent to the Condominium Property. The Declarant shall be entitled to terminate the authority of the Board to enter into such a lease as contemplated in this paragraph if the Declarant executes a written termination stating that all such rights are terminated.

Section 14. Management Agent. Unless fifty-one (51%) percent or more of the holders of mortgages and a majority of the members otherwise consent the Board of Directors shall employ for the Condominium a professional management agent or agents, at a compensation established by the Board of Directors, to perform such specific duties and services as the Board of Directors shall expressly authorize; provided however, the Board of Directors may not delegate those powers granted to it that are set forth in paragraphs (a), (b), and (i) of Section 13 above. Provided further and notwithstanding any other provision herein to the contrary, any management contract shall contain a termination clause, permitting termination, with cause or without cause, without the payment of any fee, penalty or other termination payment upon thirty (30) days written notice and shall not have a term in excess of one year.

Section 15. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of Common Elements and facilities without the approval of the members of the Association; provided, however, that the Board of Directors shall obtain membership approval in the same manner as for special assessments set forth in Article VIII Section 5, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities to the Condominium and the total amount of such borrowing exceeds or would exceed Seven Thousand Five Hundred (\$7,500) Dollars outstanding debt at any one time.

Part D. Committees.

Section 16. Nominating Committee. Pursuant to Section 6 of this Article V, there shall be a nominating committee composed of three (3) members appointed in the manner and to perform the functions specified in Section 6 of this Article.

Section 17. Architectural Standards. The Board of Directors may establish an Architectural Standards Committee for the purpose of establishing and maintaining architectural standards of the Condominium as provided hereinafter and in the Declaration.

Section 18. Other Committees. There shall be such other committees as the Board of Directors shall determine with the powers and duties that the Board of Directors shall authorize. Unless otherwise provided in the resolution creating the committee, the chair person of each committee shall be a member of the Board of Directors.

Part E. Declarant Control.

Section 19. Term. Declarant shall have the right to appoint and remove all Directors notwithstanding any other provision of the Condominium Instruments to the contrary ("Control Period"). This right to appoint and remove directors may be relinquished voluntarily at any time by the Declarant pursuant to Section 18 of the Declaration or it shall cease upon the earlier of: (1) at the time seventy-five percent of the units shall have been conveyed by the Declarant to unit owners other than a successor Declarant except that the Control Period shall not expire due solely to the conveyance of seventy-five percent (75%) of all units until the earlier of: (a) the addition of all of the Additional Property to the Condominium; or (b) the expiration of the time period in which Declarant is entitled to expand the Condominium as provided in the Declaration; or (2) seven (7) years from the date of recording of the Declaration.

ARTICLE VI

OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board of Directors and shall be Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other subordinate officers as in its judgment may be necessary. Except for the offices of President and Secretary any two or more offices may be held by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors, at the first meeting of the Board of Directors following each annual meeting of the members, and shall hold office until his resignation, removal by the Board of Directors or until a successor is elected.

Section 3. Removal of Officers. Upon the vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside over all meetings of the members and of the Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including, but not limited to, the power to appoint committees from and among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Georgia law.

Section 7. Treasurer. The Treasurer shall have the responsibility for (1) the Association's funds and securities, (2) keeping full and accurate financial records and books of account showing all receipts and disbursements, (3) preparing all required financial statements and tax returns, (4) the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall additionally be responsible for the preparation of the budget as provided below. If the Association employs a management agent the duties may be delegated to the agent. In such case, the duties shall be performed by the Treasurer in conjunction with the management agent.

Section 8. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks in excess of \$500.00 and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE VII

ASSOCIATION RESPONSIBILITIES

Section 1. Liability and Indemnification of Officers and Directors. To the extent permitted by applicable law, the Association shall indemnify every officer and Director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer or Director in connection with any action, suit or other proceeding (including settlement of any such action, suit or proceeding if approved by the then Board of Directors) to which he may be made a party by reason of being or having been an officer or Director, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misfeasance or malfeasance. The officers and Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or Directors may also be members of the Association) and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director, or former officer or Director, may be entitled. The Association as a Common Expense shall maintain adequate general liability insurance and, if obtainable, officers' and Directors' liability insurance to fund this obligation and the insurance shall be written as provided in Section 2 of this Article VII.

Section 2. Insurance.

(a) The Association shall obtain and maintain at all times as a Common Expense, to the extent reasonably available, the following types of insurance:

- (1) A master casualty insurance policy affording fire, casualty and extended coverage insurance for all buildings, improvements, service equipment and all fixtures, supplies, and equipment and in an amount consonant with the full replacement value of all such structures, buildings, improvements, fixtures, equipment and other personal property within the Condominium excluding improvements or betterments made by unit owners together with an Agreed Amount Endorsement,

if available, and Inflation Guard Endorsement if required by a mortgage holder providing protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage;

- (2) Comprehensive liability insurance policy at least covering all Common Elements in amounts as determined from time to time by the Association (but in no event in amounts less than \$1,000,000.00 for injury, including death, to a single person, \$1,000,000.00 for injury or injuries, including death, arising out of a single occurrence, and \$50,000.00 property damage) including coverage for legal liability of the insureds for property damage, bodily injuries, and deaths in connection with the operation, maintenance or use of the Common Areas or liability arising out of employment contracts of the Association, a cross-liability endorsement covering the Association, the Board of Directors and the officers of the Association, all agents and employees of the Association, and all unit owners and other persons entitled to occupy any unit or other portion of the Condominium providing that negligent acts of the Association or another unit owner will not preclude coverage and;
- (3) Workman's Compensation insurance if and to the extent necessary to meet the requirements of law;
- (4) Fidelity bonds naming the Association as obligee covering officers, directors, trustees and employees of the Association and any professional management company and other persons who handle or are responsible for handling Association funds in such amount as the Board of Directors may determine to be necessary but in no event less than 150% of the estimated annual operating expenses of the Association and containing provisions waiving any defenses based on exclusion

of persons serving without compensation from coverage as "employee" and that bonds may not be cancelled or substantially modified without giving 30 days prior written notice to all mortgage holders;

- (5) Flood insurance which meets the criteria set forth in the Guidelines published by the Flood Insurance Administration in the Federal Register on February 17, 1978, in a coverage of at least an amount equal to 100% of the replacement costs of the insurable improvements or the maximum coverage available for all buildings and other insurable property, but only if any buildings of the Condominium are located in a designated special flood hazard area;
- (6) Steam boiler coverage, if applicable, is required for loss or damage resulting from a steam boiler equipment accident in an amount not less than \$50,000 per accident or such greater amount that may be prudent considering the nature of the policy.
- (7) Such other insurance as the Board of Directors may determine to be necessary.

Notwithstanding the foregoing, the Association shall in all events maintain any and all insurance as required by Section 44-3-107 of the Act or as otherwise required by law.

(b) All insurance shall name the Association as insured, as trustee for the owners and mortgagees benefiting the owners and mortgagees according to their respective percentage ownership of the Common Elements containing standard mortgagee clauses (without contribution) providing that the coverage of the mortgagee under the policy will not be adversely affected or diminished by act or neglect of the mortgagor, if available, and shall be written with a reputable company or companies licensed to do business in the State of Georgia with Best's Key Rating Guide of Class VI or better and with a company or companies which will provide insurance certificates to all unit owners and to each mortgagee of a unit if requested by the unit owner or mortgagee. All insurance coverage shall comply with local and state insurance laws.

(c) With respect to the insurance required by sub-paragraph (a) above the Association shall use its best

efforts to obtain insurance which, as appropriate, provides within the policy or by endorsement to the policy that:

- (1) the insurer waives its rights of subrogation of any claims against the Association, Directors, officers, the managing agent, if any, the unit owners and their respective household members, employees, agents, tenants and invitees and waives any defenses based on co-insurance or invalidity arising from acts of the insureds;
- (2) the policy cannot be cancelled, invalidated or suspended on account of the conduct of any officer, Director, agent or employee of the Association without a prior demand in writing delivered to the Association and to all mortgagees of units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;
- (3) any "no other insurance" clause contained in any policy shall expressly exclude individual unit owners' policies from its operation and effect and the policy of the Association is primary in the event the unit owner has other insurance covering the same loss;
- (4) until the expiration of thirty (30) days after the insurer gives notice in writing to the mortgagee of any unit and its servicing agent, if any, the mortgagee's insurance coverage will not be cancelled, terminated, affected or jeopardized by any act or conduct of the owner of such unit, the other unit owners, the Board of Directors, or any of their agents, employees, or household members, nor cancelled for nonpayment of premiums;
- (5) the policy may not be cancelled or substantially modified without at least thirty (30) days' prior notice in writing to the Board of Directors and all mortgagees of units;
- (6) coverage will not be prejudiced by (a) any act or neglect of the owners of the units when any act or neglect is not within the control of the Association or

(b) any failure of the Association to comply with any warranty or condition regarding any portion of the Condominium over which the Association has no control;

(7) in no event will the insurance be brought into contribution with any insurance purchased by individual unit owners or their mortgagees;

(8) the insurer waives any right to repair and reconstruct instead of paying cash.

(d) Upon prior written request, the Association shall notify any holder of a mortgage for a unit if such unit sustains damages in excess of \$1,000.00. Upon prior written request, the Association shall notify all holders of mortgages if the Common Elements sustain damages in excess of \$10,000.00. No provision of these By-Laws or the Declaration shall entitle the owner of a unit or other party to priority over holder of a first mortgage on a unit with respect to the distribution to such unit of any insurance proceeds.

(e) Each unit Owner shall notify the Board of Directors of all structural improvements made by the unit owner to his unit prior to construction. If a unit owner obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such unit owner at his expense and personal property belonging to such unit owner, then he shall deliver a copy of such policy or policies to the Board of Directors within thirty (30) days after the purchase of such insurance. Such unit owner shall also promptly notify, in writing, the Board of Directors if such policy is cancelled.

(f) If the insurance policies required above contain provisions providing that waiver of rights of subrogation against the Association, Directors, officers, the managing agent, if any, unit owners and their respective household members, employees, agents, tenants and invitees will not cancel, invalidate or provide a defense to coverage, then in that event all rights of subrogation for any claims against the above-referenced parties are hereby waived and released.

(g) The Association is entitled to name as an insured a representative or trustee, or successor pursuant to any Insurance Trust Agreement and such trustee or representative shall have exclusive authority to negotiate losses under any policy of property or liability insurance. All owners hereby appoint the Association and any trustee or representative

as attorney-in-fact for the purpose of purchasing and maintaining such insurance including, collection and appropriate disposition of proceeds, negotiation of losses and execution of releases and execution of documents and performance of all other appropriate acts and for the purpose of representing unit owners in any condemnation proceeding or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements or portions thereof.

Section 3. Repair and Reconstruction. In the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, unless all of the unit owner or owners and first mortgagees of units that are directly affected by said damage or destruction together with two-thirds (2/3) of all other unit owners and other first mortgagees vote not to proceed with the reconstruction and repair of the structure, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure in accordance with the Declaration and the original plats and plans. Except as may be provided above in the case of substantial loss to the units and/or Common Elements, no hazard insurance proceeds may be used other than for repair, replacement or reconstruction of the Condominium Property. The Association and any trustee or representative shall receive, hold and otherwise properly dispose of any insurance proceeds in trust for unit owners and their first mortgagees as their interests may appear. In the event of substantial damage or destruction, each holder of a first mortgage shall be entitled to written notice of the damage, and nothing in these documents shall be construed to afford a priority to any unit owner with respect to the distribution of proceeds to any such unit.

The procedure for repair and reconstruction shall be:

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray said estimated costs of reconstruction and repair as determined by the Board of Directors, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, to the extent the Association is

obligated for said repair or reconstruction and to the extent one or more units are damaged assessments shall be made against all of the unit owners and to the extent only one or more but less than all unit owners are responsible for said repair or reconstruction then said unit owner or unit owners shall pay for said repair or reconstruction. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board of Directors.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Declaration and the plans and specifications under which the Condominium was originally constructed.

(d) Encroachments. Encroachments upon or in favor of units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the unit owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against unit owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section.

(f) Method of Disbursement. The construction fund shall be paid by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

(g) Insurance Deductibles. If maintenance is required as a result of an insured loss, the amount of the deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such repair in the absence of insurance. If the loss affects more than one unit or a unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in accordance with the total cost of repair.

Section 4. Architectural Standards. No owner, occupant, lessee or lessor, or any other person may make any exterior change, alteration or construction, nor erect, place, or post any sign, object, light, or thing on the exterior of the buildings or in or on any other Common Element without first obtaining the written approval of the Board of Directors or its delegate. As used in the preceding sentence the term "exterior change" includes, but is not limited to, repainting exterior doors, walls or other surfaces, if such repainting changes the color of any exterior surface. Application shall be in writing and shall provide such information as the Board of Directors may reasonably require. In the event that the Board of Directors or its delegate fail to approve or to disapprove such application within sixty (60) days after it shall have been submitted, its approval will not be required and this Section 4 will be deemed complied with.

Section 5. Maintenance Responsibility.

(a) By the Association. Except as specifically provided in sub-paragraph (b) below, the Association shall have the sole and exclusive authority (which authority the Association may delegate from time to time), and the duty and responsibility to maintain in constant good order and repair, all portions of the Common Elements and all other portions of the Condominium not required to be maintained by the unit owners.

(b) By the Owner. Each unit owner shall have the sole and exclusive responsibility for maintaining, repairing and replacing (1) all portions of his unit; (2) any heating, air conditioning and ventilating equipment which serve only his unit; (3) all glass, encasements for glass, window frames, exterior doors to his unit including the door frame and jam door fixtures and door hardware; and (4) all electrical fixtures, panels, fuse boxes, fuses, circuit breakers, switches and electrical receptacles serving only his unit located within the unit boundaries and all wiring wherever located from the point of connection to said fixtures, panels boxes, circuit breakers, switches and electrical receptacles running to the unit. Notwithstanding the foregoing, to the extent that any repair or replacement as aforesaid is caused as a result of damage incident to the repair or replacement of any portions of the Condominium which is the responsibility of the Association or for which insurance proceeds are paid and allocated from the Association's insurance policy or policies then, the Association shall be responsible for said repair or replacement.

(c) All maintenance, repair, renovation, restoration and replacement of the Condominium resulting from

normal wear and tear, depreciation or obsolescence of any portion of the Condominium which is the responsibility of the Association and is not associated with the actual fault or negligence of any unit owner, his or her family, or anyone who visits or lives in the unit, shall be a Common Expense assessed equally among all unit owners, notwithstanding Section 44-3-80(b) of the Act and that portion of Paragraph 11(a) of the Declaration which contemplate expenses of the Association that: (i) benefit less than all of the units; or (ii) significantly disproportionately benefit all of the units.

(d) To the extent any maintenance, repair, renovation, restoration or replacement of any portion of the Condominium is caused by the malfunction of any portion of the unit that is the owner's obligation to repair or by the negligence or willful act of any unit owner, his or her family, or anyone who visits or lives in the unit, the unit owner shall be responsible for payment upon demand to the Association for such maintenance, repairs, renovations, restorations or replacements in accordance with Section 7 of Article VIII of these By-Laws.

(e) The Association is hereby authorized to delegate its duty to maintain, repair, manage and operate the portions of the Condominium for which it is responsible to a Manager and to enter into, make and execute a written management contract with such Manager in accordance with Section 14 of Article V.

(f) The Association shall have the sole and exclusive authority (which authority Association may, from time to time in whole or in part, delegate):

(1) to make improvements, additions, or alterations to all portions of the Common Elements, and repairs to structural portions of the Buildings, and no unit owner shall make or contract for any improvement, addition or alteration to any portion of the Common Elements, and

(2) to make all structural repairs to the Buildings.

(g) Notwithstanding anything in this Declaration to the contrary, unit owners may only make modifications, additions or alterations to the electrical, heating, air conditioning, mechanical ventilating or any other system in accordance with full and complete plans and specifications that have been previously submitted and approved by the Association in writing.

(h) The Association shall be authorized to perform, after notice, any maintenance upon any portion of

the Condominium for which a unit owner is responsible and to charge, as provided for assessments herein, the owner with the actual costs of maintenance.

Section 6. Condemnation. The provision of Section 44-3-97 of the Act shall govern in the event of any taking or acquisition of a portion of the Condominium Property by eminent domain. All awards and compensation for any such taking or acquisition shall be paid to the Association or any trustee to the extent such award or compensation relates to the Common Elements.

ARTICLE VIII

ASSESSMENTS

Section 1. Purpose of Assessment. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the owners and occupants of units in the Condominium as may be more specifically authorized from time to time by the Board of Directors. Assessments may be used to compensate officers and Directors only if approved by a majority vote of the Association.

Section 2. Creation of the Lien and Personal Obligation of Assessments. Each owner of any unit by acceptance of a Deed therefor, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments, such assessments to be established and collected as hereinafter provided, and (3) specific assessments against any particular unit which are established pursuant to the terms of the By-Laws or the Declaration. All such assessments, together with charges, interest, costs, and reasonable attorney's fees, in the maximum amount permitted by Section 44-3-109 of the Act, shall be a charge on the unit and shall be a continuing lien upon the unit against which each assessment is made. Such amounts shall also be the personal obligation of the person who was the owner of such unit at the time the assessment became due. Each owner shall be liable for his or her portion of each assessment coming due while he or she is the owner of a unit and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided however, that any holder of a first mortgage who obtains title to a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such unit's unpaid assessments accruing prior to the acquisition of title to such unit by said mortgagee. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors;

unless otherwise provided, the assessments shall be paid in monthly installments.

Section 3. Acceleration. If a unit owner shall be in default in payment of an installment of an assessment, including, by not limited to, the monthly installments based on the annual budget, the Board of Directors may accelerate the remaining installments upon ten (10) days written notice to such unit owner, whereupon the entire unpaid balance of such installment shall become due upon the date stated in such notice.

Section 4. Notice to Mortgagee of Default by Unit Owners. Upon written request, the holder of a first mortgage for a unit shall be given written notice from the Board of Directors of any default by an owner of such unit in the performance of any obligation set forth herein or in the Declaration or other Condominium Instrument that is not cured by said unit owner within thirty (30) days after default.

Section 5. Computation of Operating Budget and Assessment. It shall be the duty of the Board of Directors not later than twenty-one (21) days prior to the Association's Annual Meeting each year to prepare a budget covering the estimated costs of operating the Condominium. The Board of Directors may, at any time, levy a further assessment for the remainder of the current budget year. The budget, the assessment and any further assessments shall become effective until and unless disapproved at any annual or special meeting of the members 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 any further assessments, or the Board of Directors fails for any reason to determine the budget for the succeeding fiscal year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current fiscal year shall continue for the remainder of that year and the succeeding fiscal year. [Notwithstanding anything herein to the contrary, the Association annual budget shall not be increased by a percentage increase greater than the percentage increase of the Consumer Price Index for the preceding year of the Consumer Price Index unless two-thirds of the members so vote at a duly called meeting to approve such an increase.]

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Section 6. Special Assessments. If the assessment proves inadequate for any year, for any reason, the Board of Directors may, at any time, levy a special assessment against all owners; provided, however, that 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 or annual meeting of the members, notice of which shall specify that purpose.

Section 7. Specific Assessment Against Specific Unit. To the extent that the Association is obligated pursuant to these By-Laws to (1) make any repairs or replacements to any part of the Property or (2) incur any cost or expense, then, in either of said events if said repairs or replacements are made or a cost, expense or other obligation is incurred as a direct and proximate result of any wilful or negligent act, omission or fault of any unit owner, the Board of Directors may levy a specific assessment against that unit owner in the amount of the cost of said repairs or replacement or cost or expense incurred by the Association.

Section 8. Lien for Assessments. The Association shall have full and complete lien rights as provided or permitted by Section 44-3-109 of the Act, and the lien shall specifically include the maximum costs, charges, fees and rents set out in Section 44-3-109(b) of the Act. Each holder of a first mortgage on a unit coming into possession of the unit by virtue of foreclosure of the mortgage or by deed in lieu of foreclosure or any purchaser at a foreclosure sale (except the previous owner of such unit, a relative of said owner or anyone acting on his behalf) shall take title to the unit free of any claims for unpaid assessments and charges against the unit that accrue prior to the time such holder comes into possession except for claims of a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units.

Section 9. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected maintenance, repair or replacement of improvements to the Common Elements and Limited Common Elements the Association is obligated to maintain. The Board of Directors shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by equal monthly assessments over the period of the budget. The regular monthly assessments of unit owners shall include the sums required by the capital budget. The capital contribution required shall be fixed by the Board of Directors and shall be included within the budget and assessment provided for in Sections 2 and 5 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget. Notwithstanding anything herein to the contrary, the Association annual budget shall not be increased by a percentage increase greater than the

percentage increase of the Consumer Price Index for the preceding year unless two-thirds of the members so vote at a duly called meeting to approve such an increase.

ARTICLE IX

USE RESTRICTIONS AND RULE MAKING

Section 1. Authority and Enforcement. The Condominium shall be used only for those uses and purposes set out in the Declaration. All unit owners and occupants shall comply with the rules and regulations set forth on Exhibit "A", attached hereto and by this reference made a part hereof. The Association members shall have the authority to adopt additional rules and regulations by a majority vote of members at a meeting duly called for that purpose, copies of the proposed rules and regulations having been previously delivered to all members, provided such rules and regulations only govern the conduct in and use of the Common Elements only as such conduct or use may directly interfere with the quiet enjoyment of another unit occupant. The Board of Directors shall have the authority to enforce reasonable rules and regulations previously adopted by the Association members that govern the conduct and use of the Common Elements only as such conduct or use may directly interfere with the quiet enjoyment of another unit occupant, provided that copies of all such rules and regulation be furnished to all owners. The Board of Directors shall have the power to impose reasonable fines which shall constitute a lien upon the Property and to suspend an owner's right to vote and use the Common Elements for violation of any duty imposed under the Declaration, these By-Laws or any rules and regulations duly adopted by the Board of Directors or Association, provided, however, the Board and the Association shall not prohibit or restrict the use of the Common Elements for ingress and egress to and from the units.

Section 2. Procedure. The Board of Directors shall not impose a fine, suspend voting, or infringe upon any other rights of a member or other occupant for violation of rules unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation; and (iii) (A) if the violation is a continuing one, a time period, not less than ten (10) days, during which the violation may be abated without further sanction or (B) if the violation is not a continuing one, a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing.

(b) Notice. Within twelve months of such demand, if the violation continues past the period allowed in the demand for abatement notice without penalty, or if the same rule is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board of Directors in session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on his or her behalf; and (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session pursuant to this notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or Director who delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(d) Exception. If the nature of the violation is one for which the above procedure cannot be reasonably followed before assessing the appropriate penalty, then the penalty may be first assessed and then the above notice shall be given and the unit owner shall have the same right to a hearing to contest said penalty as set forth above.

ARTICLE X

MISCELLANEOUS

Section 1. Notices. Unless otherwise provided in these By-Laws all notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally, deposited in first class mail postage prepaid or if sent by registered or certified mail, return receipt requested, first class postage prepaid to the following address:

(a) If given to a unit owner, at the address which the unit owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the unit of such owner; or

(b) If given to the Association, the Board of Directors or the Managing Agent, at the principal office of

the Association or the Managing Agent, if any, or at such other address as shall be designated by the notice in writing to the owners pursuant to this Section.

(c) If given to a holder of a mortgage, at the address designated to the Association by the holder or if no address is designated, then to Brandon Mill Farms, 7550 Colquit Road, Dunwoody, Georgia 30338.

Section 2. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

Section 6. Audit. An internal audit of the accounts of the Association shall be made annually in the manner determined by the Board of Directors, provided, however, that after having received a copy of the Board of Directors' audit at the annual meeting, the owners by a majority vote or any holder of a first mortgage shall be entitled to require that the accounts of the Association be audited as a Common Expense by a public accountant. Upon written request of any institutional holder of a first mortgage, such holder shall be entitled to receive a copy of the annual audited financial statement within 90 days after the end of each fiscal year free of charge.

Section 7. Conflicts. In the event of conflicts between the Act, Declaration and these By-Laws, then the Act, the Declaration and these By-Laws shall control in that order.

Section 8. Condemnation. In the event of a taking by condemnation or by eminent domain, the provisions of Section 6 of the Act shall prevail and govern. Each holder of a first mortgage shall be entitled to written notice of any such condemnation proceedings, and nothing in these documents shall be construed to give a priority to any unit owner in the distribution of proceeds to such unit.

Section 9. Amendment. These By-Laws may be amended by the affirmative vote of two-thirds of all of the total votes in the Association. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment and shall be sent to all members and to all holders of first mortgages.

Section 10. Books and Records. All members of the Association and any holder of a first mortgage shall, upon written request, be entitled to inspect all current copies of the Declaration, By-Laws, rules and regulations and any amendments thereto and books and financial records of the Association during normal business hours at the office of the Association or other place designated reasonably by the Board of Directors as the depository of such books and records and, upon request, any holder of a mortgage on a unit shall be entitled to receive an annual financial statement of the Association within 90 days after the end of the Association fiscal year.

Section 11. Mortgagees' Approvals. Notwithstanding any other provision herein to the contrary which requires less than all of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than Declarant) to approve, the prior written consent of at least sixty-seven (67%) percent of the first mortgagees (based upon one vote for each first mortgage owned) and sixty-seven (67%) percent of all owners (other than Declarant), or whatever larger majority may be required by the Condominium Instruments, shall be required to add or amend any material provisions of the Condominium Instruments which establish, provide for or regulate any of the following:

- (a) The pro rata interest or obligations of any individual condominium unit for the purpose of:
 - (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or
 - (ii) determining the pro rata share of ownership of each condominium unit in the Common Elements except reallocation provided for in Paragraphs 9, 10, 11, and 16 of the Declaration upon the expansion of the Condominium to include portions of the Additional Property;
- (b) Subdivide, partition or relocate the boundaries of any unit or the Common Elements or Limited Common Elements, except as otherwise provided herein in the event the Condominium is expanded to include portions of the Additional Property pursuant to Paragraph 16 of the Declaration;
- (c) Voting, except as otherwise provided in the Declaration in the event the Condominium is expanded to include

portions of the Additional Property pursuant to paragraph 16 of the Declaration;

- (d) Assessments, assessment liens or subordination of such liens;
- (e) Reserves for maintenance, repair and replacement of the Common Elements;
- (f) Insurance or fidelity bonds;
- (g) Right to use of the Common Elements, except as otherwise provided in the Declaration in the event the Condominium is expanded to include portions of the Additional Property pursuant to paragraph 16 of the Declaration;
- (h) Responsibility for maintenance and repair of portions of the Condominium;
- (i) Expansion or contraction of the Condominium or the addition or withdrawal of property to or from the Condominium, except for expansion provided for in Paragraph 16 of the Declaration to include the Additional Property;
- (j) Boundaries of any unit;
- (k) Interests in general or limited Common Elements, except as otherwise provided in the Declaration in the event the Condominium is expanded to include portions of the Additional Property pursuant to paragraph 16 of the Declaration;
- (l) Convertibility of units in Common Elements or Common Elements into units;
- (m) Leasing of units;
- (n) Imposition of right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey a unit;
- (o) Any provision expressly for the benefit of holders of first mortgages or insurers or guarantors of such mortgages.

Upon written request to the Association, identifying the name and address of the requesting party and the address of the unit concerned, the holder of any first mortgage shall be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the buildings or improvements in the Condominium or any unit on which a holder, insurer or guarantor of a first mortgage has so requested notice;
- (b) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a mortgage held, insured or guaranteed by a requesting party which remains unpaid for a period of sixty (60) days;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action which would require the consent of a specified percentage of holders of first mortgages hereunder.

Section 12. Signs. Except for the rights of Declarant stated in the Declaration, the unit owners and other tenants and occupants shall not display any sign in the Common Elements or any sign that is visible to anyone located in any portion of the Common Elements.

EXHIBIT "A"

USE AND OCCUPANCY RESTRICTIONS

Subject to the provisions of these By-laws, no part of the property may be used for purposes other than residential housing and the related common purposes for which the Property was designed. Each Unit shall be used as a residence and for no other purpose. The Common Elements shall be used only by the members and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units. The use, maintenance and operations of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any member. Without limiting the generality of the foregoing provisions of this Exhibit "A", use of the Property by the members shall be subject to the following restrictions:

- (a) Patios, balconies, stairwells, walkways, or any Common or Limited Common Elements open to general view are not to be used for storage of any kind;
- (b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property. No member shall permit the storage of unusual or unnecessary amounts of flammable liquids, explosives, corrosives, poisons or lethal chemicals or any substance in his or her Unit in or on the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which will be in violation of any law;
- (c) No waste shall be committed in or on the Units of the Common Elements;
- (d) Each member shall comply with all policies and rules promulgated by the Board of Directors governing trash and refuse collection and disposal;
- (e) No noxious or offensive activity shall be carried on in any Unit or on or in the Common Elements nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit Owners;
- (f) Except as expressly provided hereinabove, nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board or the written consent of the Managing Agent in accord with the Board's direction;

(g) Subject to the right of Declarant to promote the sale of units, no structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuildings shall be permitted on the Property at any time temporarily or permanently except that the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Property or any portion thereof or the initial sales of the units;

(h) Parking or storage of large vehicles, including (but not limited to) boats, large trucks, trailers, campers, mobile homes, horse trailers, vans, recreational vehicles and similar vehicles, are not permitted in the driveway or any parking areas. Any exceptions to this restriction shall be at the discretion of the Board or the managing Agent acting in accord with the Board's direction;

(i) Except within individual Units, no planting, transplanting or gardening shall be done and no fences, hedges or walls shall be erected or maintained upon the Property, except as approved by the Board;

(j) Motorcycles, motorbikes, motor scooters or other similar vehicles shall not be operated within the Property except for the purpose of transportation, it being intended that said vehicles shall not be operated within the Property so as to annoy or disturb persons or endanger persons or property and such vehicles shall not be stored or parked in or under any building or hallway;

(k) No exterior antennas or aerials shall be allowed on the Property;

(l) No animals other than a reasonable number of generally recognized house pets, shall be kept or maintained on any portion of the Property and then only if they are kept or maintained solely as domestic pets and not for commercial purposes. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Common Elements, and no such structure shall be constructed or maintained within any balcony, deck, patio or terrace area unless the same shall be approved in advance in writing by the Board of Directors. Pets shall be under leash when walked or exercised in any portion of the Common Elements. No pet shall be permitted to leave its droppings on any portion of the Common Elements, and the owner of such

pet shall immediately remove the same. Upon the written request of any Owner, the Board of Directors shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this Section, a particular pet is permitted or such pet is a nuisance, and shall have the right to require the owner of a particular pet to remove such pet from the property if such pet is found to be a nuisance or to be in violation of these restrictions.

(m) To provide a neat, attractive and harmonious appearance throughout the property, no awnings, shades, screens or other item shall be attached to, hung or used on the exterior of any window or door of a Unit or on the exterior of any building without the prior written consent of the Board of Directors of an architectural committee appointed by the Board of Directors. Further, no foil or other reflective material shall be used on any windows for sun screens, blinds, shades or any other purpose. All shades, drapery linings and other window treatments visible from the exterior of a Unit on any window or door shall be white or off-white. Outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained on any portion of the Property, nor shall any clothing, rugs or any other item be hung on any railing or fence enclosing any balcony, deck, terrace or patio.