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STATE OF GEORGIA

COUNTY OF CHATHAM

NEIGHBORHOOD DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE TOWNHOMES AT THE PALMS

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LIST OF EXHIBITS

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- EXHIBIT "B" - BYLAWS
- EXHIBIT "C" - CONSENT OF MASTER DECLARANT

NEIGHBORHOOD DECLARATION OF COVENANTS, CONDITIONS AND

RESTRICTIONS FOR THE TOWNHOMES AT THE PALMS

THIS DECLARATION is made this 9th day of July, 2025, by BEACON NEW HOMES, LLC, a Georgia limited liability company (hereinafter referred to as the "Declarant").

W I T N E S S E T H

WHEREAS, Declarant is the owner of, or has the consent of the owner of, the real property described in Exhibit "A" attached hereto;

WHEREAS, Declarant intends to subject the real property described in Exhibit "A" attached hereto to the provisions of this Declaration to create a residential community and to provide for subjecting and annexing additional real property to the provisions of this Declaration; and

NOW, THEREFORE, Declarant hereby declares that the real property described in Exhibit "A" attached hereto is subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied, mortgaged, and otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens set forth herein, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any part of the property subjected hereto, including their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of such property.

ARTICLE I. PROPERTY

1.1. Submission to Declaration. The Property, including any improvements which may be constructed thereon, shall be held, sold, transferred, conveyed, used, occupied, mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments and liens contained herein. This Declaration shall be binding on all persons having any right, title, or interest in all or any portion of the Property now or hereafter made subject hereto, their respective heirs, legal representatives, successors and assigns, and shall inure to the benefit of every owner of all or any portion thereof. Without limiting the generality of the foregoing, this Declaration shall specifically be binding upon each owner of fee simple title to a Lot (each an "Owner" and collectively the "Owners"), each person other than an Owner who occupies all or any portion of a Lot for any period of time (an "Occupant"), each holder of a mortgage or other security interest in any one or more of the Lots (a "Mortgagee"), and all tenants and subtenants,

guests and other invitees of any Owner or Occupant. Notwithstanding anything to the contrary herein, no Occupant or Mortgagee shall be deemed an Owner unless expressly provided herein.

1.2. Designation of Property. The Property shall be divided into Common Area, as defined in Section 2.1 below, and single-family residential Lots, as shown and depicted on that certain Palms Townhomes – Major Subdivision Plat (the “Community”) recorded on July 18, 2024, at Book 54, Page 414 in the Chatham County land records (the “Plat”). A “Lot” shall be defined as any plot of land on the Property, with all improvements constructed on that land, which constitutes a separately delineated single-family lot as shown on the Plat. Each Lot shall be conveyed as a separately-designated and legally-described freehold estate subject to this Declaration. The ownership of each Lot shall include, and there shall pass with each Lot, as an appurtenance thereto, whether or not separately described, the membership in the Association attributed to that Lot, as described elsewhere herein. For all purposes hereof, a “Dwelling” shall be defined as the residential dwelling unit constructed upon a given Lot, as shown on the Plat.

1.3. Unilateral Annexation by Declarant. As the owner thereof or, if not the owner, with the written consent of the owner thereof, Declarant shall have the unilateral right, privilege and option, for a period of ten (10) years after the recording of this Declaration, to subject all or part of any parcel of real property adjacent to the Property (the “Additional Property”) to the provisions of this Declaration and the jurisdiction of the Association by filing of record an amendment to this Declaration describing the Additional Property being annexed. Any such annexation shall be effective upon the filing of record of such amendment to the Declaration, unless otherwise provided therein. Any property so annexed into the Community shall thereafter be a part of the Property as that term is defined herein. The Declarant may unilaterally amend this Declaration to reflect the different character of any Additional Property so annexed. The rights reserved unto Declarant to subject any Additional Property to this Declaration and to the jurisdiction of the Association shall not impose any obligation upon Declarant to do so.

1.4. Annexation by Association. The Association may annex real property to become a part of the Property subject to the provisions of this Declaration and the jurisdiction of the Association, by filing of record an amendment to the Declaration describing the property being annexed. Any such amendment shall be subject to the approval of no less than two-thirds (2/3) of the Members of the Association, the consent of the owner of the real property being annexed and, until Declarant no longer has the authority to appoint the directors and officers of the Association, subject also to the consent of the Declarant. Any such amendment to the Declaration shall be executed in recordable form by the president and the secretary of the Association, and any such annexation shall be effective upon the filing of record of such amendment to the Declaration, unless otherwise provided therein.

1.5. Conveyance of Property by Declarant to Association. The Declarant may convey to the Association personal property, improved or unimproved real property, leasehold interests, easements, or other property interests located within or adjacent to the Community. Any such

conveyance shall be accepted by the Association, and the property, easement or other interests therein shall thereafter be Common Area to be maintained by the Association for the benefit of all or a part of its Members. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Article.

ARTICLE II. COMMON AREA

2.1. Common Area Defined. For all purposes of this Declaration, the "Common Area" shall be defined as the real property, interests in real property and personal property, easements and other interests, together with any improvements located thereon, which are designated for the common use and enjoyment of the Owners of the Lots, their Occupants and guests. The Common Area shall include, without limitation, all property now or hereafter owned by the Association which is not included within the boundaries of any Lot, as shown on the Plat.

2.2. Areas Reserved for Exclusive Use of Respective Lots. Ownership of each Lot upon which is constructed a Dwelling shall entitle the Owner thereof to exclusive use of those portions of the Common Area ("Exclusive Common Area") upon which are located, on the date of recording of this Declaration:

(a) Any mailbox or designated box in a CBU (as defined in Section 7.15 below) serving the Dwelling;

(b) any utility meters serving the Dwelling (subject to the easement rights of any utility service provider); and

(c) any driveways, walkways, steps, stoops, landings and appurtenant fixtures and facilities, and all portions thereof, providing direct access to the Dwelling (and no other Dwellings).

Nothing contained in this Section 2.2 shall be construed as giving any Owner the right to locate or relocate any apparatus, fixtures or the like which are not installed as of the date his or her Lot is made subject to this Declaration.

ARTICLE III. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1. Homeowners Association. The Community shall be administered by Townhomes at The Palms Owners Association, Inc., a Georgia nonprofit corporation, its successors and assigns (the "Association"), which shall be governed by the bylaws attached hereto as Exhibit "B," as restated or amended from time to time (the "Bylaws"). Any person or entity who purchases a fee simple interest in and to any Lot shall automatically become a member of the Association (a "Member"), upon the closing of such purchase, and shall automatically cease to be a Member upon his, her or its transfer or sale of such Lot, whether by sale, gift, death or incompetence, foreclosure

or otherwise. The Association shall be deemed a Subassociation (as defined in the Master Declaration, hereinafter defined).

3.2. Voting and Control. There shall be only one (1) membership and vote per Lot. If a Lot is owned by more than one person or by a corporate entity, partnership or the like, then the voting rights and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote, to serve on the Association's board of directors (the "Board") and to hold office, may be exercised by a Member or the Member's spouse, but in no event shall more than one vote be cast nor office held for each Lot owned. Any provision of this Declaration in which the vote or consent of the Owners is required shall be deemed to require majority vote of the Owners (i.e., consent of the Owners of a majority of the Lots) unless a greater or lesser number is otherwise expressly provided herein.

3.3. Master Declaration and Association. The Property submitted to this Declaration is part of a larger development governed by that certain Declaration of Covenants, Conditions and Restrictions for New Hampstead, dated December 28, 2005, recorded in Deed Book 299-Z, Page 21, Chatham County, Georgia records (as amended, the "Master Declaration"), and an owner's association known as New Hampstead Property Owners Association, Inc. (the "Master Association"). This Declaration shall supplement the covenants, conditions and restrictions of the Master Declaration, and shall constitute Subassociation Covenants (as defined in the Master Declaration). Each Owner shall abide by, and shall ensure their tenants, guests and invitees abide by, the terms of the Master Declaration and/or any rules and regulations adopted by the Master Association that govern the Property. The Association shall be the sole and exclusive representative of the Property and the Community for purposes of participating in the business and affairs of the Master Association and shall be authorized to represent the Owners in all such matters. No individual Owner shall have any right or authority to represent or speak for the Community vis-a-vis the Master Association or otherwise. The Declarant under the Master Declaration (the "Master Declarant") has approved these covenants pursuant to Section 7. 1 of the Master Declaration, as evidenced by its written consent attached hereto as Exhibit "C".

3.4. Declaration and Association for the Palms. The Property submitted to this Declaration also is part of a residential neighborhood within the Master Declaration governed by that certain Declaration of Covenants, Conditions, and Restrictions for The Palms, dated July 18, 2018, and recorded in Deed Book 1411, Page 469, Chatham County, Georgia records (as amended, the "Palms Declaration"), and an owner's association known as The Palms Homeowners Association, Inc. (the "Palms Association"). Each Owner shall abide by, and shall ensure their tenants, guests and invitees abide by, the terms of the Palms Declaration and/or any rules and regulations adopted by the Palms Association that govern the Property or the common area as defined in the Palms Declaration. The Association shall be the sole and exclusive representative of the Property and the Community for purposes of participating in the business and affairs of the Palms Association and shall be authorized to represent the Owners in all such matters. No

individual Owner shall have any right or authority to represent or speak for the Community vis-a-vis the Palms Association or otherwise.

ARTICLE IV. ASSESSMENTS

4.1. Annual Assessments. Annual assessments shall be levied equally against all Lots, except as provided in Section 4.10 below, and shall be paid in such manner and on such dates as may be fixed by the Board. The Board may allow annual assessments to be paid through periodic installments, and the Board shall have the right to accelerate any unpaid installments in the event an Owner is delinquent. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

4.2. Special Assessments. In addition to the other assessments authorized by this Declaration, the Association may levy special assessments from time to time. Special assessments must be approved by the Members, provided that notwithstanding anything herein to the contrary, the Board may levy one or more special assessments in any given fiscal year, without the vote or approval of the Members, provided the same do not exceed the equivalent of one-sixth (1/6) of annual assessments per Unit. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

4.3. Specific Assessments. The Board of Directors shall have the power to levy specific assessments against Lots pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. The Board of Directors shall have the power to levy specific assessments as follows:

(a) Any common expenses benefiting less than all of the Lots or significantly disproportionately benefiting all Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; provided, however, except for expenses incurred in maintaining the Exclusive Common Area, which may be specifically assessed to the Owner or Owners to which the Exclusive Common Area has been assigned, nothing contained in this subsection (a) shall permit the Board to specifically assess an Owner for expenses incurred for maintenance and repair of items which are the Association's maintenance responsibility hereunder.

(b) Any common expenses occasioned by the conduct of less than all of those entitled to occupy all of the Lots or by the licensees or invitees of any Lot may be specifically assessed against such Lot, including, but not limited to, expenses and attorney's fees actually

incurred by the Association in enforcing the Declaration, Bylaws or Association rules and regulations, regardless of whether or not an enforcement lawsuit has been filed.

(c) Any common expenses incurred to bring any Lot into compliance with the standard of conduct, maintenance, or other activity generally prevailing at the Community, or the minimum standards established pursuant to this Declaration, the Architectural Design Guidelines, Restrictions and Rules, and Board resolutions, or the minimum standards established pursuant to the architectural guidelines under the Master Declaration and the Palms Declaration, whichever is the highest standard (the "Community Standard"). The Community Standard may evolve as development progresses and as circumstances within the Community change except that in no event shall the Community Standard be a lower standard than that required under the Master Declaration unless approved by the Master Declarant (which approval may be granted or withheld in its sole discretion) in a recorded document;

(d) Individual usage charges for water, sewer, sanitation, or any other utilities or services now or hereafter billed to the Association, based upon each Dwelling's actual usage, if the same can be determined by submetering of the individual Dwellings, or pro-rata, in the discretion of the Board. In addition to usage charges, the Association shall have the right to assess for any overhead or other costs of the submeters or related systems which may be maintained or installed by the Association;

(e) Other specific assessments, including fines, against an Owner and Owner's Lot deemed reasonable by the Board.

4.4. Purpose of Assessments. The assessments provided in this Declaration shall be used for the common benefit and enjoyment of the Owners and Occupants of Lots, as may be authorized from time to time by the Board. The Association is hereby authorized to levy assessments for expenses incurred or anticipated to be incurred by the Association in performing its responsibilities and exercising its rights and powers under this Declaration, the Association's Articles of Incorporation and the Bylaws, specifically including, but not limited to, the following:

(a) expenses of maintaining, repairing, replacing, improving, and operating the Common Area and other areas in the Community for which the Association has responsibility pursuant to this Declaration, the Plat, and any other applicable covenants, contracts, or agreements;

(b) amounts due to third parties who perform such tasks on behalf of the Association, and the costs of labor, equipment, materials, management, and supervision thereof;

(c) the cost of utilities provided by the Association to its membership, if any;

(d) taxes, if any, imposed on the Association;

- (e) the costs of insurance, if any, incurred by the Association;
- (f) expenses of monitoring and enforcing compliance with provisions of the Declaration;
- (g) expenses arising out of the Association's indemnification obligations;
- (h) expenses of conducting architectural reviews as provided herein;
- (i) expenses of managing the Association, including compensation of management personnel, maintaining books and records, handling Association funds, providing financial reports, and corresponding with Members;
- (j) administrative expenses such as postage, copying expense, office supplies and equipment;
- (k) legal, accounting, and other professional fees;
- (l) any and all assessments or other fees and charges levied against the Association by the Master Association pursuant to the Master Declaration (to the extent not otherwise collected by the Palms Association);
- (m) any fees and all assessments or other fees and charges due and owing to the Palms Association (to the extent not billed directly by the Palms Association to any Owner); and
- (n) such other expenses as the Board deems necessary or desirable to keep the Community in good, clean and attractive condition, to maintain and enhance property values and marketability of Lots.

4.5. Late Charges and Interest. Any assessments or other charges not paid within ten (10) days of when due shall subject the delinquent Owner to a late charge of Ten Dollars (\$10.00) or Ten Percent (10%) of the amount due, whichever is greater. In addition, if any Owner becomes more than thirty (30) days delinquent in the payment of assessments, then the amount of such delinquent assessments shall incur interest at the rate of Ten Percent (10%) per annum. In addition, and not to the exclusion of any other remedies available at law or equity, the Association may pursue any one or more of the following remedies upon ten (10) days written notice to such Owner: (i) institute legal action against the Owner in any court of competent jurisdiction; (ii) revoke the Owner's right to pay annual assessments in periodic installments and demand that the unpaid amount of that year's annual assessments be paid in full immediately; (iii) suspend the Owner's right to vote on matters requiring a vote of the membership of the Association; and (iv) suspend the Owner's privileges to use any or all of the Common Area (unless the Owner's rights of ingress or egress would be denied thereby).

4.6. Personal Liability and Lien for Assessments. Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner shall be jointly and severally liable for the assessments which are due at the time of conveyance. In addition, the Association shall have a lien against each Lot for all sums assessed against any Lot, Owner, or Member pursuant to this Declaration. Such lien shall be in addition to the rights of the Master Association to file a lien upon the Lots to secure payment of the Master Assessments (as defined in the Master Declaration) and the rights of the Palms Association to file a lien upon the Lots to secure payment of any assessments under the Palms Declaration. The lien of the Association shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes; (b) liens for all sums unpaid on a first priority mortgage or Deed to Secure Debt; and (c) any lien arising by virtue of any mortgage in favor of Declarant which is duly recorded in the land records of Chatham County, Georgia. All other persons acquiring liens or encumbrances on any Lot after this Declaration is duly recorded shall be deemed to acknowledge that their liens are inferior to the lien of the Association for assessments in existence at that time or which arise in the future. The Association's lien, when delinquent, may be enforced by suit, judgment, and non-judicial or judicial foreclosure.

The Association may bid for the Lot at any lien foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf, (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments.

4.7. Certificate of Payment. The Association, within ten (10) business days after receiving a written request, shall furnish a certificate authorized by an officer of the Association setting forth whether the assessments, other charges, and fines on a specified Lot have been paid. A properly authorized certificate shall be binding upon the Association, the Board, and the Owner as of the date of issuance. The Board, or any property management company acting at the direction of the Board, shall have the right to impose a reasonable charge for providing this certificate.

4.8. Annual Budget. At least twenty-one (21) days prior to each annual meeting of the Association, the Board shall prepare a budget summarizing the anticipated expenses and capital reserves of the Association for the proceeding fiscal year, and shall deliver copies of the same to the Members. Said budget shall take effect on the first day of the proceeding fiscal year unless disapproved by the majority of the total vote of the Association membership at the annual meeting of the Association.

If either (1) the membership disapproves the budget as provided herein, or (2) the Board fails for any reason to either (a) prepare a budget for the new fiscal year or (b) deliver the budget to the members, as provided herein, then the budget in effect for the current fiscal year shall continue for the upcoming new fiscal year. In such event or in the event the annual assessment is insufficient to cover the actual common expenses of the Association during any fiscal year, the Board of Directors may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and assessment shall be delivered to the members at least twenty-one (21) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The proposed budget and assessment shall become effective unless disapproved by the majority of the total vote of the Association membership at such special meeting.

4.9. No Setoff or Deduction. No Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for in this Declaration. No setoff, diminution, or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action, for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. The obligation to pay assessments is a separate and independent covenant on the part of each Owner and is not subject to setoff.

4.10. Date of Commencement of Assessments. Assessments on each Lot shall commence upon sale of such Lot by Declarant to any third party other than a Declarant-approved builder; provided, however, under no circumstances shall assessments commence upon a Lot until issuance of a certificate of occupancy for the Dwelling constructed upon such Lot. Assessments shall be adjusted according to the number of days after commencement remaining in that fiscal year.

4.11. Budget Deficits During Declarant Control. For so long as the Declarant has the authority to appoint the directors and officers of the Association, Declarant may (but shall not be required to) do any or all of the following to address deficits in the Association budget:

(a) Advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association and the sum of the annual, special, and specific assessments collected by the Association in any fiscal year. Such advances shall, upon request of Declarant, be evidenced by promissory notes from the Association in favor of the Declarant. The failure of Declarant to obtain a promissory note shall not invalidate the debt.

(b) Cause the Association to borrow money from a third party at the then prevailing rates for such a loan in the local area of the Community. Declarant, in its sole discretion, may guarantee repayment of such loan, if required by the lending institution.

(c) Acquire property for, or provide services to, the Association or the Common Area. Declarant shall designate the value of the property or the services provided and such amounts, at the request of the Declarant, may be evidenced by a promissory note. Failure to obtain a promissory note shall not invalidate the obligation referred to in this Article.

4.12. Master Association Dues. Each Owner shall be responsible for paying any and all dues, fees or other assessments, including capital contributions, imposed upon the Property by the Master Association. All such payments shall be paid to the Association or, under the terms of any billing agreement with the Palms Association, to the Palms Association, for remittance to the Master Association.

4.13. Palms Association Dues. Each Owner shall be responsible for paying any and all dues, fees or other assessments, including capital contributions, imposed upon the Property by the Palms Association. All such payments shall be paid directly to the Palms Association.

ARTICLE V. MAINTENANCE OF PROPERTY

7.1. Association Maintenance and Repair. The Association shall maintain and keep in good repair the Common Area; provided, however, unless specifically provided for herein, the Association shall not be obligated to maintain and keep in good repair the Exclusive Common Area, which shall be maintained by the Owner. This maintenance shall include, without limitation, maintenance, repair, and replacement of all landscaping, grass areas, paving, mail kiosk, and other improvements situated on the Common Area. The Association shall also maintain and keep in good repair all water and sewer pipes or facilities which serve only the Common Area, to the extent that such pipes and facilities are not maintained by public, private, or municipal utility companies. The Association shall maintain the lagoons, lakes, detention/retention ponds located on the Common Area, and the entry areas that serve the Community. Such maintenance shall be performed consistent with this Declaration and the Community Standard established pursuant hereto.

The Association shall also maintain and keep in good repair all landscaping installed by or on behalf of the Declarant or the Association within the Community, whether located on a Lot or Common Area, including the Exclusive Common Area, which shall consist of and be limited to:

- (i) mowing, edging, and blowing grassy areas;
- (ii) maintaining any irrigation system and all components of same, if any;
- (iii) replacement of pine straw or other ground covering on a schedule as determined by the Board; and

(iv) the adjustment and setting of the irrigation system and its automatic timers, if any.

Notwithstanding the foregoing, in the event a fence is installed on an Owner's Lot or on Exclusive Common Area assigned to an Owner's Lot, the Owner of such Lot shall be responsible for the maintenance of all landscaping located within the enclosed area; provided, however, the Association may maintain the landscaping located within such enclosed areas if the Board determines that it would be in the best interest of the Association and Community to do so, and in such event, the Owner shall provide the Association with access to such enclosed area(s).

The Association shall also maintain and keep in good repair certain portions of the exteriors of the Dwellings, which shall consist of and be limited to:

(i) roofs, which shall be limited to the shingles, flashing, and felt, but which shall exclude the roof decking and trusses;

(ii) the painting or pressure washing of the exterior surfaces of the Dwellings, including any siding, brick, stucco, and trim;

(iii) the painting or pressure washing of all windows, window cases, window frames, and window sills, but excluding all glass surfaces and hardware and excluding the caulking of windows, window cases, window frames, and window sills;

(iv) the painting or pressure washing of all garage doors, exterior doors and doorframes which are part of the entry system, but excluding all glass surfaces and hardware;

(v) the painting or pressure washing of shutters, columns, and pediments; and

(vi) the maintenance, repair, and replacement, including, but not limited to the painting or pressure washing, of all fences that were originally installed by the Declarant or builder.

If, during the course of performing any maintenance required herein, the Association discovers that maintenance, repair, or replacement is required of an item which is the Owner's responsibility, and such maintenance, repair, or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at the Owner's expense without prior notice to the Owner.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Area or any other area within the Community by an Owner or Occupant which is the Association's responsibility hereunder shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

Additionally, in the event an Owner or Occupant performs such maintenance or repair, the Association may require the Owner or Occupant to restore such property to substantially the same condition as it existed prior to such maintenance or repair or may fine the Owner or Occupant in accordance with the terms of this Declaration.

If the Board determines that the need for maintenance or repair is in the Common Area or any other area within the Community which is the Association's responsibility hereunder, and is caused through the actions or inactions of any Owner or Occupant, or his or her family, guests, lessees or invitees, then the Association may assess the cost of any such work against the Owner's Lot.

All costs incurred by the Association in maintaining such landscaping and such exterior portions of the Dwellings as provided herein shall be considered common expenses to be paid by the Owners of the Lots through either annual assessments or special assessments.

7.2. Owner Maintenance and Repair. Except as specifically provided in Section 7.1 above, each Owner shall maintain and keep in good repair, condition, and order the Owner's Lot, the Dwelling located on such Owner's Lot, the Exclusive Common Area assigned to such Owner's Lot, and all structures located on such Owner's Lot and Exclusive Common Area assigned to such Owner's Lot. Without limiting the generality of the foregoing, each Owner is specifically responsible for:

- (i) driveways, walkways, steps, stoops and front walks providing access to a Dwelling or Lot;
- (ii) landscaping within any patio, planter, or courtyard, if any;
- (iii) all portions of the heating and air conditioning system serving the Dwelling or Lot, including the compressor and any vents, electrical lines or other pipes or lines related thereto, whether or not located on the Owner's Lot;
- (iv) the exterior surfaces of the Dwelling, including any siding, brick, and trim, but excluding the periodic painting or pressure washing performed by the Association as provided above;
- (v) all windows, window cases, window frames, window sills, and caulking, including all glass surfaces and hardware, but excluding the periodic painting or pressure washing performed by the Association as provided above;
- (vi) all garage doors, exterior doors and doorframes which are part of the entry system, including all glass surfaces and hardware, but excluding the periodic painting or pressure washing performed by the Association as provided above;

- (vii) exterior lighting attached to a Dwelling;
- (viii) any pipe, line, conduit, structure, or other apparatus serving only one (1) Dwelling or Lot, whether or not located on the Owner's Lot;
- (ix) all fences installed on a Lot or serving the Dwelling, but excluding the maintenance, repair, and replacement of the fences that were originally installed by the Declarant or builder as provided above;
- (x) utility boxes serving an Owner's Lot;
- (xi) any landscaping installed by or on behalf of an Owner;
- (xii) any landscaping located within any fenced area on a Lot or Common Area, unless assumed by the Association as provided above;
- (xiii) tree roots, including, but not limited to, tree roots entering into or otherwise affecting a pipe, line, conduit, structure, or other apparatus serving only one (1) Dwelling or Lot;
- (xiv) replacement of any dead vegetation, bushes, grass or trees located on the Owner's Lot or Exclusive Common Area;
- (xv) all portions of any deck, porch, stoop, or patio serving a Dwelling, including surfaces, railings, steps, supports, and structures of same;
- (xvi) gutters and downspouts; and
- (xvii) foundations and footings of the Dwelling, including waterproofing.

7.3. **Failure to Maintain.** If the Board determines that any Owner has failed or refused to discharge properly the Owner's obligation with regard to the maintenance as provided in this Article, then, except in the case of an emergency as determined in the sole discretion of the Board, the Neighborhood Association shall give the Owner written notice of the Owner's failure or refusal and of the Neighborhood Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense.

The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board. Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete the maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days and diligently pursue completion of such repair or replacement. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not

complied with the demand given by the Association as herein provided, then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be a specific assessment and lien against the Owner and the Lot.

If, during the course of performing such maintenance, the Association discovers that maintenance, repair, or replacement is required of an item which is the Owner's responsibility, and such maintenance, repair, or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at the Owner's expense without prior notice to the Owner.

In the event the Board exercises such self-help as provided herein, and in the event further self-help based upon the same or a substantially similar violation is deemed necessary by the Board within the following six (6) months, the Board may exercise such self-help without further notice to the Owner, and all costs shall be a specific assessment and lien against the Owner and the Lot.

The Board may alternatively enforce this Article through monetary fines against the Owner or Occupant of the Lot, and each day the maintenance, repair, or replacement is not completed shall constitute a separate violation for which fines may be assessed on a daily basis.

7.4. Party Walls. To the extent not inconsistent with the provisions of this Section, the general rule of law regarding party walls and liability for personal damage due to negligence of willful acts or omissions shall apply to all party walls within the Community that are built as part of the original construction of the Dwellings and any replacement thereof. In the event any portion of any structure or facility, as originally constructed, including, without limitation, any party wall, shall protrude over an adjoining Lot or Dwelling, it shall be deemed that such Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection or party wall. The foregoing shall also apply to any replacements of any party walls and shall be perpetual in duration:

(i) Each Owner shall be responsible for painting the portion of any party wall that faces his or her dwelling.

(ii) The cost of reasonable repair and maintenance of party walls (other than painting) shall be shared equally by the Owners of the dwellings sharing such improvements without prejudice, however, to the right of any Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

(iii) In the event that an Owner shall fail or refuse to pay his pro rata share of costs of repair, maintenance, or replacement of a party wall (whether or not through his or her own fault or the failure of his or her insurance company to pay any claim), then and in that event, the Owner advancing monies therefor shall have a right to file a claim of lien for such monies advanced in the public records and pursue any other available legal remedies against such other Owner.

(iv) The Owner of a dwelling sharing a party wall with an adjoining dwelling shall not cut windows or other openings in the party wall, nor make any alterations, additions or structural changes in the party wall.

(v) Notwithstanding any other provisions of this Declaration, an Owner who by his or her negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(vi) Each Owner sharing a party wall shall have all easement rights reasonably necessary to perform the obligations contained herein over the Lots or dwellings sharing the party wall. Without limiting the generality of the foregoing, in the event an electrical meter, electrical apparatus, CATV cable or other utilities apparatus is installed within a Lot and serves more than such Lot, the Owners of the other Lot(s) served thereby shall have an easement for access to inspection and repair of such apparatus, provided that such easement rights shall be exercised in a reasonable manner and the Owner of the Lot encumbered by the easement shall be reimbursed for any physical damage to his Lot as a result of such exercise by the Owner(s) making use of such easement(s).

7.5. Maintenance Standards and Interpretation. The Board of Directors, in its discretion, may determine schedules of maintenance and repair for the Common Area and any other property within the Community which the Association is responsible to maintain hereunder, and may do so based on the availability of funds for performance of such projects. The Board shall attempt to determine and prioritize schedules based on its opinion of severity of damage and need for corrective work or maintenance. Maintenance and repairs which are part of the Association's responsibility need not be made upon Owner request if, in the Board's discretion, an emergency condition does not exist and such maintenance or repair is included or is to be included within the Board's schedule of maintenance or repairs.

The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to another. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Article. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

7.6. Measures Related to Insurance Coverage. The Board shall have the authority to require any Lot Owner to do any act or perform any work involving portions of the Community which are the Owner's maintenance responsibility, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Community, reduce the Association's insurance premium(s) or otherwise assist the Board in procuring or maintaining insurance coverage. This authority shall include, but shall not be limited to, requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring

Owners to install smoke detectors; requiring Owners to make improvements to the Lots and Dwellings; and such other measures as the Board may reasonably require so long as the costs of such work does not exceed in any twelve (12) month period the greater of either five hundred (\$500.00) dollars per Lot or 1/6th of the annual assessment then in effect.

7.7. LIMITATION OF LIABILITY. THE ASSOCIATION SHALL NOT BE LIABLE FOR INJURY OR DAMAGE TO PERSON OR PROPERTY CAUSED BY THE ELEMENTS OR BY THE OWNER OF ANY LOT, OR ANY OTHER PERSON, OR RESULTING FROM ANY UTILITY, RAIN, SNOW OR ICE WHICH MAY LEAK OR FLOW FROM ANY PORTION OF THE COMMUNITY OR FROM ANY PIPE, DRAIN, CONDUIT, APPLIANCE OR EQUIPMENT. THE ASSOCIATION SHALL NOT BE LIABLE TO THE OWNER OF ANY LOT OR SUCH OWNER'S OCCUPANT, GUEST, OR FAMILY, FOR LOSS OR DAMAGE, BY THEFT OR OTHERWISE, OF ANY PROPERTY WHICH MAY BE STORED IN OR UPON ANY OF PORTION OF THE COMMUNITY. THE ASSOCIATION SHALL NOT BE LIABLE TO ANY OWNER, OR ANY OWNER'S OCCUPANT, GUEST OR FAMILY FOR ANY DAMAGE OR INJURY CAUSED IN WHOLE OR IN PART BY THE ASSOCIATION'S FAILURE TO DISCHARGE ITS RESPONSIBILITIES UNDER THIS ARTICLE WHERE SUCH DAMAGE OR INJURY IS NOT A FORESEEABLE, NATURAL RESULT OF THE ASSOCIATION'S FAILURE TO DISCHARGE ITS RESPONSIBILITIES. NO DIMINUTION OR ABATEMENT OF ASSESSMENTS SHALL BE CLAIMED OR ALLOWED BY REASON OF ANY ALLEGED FAILURE OF THE ASSOCIATION TO TAKE SOME ACTION OR PERFORM SOME FUNCTION REQUIRED TO BE TAKEN OR PERFORMED BY THE ASSOCIATION UNDER THIS DECLARATION, OR FOR INCONVENIENCE OR DISCOMFORT ARISING FROM THE MAKING OF REPAIRS OR IMPROVEMENTS WHICH ARE THE RESPONSIBILITY OF THE ASSOCIATION, OR FROM ANY ACTION TAKEN BY THE ASSOCIATION TO COMPLY WITH ANY LAW, ORDINANCE, OR WITH ANY ORDER OR DIRECTIVE OF ANY MUNICIPAL OR OTHER GOVERNMENTAL AUTHORITY.

ARTICLE VI. ARCHITECTURE AND LANDSCAPING

6.1. General.

(a) No structure or thing shall be placed, erected, installed, or posted on the Property or in the waters adjacent to the Property and no improvements or other work (including, without limitation, fences, staking, clearing, excavation, grading, and other site work; exterior alterations of existing improvements; or planting or removal of landscaping) shall take place within the Property or the waters adjacent to the Property, except in compliance with this Article. No signage shall be placed, erected, installed, or displayed on any portion of the Property except for signage installed by Declarant unless such signage has been approved pursuant to this Article.

(b) No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. Any Owner may remodel, paint, or redecorate the interior of any structure within such Owner's Lot without approval. However, modifications to portions of a structure on a Lot visible from outside any structure shall be subject to approval.

(c) This Article does not apply to Declarant's activities.

6.2. Architectural Review.

(a) By Declarant. Until Turnover, Declarant shall have the exclusive right to exercise architectural review under this Article, unless earlier terminated or assigned in a written instrument executed by Declarant and recorded in the Office of the Clerk of Superior Court of Chatham County Georgia (the "Public Records"). Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Property, acknowledges that, as the developer of the Property, and as an Owner of portions of the Property, Declarant has a substantial interest in ensuring that the improvements within the Property do not impair Declarant's ability to market its property. Therefore, each Owner covenants and agrees that no activity within the scope of this Article ("Work") shall be commenced on such Owner's Lot unless and until Declarant or its designee has given prior written approval for such Work, which approval may be granted or withheld in the sole discretion of Declarant or Declarant's designee. In reviewing and acting upon any request for approval, Declarant and its designee shall owe no duty to any other Person.

(b) By Designee.

(1) Declarant may, in its sole discretion, designate one or more Persons from time to time to act on Declarant's behalf in reviewing architectural review applications. Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to: (A) an Architectural Review Committee appointed by the

Board of Directors (the “ARC”); or (B) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association.

(2) Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (A) Declarant’s right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (B) Declarant’s right to veto any decision which Declarant determines, in Declarant’s sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to such matters specifically delegated to it by Declarant.

(c) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of Declarant’s rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters hereunder. The ARC, when appointed, shall consist of, at the Board’s determination, at least three (3), but not more than seven (7), persons who shall serve and may be removed and replaced in the Board’s discretion. The members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers, or similar professionals whose compensation, if any, shall be established from time to time by the Board. The ARC shall elect a chairperson, and the chairperson or in the absence of the chairperson, the vice-chairperson, shall be the presiding officer at meetings of the ARC. Unless and until such time as Declarant delegates all or a portion of Declarant’s reserved rights to the ARC or Declarant’s rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

(d) Reviewer. The entity having jurisdiction in a particular case shall be referred to as the “Reviewer.”

6.3. Guidelines and Procedures.

(a) Architectural Design Guidelines.

(1) Guidelines. The Declarant may prepare Architectural Design Guidelines, which are intended to provide guidance to Owners and builders regarding matters of particular concern to the Reviewer in considering applications hereunder. The Architectural Design Guidelines are not the exclusive basis for decisions by the Reviewer and compliance with the Architectural Design Guidelines does not guarantee approval of any application.

(2) Amendments to Guidelines. Declarant shall have sole and full authority to amend the Architectural Design Guidelines prior to Turnover, notwithstanding a delegation of reviewing authority to the ARC, unless the Declarant also delegates or assigns to the ARC the right to amend the Architectural Design Guidelines. Upon termination or delegation of Declarant’s right to amend, the Board shall have the right to adopt and/or amend the Architectural

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

(3) Availability of Guidelines. The Reviewer shall make the Architectural Design Guidelines available at no cost to Owners and builders who seek to engage in development or construction within the Property. In the Declarant's discretion, such Architectural Design Guidelines may be recorded in the Public Records, in which event the recorded version, as it may unilaterally be amended from time to time as described above, shall control in the event of any dispute as to which version of the Architectural Design Guidelines was in effect at any particular time.

(b) Procedures.

(1) Application. Prior to commencing any Work within the scope of this Article, an Owner shall submit to the appropriate Reviewer an application for approval of the proposed Work in such form as the Architectural Design Guidelines or the Reviewer may specify. Such application shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, signage, and other features of proposed construction, as applicable or as required by the Architectural Design Guidelines. The Architectural Design Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

(2) Fees; Review Assistance. The Reviewer may employ architects, landscape architects, engineers, or other persons as deemed necessary to perform the review. The Reviewer may establish and charge reasonable fees to an Owner as part of the application fee for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals.

(3) Compliance Deposit. The Reviewer may require an Owner to submit a deposit prior to final approval of any application to ensure that the Work conforms to the Plans originally approved by the Reviewer. Such compliance deposit shall be refunded by the Reviewer to the Owner following issuance of a certificate of occupancy and within thirty (30) days of confirmation by Reviewer that the Work is in compliance with the approved Plans.

(4) Factors for Consideration. In reviewing each submission, the Reviewer may consider factors it deems relevant including, without limitation, harmony of

external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements.

(5) Time for Review. The Reviewer shall hold meetings at least monthly to review any pending applications. No monthly meetings will be required if no applications are pending. The Reviewer shall, after receipt of a completed application and all required information, review the application at the next scheduled monthly meeting of Reviewer, and respond in writing to the applicant at the address specified in the application within ten (10) days following such meeting. The response may (A) approve the application, with or without conditions; (B) approve a portion of the application and disapprove other portions; or (C) disapprove the application. The Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

(6) Time for Completion of Construction. If construction does not commence on a project for which Plans have been approved within twelve (12) months after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. The date of issuance of a building permit shall constitute the date of commencement of Work. Once Work is commenced, it shall be diligently pursued to completion. All Work shall be completed within eighteen (18) months of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which such Reviewer shall not be obligated to do. If approved Work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, the Declarant, or any aggrieved Owner, and the Association may levy a fine if the approved Work is not completed within the required time. Any construction or renovation activity in any Dwelling which is detectible by sound or vibration from outside the Unit shall be permitted only between the hours of 7:30 a.m. and 7:30 p.m. Monday through Friday and 9:00 a.m. and 6:00 p.m. Saturday

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

(8) Contractor Review. The Reviewer shall have the right to approve or disapprove contractors or subcontractors who desire access to the Community for the purpose of making repairs or improvements to Dwellings, based on rules and regulations adopted by the Board from time to time, which may include, without limitation, financial stability of the contractors and/or subcontractors, history of compliance with the rules and regulations of the Association, and other factors that may be reflective of quality and ability. Approval of a contractor or other such person shall not be unreasonably withheld. The Board may also impose insurance requirements and collect other non-refundable fees for use of the driveway other Common Areas

by contractors or movers. Each Owner and Occupant shall be responsible for their contractors' compliance with this Declaration.

(9) Inspections. Any member of the Board or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any Lot to inspect for the purpose of ascertaining whether any Work is being performed in compliance with this Declaration, and such persons shall not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the Association, in the event of noncompliance with this Article, the Board may, as provided in this Declaration, record in the appropriate land records a notice of violation naming the violating Owner.

6.4. Signage Criteria. During construction, there shall be no signage on a Lot except upon approval by the Reviewer. If the Reviewer allows signage, Reviewer shall prepare signage criteria ("Signage Criteria") to be included in the Architectural Design Guidelines regulating the existence, location, size, content, illumination, and all issues related to signs and advertisements within the Property. No sign or advertisement shall be permitted within the Property unless approved by the Reviewer and consistent with the Signage Criteria. Additionally, all signage shall be required to comply with all laws and regulations established by any applicable governmental authority. The entity holding the authority to amend the Architectural Design Guidelines also shall have sole and full authority to amend the Signage Criteria to make such requirements more or less restrictive, as it shall deem appropriate.

6.5. Tree Removal. Unless the City of Savannah has a lower threshold, the removal of any tree that is more than six (6) inches in diameter at a point three (3) feet above the ground shall not be removed without the prior written consent of the Reviewer. The Reviewer may adopt or impose requirements for, or condition approval of, tree removal upon the replacement of any tree removed. Additional clearing or pruning of tree canopies may be required on some Lots as per fire recommendations.

6.6. No Waiver of Future Approvals. Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

6.7. Variances. The Reviewer may authorize variances from compliance with any of the Architectural Design Guidelines or the requirements of this Article, including setbacks, when

circumstances such as topography, natural obstructions, hardship, Community Standard, or aesthetic or environmental considerations require, or for the general benefit of the Community, but only in accordance with duly adopted Restrictions and Rules. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing by the Reviewer; (b) be contrary to this Declaration; or (c) prevent the Reviewer from denying a variance in other circumstances. For purposes of this Article, the inability to obtain approval from any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

6.8. LIMITATION OF LIABILITY. THE STANDARDS AND PROCEDURES ESTABLISHED BY THIS ARTICLE ARE INTENDED AS A MECHANISM FOR MAINTAINING AND ENHANCING THE OVERALL AESTHETICS OF THE PROPERTY BUT SHALL NOT CREATE ANY DUTY TO ANY PERSON. REVIEW AND APPROVAL OF ANY APPLICATION PURSUANT TO THIS ARTICLE IS MADE ON THE BASIS OF AESTHETIC CONSIDERATIONS ONLY AND THE REVIEWER SHALL NOT BEAR ANY RESPONSIBILITY FOR ENSURING THE STRUCTURAL INTEGRITY OR SOUNDNESS OF APPROVED CONSTRUCTION OR MODIFICATIONS, OR FOR ENSURING COMPLIANCE WITH BUILDING CODES AND OTHER GOVERNMENTAL REQUIREMENTS, OR FOR ENSURING THAT ALL STRUCTURES ARE OF COMPARABLE QUALITY, VALUE, OR SIZE, OR OF SIMILAR DESIGN, AESTHETICALLY PLEASING, OR OTHERWISE ACCEPTABLE TO NEIGHBORING PROPERTY OWNERS. DECLARANT, THE ASSOCIATION, THE BOARD, ANY COMMITTEE, BOARD, OR MEMBER OF ANY OF THE FOREGOING SHALL NOT BE HELD LIABLE FOR SOIL CONDITIONS, DRAINAGE, OR OTHER GENERAL SITE WORK; OR FOR ANY DEFECTS IN PLANS REVISED OR APPROVED HEREUNDER; ANY LOSS OR DAMAGE ARISING OUT OF THE ACTION, INACTION, INTEGRITY, FINANCIAL CONDITION, OR QUALITY OF WORK OF ANY CONTRACTOR OR ITS SUBCONTRACTORS, EMPLOYEES, OR AGENTS; OR ANY INJURY, DAMAGES, OR LOSS ARISING OUT OF THE MANNER OR QUALITY OR OTHER CIRCUMSTANCES OF APPROVED CONSTRUCTION ON OR MODIFICATIONS TO ANY LOT. IN ALL MATTERS, THE ASSOCIATION SHALL DEFEND AND INDEMNIFY THE BOARD, THE REVIEWER, AND THE MEMBERS OF THE ARC, EACH AS PROVIDED IN THE BYLAWS.

6.9. Certificate of Compliance. Any Owner may request that the Association issue a certificate of architectural compliance for any exterior improvements certifying that on such Owner's Lot there are no known violations of this Article or the Architectural Design Guidelines with respect to such improvements. The Association shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

ARTICLE VII. USE RESTRICTIONS AND RULES

7.1. General. In addition to all applicable rules and regulations of the Master Association and the Palm Association, if any, the Association, acting by and through its Board of Directors, shall have the right to make and enforce reasonable rules and regulations (the "Restrictions and Rules") governing the use of the Lots and Common Areas, and to enforce such rules and regulations by fines, special assessments or otherwise, in the same manner as provided in Article IV above. Each Owner shall be responsible for ensuring that all tenants, Occupants and guests of the Owner comply with said rules and regulations, if any, and with this Declaration, with the understanding that any violation thereof by tenants, Occupants and guests may result in action by the Association against any of said persons and/or the Owner. Fines may be levied against Owners and Occupants alike. If a fine is first levied against a tenant or Occupant and is not timely paid, the fine may then be levied against the Owner.

Regardless of whether or not any such rules and regulations are adopted by the Board, each Owner and all tenants, Occupants and guests of any Owner shall comply with the following use restrictions. Any and all rules and regulations adopted by the Board shall include the following restrictions, at a minimum, although the following may be amended pursuant to Section 13.4 below, and may be expanded upon by such rules and regulations to the extent that the same do not conflict with or contradict this Declaration, as the Board determines necessary in its reasonable discretion or as otherwise provided herein.

7.2. Permitted Business and Residential Uses. Each Dwelling may be used for home-office and other non-retail business uses, as permitted by law, including applicable zoning and other like ordinances, provided that no activity is carried on by any Owner or Occupant which (i) constitutes a nuisance, including but not limited to obnoxious odors or noises, or creates a hazard to the public or other Owners and Occupants; (ii) results in a substantial increase in foot traffic or vehicular traffic upon the Property; (iii) increases the Association's insurance premiums or affects its ability to qualify for any insurance for which it would have otherwise been qualified; (iv) requires a significantly disproportionate use by the Dwelling of any utility or other service which is now or may in the future be a common expense of the Association; or (v) is contrary to any rules

or regulations adopted by the Association from time to time, if any. This Section 7.2 shall not apply to the use of any Dwellings by Declarant as model units, sales offices or the like.

7.3. Permitted Uses of Common Area. The Common Areas are designated for the use of all Owners, Occupants and guests of any Dwelling, and no Owner, Occupant or guest shall cause or permit any use of the Common Area which is in conflict with the nature and intended uses thereof. No objects shall be placed or stored on the Common Area except by the Association or as otherwise provided herein. The Board may further restrict the use of the Common Area by properly enacted rules and regulations, and may provide for reservation of the same by Owners and Occupants. All Owners and their Occupants and guests shall use the Common Area at their own risk, and by using the same, agree to waive and release the Association and Declarant, and their employees, agents, directors and officers, from liability of any kind for any property damage and/or personal injury incurred as a result of their use of the Common Area. Furthermore, under no circumstances shall the Association be liable for any loss of or damage to property which may be stored in or upon any of the Common Area. All references herein to the Common Area shall include the common area located within the Palms Community where the context so requires or permits.

7.4. Outdoor Equipment and Facilities. Grills, outdoor fireplaces, hot tubs, jacuzzis or other such objects may be installed, maintained and used only in strict accordance with the architectural controls set forth in Section 6.4 above and all applicable building codes, zoning and fire ordinances. The Association may adopt additional rules and regulations governing use of outdoor equipment, fixtures and facilities.

7.5. Vehicles and Garages. The term "vehicles" as used herein shall include, without limitation, motor homes, boats, trailers, motorcycles, scooters, go-carts, trucks, campers, buses, vans and automobiles. Vehicles shall not be parked on any streets within the Community. Vehicles shall not be parked on the Common Area (except in designated parking areas, if any) nor upon any portion of a Lot other than the driveway and the garage. No tower vehicle, boat, boat trailer, recreational vehicle, motor home, mobile home, bus, truck with camper top, commercial vehicle, truck over one ton capacity, trailer, motorcycle minibike, scooter, go-cart or similar recreational vehicle shall be permitted on any Lot or in any Common Area parking space), except in an enclosed garage, for periods longer than forty-eight (48) consecutive hours. The intent of the foregoing provision is that the aforementioned vehicles may not be stored on a Lot or the Common Area so as to break the continuity of the forty-eight (48) consecutive hours, and doing so shall not be sufficient to establish compliance with this restriction. Owners or Occupants may not use the Common Area for parking, except in designated parking spaces for purposes of using the Common Area mail kiosk, unless given written permission by the Board of Directors. Any such vehicle shall be considered a nuisance and may be removed from the Community. Trucks with mounted campers which are an Owner's or Occupant's primary means of transportation shall not be subject to the restrictions contained in this paragraph provided such vehicles are used on a regular basis for transportation and the camper is stored out of public view upon removal from the vehicle.

No vehicle may be left upon any portion of the Community, except in a garage, if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Any such vehicle shall be considered a nuisance and may be removed from the Community. No motorized vehicles shall be permitted on pathways or unpaved Common Areas except from public safety vehicles and vehicles authorized by the Board. This Section 7.6 shall not apply to Declarant or any Declarant-approved builder. Garages shall be used solely for the storage of motor vehicles and other personal property, and shall under no circumstances be used for storage of any hazardous materials nor used for storage of any property or materials which create a nuisance or any hazardous condition (other than the temporary storage of household trash), which would increase the Association's or another Owner's insurance premiums, or which might cause the Association or any other Owner to be disqualified from any insurance for which they would have otherwise been qualified. Garage doors shall remain closed when not in use. No garage may be converted to any use, except with Board approval as provided in Section 7.4 above, and only if the exterior appearance of the garage will be unchanged after any such conversion.

7.6. Antennas. The installation of antennas, satellite dishes and other similar or related equipment or apparatus for the transmission and/or reception of television, radio, data or other signals shall be subject to such rules and regulations adopted from time to time by the Board. Such rules and regulations shall be enforceable as if fully set forth herein. Satellite dishes measuring greater than one (1) meter in diameter or other signal receiving or transmitting antennas and devices attached to a roof extending more than six (6) feet above the highest part of the roof of any residence are expressly prohibited. No antenna or satellite dish may be installed without prior, written approval of the Board, as well as the Declarant so long as it owns at least one Lot. Approval of any antenna or satellite dish may include restrictions on location and visibility, so long as such restrictions do not require installation of the same in a location from which signals and transmissions cannot be received. No antenna or satellite dish may be installed on any portion of the Common Area; provide, however, an antenna or satellite dish may be installed on the Exclusive Common Area serving the Owner's Lot but only in strict compliance with the terms of this Section and the rules and regulations adopted by the Board.

7.7. Decks, Patios and Terraces. No deck, patio or terrace may be enclosed in any manner except by the Declarant as part of the original construction of the same, except in strict accordance with the architectural controls set forth in Section 7.4 above and all applicable building codes, zoning and fire ordinances. The Association may adopt additional rules and regulations governing use of the decks, patios and terraces.

7.8. Signage. No signs of any type may be installed or maintained by any Owner or Occupant upon the Common Area, the exterior portion of any Lot or Dwelling, or the interior of any Dwelling if visible from outside the Dwelling; provided, however, that security signs measuring no more than thirty-six (36) square inches in area may be placed upon any street-level door or window of a Dwelling, and For Sale and For Lease signs of customary size and appearance

may be placed upon any exterior portion of a Lot. Political campaign signage may be displayed in customary sizes and numbers during the eight (8) weeks preceding any local, state or national election. The provisions of this Section 7.9 shall not apply to Declarant or Declarant-approved builders, nor to any Mortgagee who becomes the Owner of any Lot as purchaser at a judicial or foreclosure sale conducted with respect to a first mortgage or as transferee pursuant to any proceeding in lieu thereof.

7.9. Seasonal Decorations. Seasonal decorations are not permitted on any Lot except during the one (1) month period preceding, and the one (1) week period following, the holiday for which normal and customary decorations are generally intended.

7.10. Fences. Fences and other barriers, other than like-kind replacements of the same, may only be erected and maintained upon a Lot in compliance with the Architectural Design Guidelines. Notwithstanding anything to the contrary set forth herein, the Declarant (so long as it still owns a Lot in the Community) and the Board shall have the right to erect fencing of any type considered appropriate or desirable upon any Lot owned by Declarant and upon the Common Area. No portion of any Lot may be fenced except with such materials and in such uniform style and color as approved in writing by the Board.

7.11. Wetlands, Lakes, Ponds and Streams. Except as herein provided, all wetlands, streams, lakes, stormwater detention ponds or retention facilities within or adjacent to the Community shall be aesthetic amenities used for storm water drainage only. Neither the Association nor Declarant shall be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of any such wetlands, lakes, ponds or streams. No Owner shall have any right to place rocks, stones, trash, garbage, sewage, waste, water, rubbish, debris, ashes or other refuse in any wetlands, lakes, ponds or streams within or adjacent to the Community. Applicable governmental agencies, the Association and Declarant shall have the sole right to control the water level of any body of water located within the Community, if any, and to control the growth and eradication of plants, fowl, reptiles, animals, fish and fungi in and around any wetlands, lakes, ponds and streams within or adjacent to the Community. Owners shall have no riparian or littoral rights with respect to the waters in any stream within the Community and shall not be permitted to withdraw water from any wetland, lake, pond or stream within or adjacent to the Community without the prior written consent of the Board of Directors.

7.12. Animals and Pets. No more than a reasonable number of common household pets may be kept in any Dwelling. No livestock, poultry or other such animals may be raised, bred, kept, or permitted in the Community, and no animals shall be kept, bred, or maintained in the Community for any commercial purpose. When outside of a Dwelling, all animals shall be kept on a leash and accompanied by their owner at all times. All pets shall be registered, licensed, and vaccinated as required by law. In addition, pets which endanger health, make objectionable noise, or constitute a nuisance or unreasonable inconvenience to other Owners or Occupants must be removed by their

owner upon request of the Board. Solid animal waste must be immediately removed from the Common Area or any other Owner's Lot by the person responsible for the pet.

7.13. Trash Collection. All rubbish, trash, and garbage shall be regularly removed from each Dwelling and shall not be allowed to accumulate therein. Each Owner and Occupant shall be responsible for ensuring that his or her garbage is disposed of properly, on a regular basis, that trash receptacles are used properly and do not remain at the curb or on the driveway on trash collection days for longer than twenty-four (24) hours at a time.

7.14. Mailboxes. The Community will be served by one or more mail kiosks or Cluster Box Units (CBU's) for delivery of mail by the United States Postal Service (USPS). No owner of a Lot within any portion of the Community served by one or more CBU's may install or maintain a mailbox on his or her Lot, or on the exterior of any house or other structure constructed upon his or her Lot, unless expressly permitted by USPS. Unless and until such time as individual mailboxes are permitted by USPS, any and all home delivery of mail by USPS shall be to the mail kiosk or CBU serving such Lot.

7.15. Prohibition of Nuisance and Noise. Noxious, destructive, offensive, or unsanitary activity shall not be carried on within the Community. No Owner or Occupant may use or allow the use of the Lot or any portion of the Community at any time, in any way, which may endanger the health or property of other Owner or Occupants, unreasonably annoy, disturb or cause embarrassment or discomfort to other Owners or Occupants, or, in the Board's discretion, constitute a nuisance. The intention of this provision is to grant the Association and aggrieved Owners and Occupants a right of redress for actions, activities or conduct which unreasonably disturbs or impairs the peaceful and safe enjoyment of the Community. In this regard, specific unauthorized and unreasonable annoyances or disturbances shall include, but not be limited to, the following:

(a) Any screaming, shouting, excessively loud talking, whistling, or playing of music or television if such conduct can be heard in the normal course of activities in any other Dwelling;

(b) Any fighting, raucous behavior, or insobriety if such conduct can be heard in any other Dwelling;

(c) The use of any alarm, equipment, or devise, mechanical or otherwise, which creates or produces excessively loud sounds or any vibrations at any time if such sounds can be heard or vibrations felt in the normal course of activities in any other Dwelling;

(d) Any threatening or intimidating conduct towards any Owner, Occupant, resident, guest, or pet in the Community, or towards any officer, director, employee, agent, licensee, invitee, or manager of the Association;

(e) Any conduct which, in the Board's reasonable discretion, creates any danger or risk of injury to others or damage to property or which creates any threat to health or safety of any other Owner, Occupant, resident, guest, or pet in the Community, or any officer, director, employee, agent, licensee, invitee, or manager of the Association;

(f) Any excessively loud play or playground activities at any time if such conduct can be heard in the normal course of activities in any other Dwelling;

(g) Any consistent dog barking that can be heard in the normal course of activities in any other Dwelling;

(h) Any conduct which creates any noxious or offensive odor at any time if such odors can be detected in the normal course of activities in any other Dwelling;

(i) Any similar action or activity which interferes with the peaceful use and enjoyment of other Dwellings or the Common Area by any Owner, member of the Owner's family, guests, licensees, invitees, or Occupants; or

(j) Any construction or similar activities, other than construction activities of or on behalf of the Declarant, which can be heard in other Dwellings outside the hours of 7:30 a.m. and 7:30 p.m. Monday through Friday and 9:00 a.m. and 6:00 p.m. Saturday; provided, however, Owners and Occupants may use electric landscaping equipment between the hours of 9:00 a.m. and 6:00 p.m. Sunday

Nothing herein shall be construed to affect the rights of an aggrieved Owner or Occupant to proceed individually against a violator of this Section. The Board may, in its discretion, require any aggrieved Owner or Occupant to seek redress personally against the violator before the Association intervenes and commences enforcement action hereunder; provided, further, due to the general nature of violations of this Section, the Board may, in its discretion, elect that the Association not intervene or enforce this Section. No claim for any loss, damage or otherwise, and no defense of selective, arbitrary, or capricious enforcement, shall exist for any Person as a result of any decision by the Board not to enforce this Section.

7.16. Dumping. Owners or Occupants shall not dump grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Community, except that fertilizers for use on residential property may be applied to landscaping on Lots provided the application is made in compliance with all laws and care is taken to minimize runoff.

7.17. Burning. No outside burning of trash, leaves, debris, or other materials, shall be permitted except during the normal course of constructing a dwelling on a Lot in compliance with all laws.

7.18. Drainage. Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, or any other impairment of or interference with the community drainage plan shall not be permitted by any Owner or Occupant.

7.19. No Further Subdivision. Subdivision of a Lot into two or more Lots, or changing the boundary lines of any Lot after a subdivision plat including such Lot has been approved and recorded, shall not be permitted; provided, however, that Declarant shall be permitted to subdivide or replat Lots which it owns.

7.20. Other. The Board may adopt additional rules and regulations, not inconsistent herewith, governing other uses of the Lots, Dwellings and Common Area which the Board, in its reasonable discretion, deems necessary or appropriate.

ARTICLE VIII. INSURANCE AND CASUALTY LOSSES

8.1. Insurance on Common Area. Prior to or within thirty (30) days after Turnover, the Board or a duly authorized agent of the Association shall obtain insurance for the Common Areas then owned by the Association, including all insurable improvements located thereon. This insurance shall provide, at a minimum, fire and extended coverage and, if the Board so agrees, vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts, which may exclude improvements and betterments by Owners.

8.2. Liability Insurance. Prior to or within thirty (30) days after Turnover, the Board shall obtain a general commercial liability policy applicable to the Common Area covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00).

8.3. Premiums. Premiums for all insurance shall be common expenses of the Association. The policies may contain reasonable deductibles as determined by the Board, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

8.4. Policy Terms. All such insurance coverage obtained by the Board shall be written in the name of the Neighborhood Association. Such insurance shall be governed by the following provisions:

(a) All policies shall be written with a company authorized to do business in Georgia.

(b) Exclusive authority to settle losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(c) In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by individual Owners, Occupants or their Mortgagees, and the insurance carried by the Association shall be primary.

(d) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement, if reasonably available, and all insurance policies shall be reviewed periodically.

(e) The Board shall use reasonable efforts to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Board, the Neighborhood Association's manager, if any, the Owners and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) a provision that no policy may be canceled, invalidated, suspended or subjected to nonrenewal on account of any one or more individual Owners, and a provision that no policy may be canceled, invalidated, suspended, or subjected to nonrenewal due to any defect or conduct of any director, officer, or agent of the Neighborhood Association or its duly authorized manager without prior demand in writing delivered to the Neighborhood Association to cure the defect or to cease the conduct and the allowance of a reasonable time for the required cure to be performed;

(iv) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(v) that no policy may be canceled or substantially modified or subjected to nonrenewal without at least thirty (30) days prior written notice to the Association.

8.5. Other Policies and Bonds. In addition to the other insurance required by this Article, the Board shall obtain worker's compensation insurance, if and to the extent necessary to

satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall be determined in the three (3) months' assessments plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, subjected to nonrenewal, or substantially modified without at least thirty (30) days prior written notice to the Association. The Association shall also obtain construction code endorsements, steam boiler coverage, and flood insurance, if and to the extent necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the U.S. Department of Veterans Affairs or the U.S. Department of Housing and Urban Development.

8.6. Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Association only provides the types and amounts of insurance provided herein and required by law. Each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket "all-risk" casualty insurance on his or her Lot and Dwelling, and a liability policy covering damage or injury occurring on his or her Lot to the extent the same is not covered by insurance obtained by the Association. The casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an "all-risk" policy, if reasonably available, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction of the Dwelling in the event of damage or destruction from any such hazard. If all-risk coverage is not reasonably available, Owners shall obtain, at a minimum, fire and extended coverage. The policies required hereunder shall be in effect at all times. Authority to adjust losses under policies obtained by an Owner shall be vested in the Owner. The losses under policies obtained by an Owner shall be vested in the Owner. The Association shall have the right, but not the obligation, at the expense of the Owner, to acquire the insurance required to be maintained by the Owner if the Owner fails to provide a valid policy to the Association with a prepaid receipt within ten (10) days after receipt by the Owner of a written request from the Association. If the Association acquires insurance on behalf of any Owner, the cost thereof shall be assessed against the Owner and the Lot as a specific assessment.

8.7. Damage and Destruction – Insured by Association.

(a) Immediately after damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board 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 Article, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. If the Association determines any damage or destruction shall not be repaired or reconstructed and no alternate improvements are authorized,

then the property shall be restored to a natural state and maintained as an undeveloped portion of the Community by the Association in a neat and attractive condition.

(b) Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five percent (75%) of the total Association vote otherwise agree. If for any reason either 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, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

(c) If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Association's members, levy a special assessment against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association.

8.8. Damage and Destruction – Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy-five (75) days after such damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and completed within a reasonable time thereafter. In the event of noncompliance with this provision, the Board shall have all enforcement powers specified in this Declaration.

8.9. Termite Bond. The Association, acting through the Board, shall take such steps necessary to prevent, and treat for, termites for the Lots and Dwellings. The Association, acting through the Board, shall obtain and maintain a termite bond for all Lots and Dwellings. All costs incurred by the Association shall be considered a common expense to be paid for by the Owners as an annual assessment or special assessment.

ARTICLE IX. CONDEMNATION

9.1. Condemnation. In the event a taking by eminent domain of any portion of the Common Area upon which improvements have been constructed, then unless within sixty (60) days after such taking the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor. The provisions of this Declaration applicable to Common Area improvements

damage shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE X. MORTGAGEE PROVISIONS

10.1. Defined Terms. As used in this Article X, the following terms shall have the meaning set forth below.

10.2.1 “Agency” means any of the FHA, VA, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and any other governmental agency or financial institution insuring or guaranteeing residential loans, or purchasing such loans on the secondary market;

10.2.2 “Eligible Insurer or Guarantor” means an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters in accordance with Section 10.2;

10.2.3 “Eligible Mortgage Holder” means a First Mortgagee who has requested notice of certain matters from the Association in accordance with Section 10.2;

10.2.4 “First Mortgage” means a mortgage or deed of trust recorded against a Lot that has priority over all other mortgages or deeds of trust recorded against that Lot;

10.2.4 “First Mortgagee” means the beneficiary of a First Mortgage.

10.2. Notification to First Mortgagees. Upon receipt by the Association of a written request from a First Mortgagee or Eligible Insurer or Guarantor informing the Association of its correct name and mailing address and number or address of the Lot to which the request relates, the Association shall provide such First Mortgagee or Eligible Insurer or Guarantor with timely written notice of the following:

10.2.1 Any condemnation loss or any casualty loss which affects a material portion of the Common Area or any Lot on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor;

10.2.2 Any delinquency in the payment of Assessments or charges owed by an Owner subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor or any obligation under this Declaration, Bylaws or Association documents (the “Property Documents”), which delinquency or default remains uncured for the period of sixty (60) days;

10.2.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or

10.2.4 Any proposed action which requires the consent of a specified percentage of Eligible Mortgage Holders as set forth in this Declaration.

10.3. Approval Required for Amendment to Property Documents.

10.3.1 The approval of Eligible Mortgage Holders holding First Mortgages on Lots the Owners of which have at least fifty-one percent (51 %) of the votes in the Association allocated to Owners whose Lots are subject to First Mortgages held by Eligible Mortgage Holders shall be required to add or amend any provisions of this Declaration or Bylaws of a material adverse nature to Eligible Mortgage Holders.

10.3.2 Any First Mortgagee who receives a written request to approve additions or amendments to any of the Property Documents, which additions or amendments are not material, and who does not deliver or mail to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request. Any addition or amendment to the Property Documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. Also, any First Mortgagee who receives a written request to approve additions or amendments to any of the Property Documents by certified or registered mail, with a return receipt requested, even if such additions or amendments are material, and who does not deliver or mail to the requesting party a negative response within sixty (60) days shall be deemed to have approved such request.

10.3.3 The approvals required by this Section shall not apply to amendments that may be executed by Declarant in the exercise of any enumerated rights granted herein, nor to minor or technical amendments, nor to amendments to correct ambiguities or to conform to the regulations of an Agency.

10.4. Prohibition Against Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey its Lot shall not be subject to any right of first refusal or similar restriction. This Section may not be amended without the consent of all First Mortgagees then of record.

10.5. Liens Prior to First Mortgagee. All taxes, assessments, and charges which may become liens prior to the First Mortgage under local law shall relate only to the individual Lot and not to the Property as a whole.

10.6. Condemnation or Insurance Proceeds. No Owner or any other party shall have priority over any rights of any First Mortgagee of a Lot pursuant to its Mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Lot.

10.7. Liability for Unpaid Assessments. Any First Mortgagee who obtains title to a Lot pursuant to the remedies provided in the First Mortgage (except upon a voluntary conveyance to the First Mortgagee) or by foreclosure of the First Mortgage shall take the property free of any claims for unpaid assessments or charges against the Lot which accrue prior to the acquisition of title to the Lot by the First Mortgagee.

10.8. Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Article and any other provision of the Property Documents, the provisions of this Article shall prevail; provided, however, that in the event of any conflict or inconsistency between the different sections of this Article and any other provision of the Property Documents with respect to the number or percentage of Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors that must consent to (a) an amendment to any of the Property Documents or (b) other actions of the Association specified in this Declaration, the provision requiring the consent of the greatest number or percentage of Owners, First Mortgagees, Eligible Mortgage Holders or Eligible Insurers or Guarantors shall prevail.

ARTICLE XI. EASEMENTS

11.1. Easements for Use and Enjoyment. A Lot Owner intending to make a transfer or sale of a Lot or any interest in a Lot shall give the Board written notice of such intention within seven (7) days after execution of the transfer or sales documents. The Owner shall furnish the Board, as part of the notice, the name and address of the intended grantee and such other information as the Board may reasonably require. This Article shall not be construed to create a right of first refusal in the Association or in any third party.

11.2. Support, Repair and Maintenance Easements. Each Owner of a Lot shall have the following rights and easements, which shall be appurtenant to and shall pass with the title to such Lot:

(a) a non-exclusive easement over and upon any portions of another Lot upon which are located any ducts, conduits, pipes, wires or other such systems or apparatus serving his or her Dwelling;

(b) a non-exclusive easement over and upon any portion of another Lot upon which are located any utility meters, air conditioning or heating equipment, plumbing, electrical, communications or other systems or apparatus, which serve the Dwelling; and

(c) a non-exclusive access and maintenance easement over adjacent Lots, to the extent reasonably necessary to perform maintenance and repair of his or her Dwelling, provided that exercise of this easement shall be done after reasonable notice and in an expeditious manner, and that upon completion of the work, the easement holder shall restore the easement property to its prior condition to the extent reasonably practicable.

11.3. Easements for Maintenance. Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of the Property, determined in the sole discretion of the Board, as are necessary to allow for the maintenance required by this Declaration. Such maintenance shall be performed with a minimum of interference to the Owners' quiet enjoyment of their respective Lots, reasonable steps shall be taken to protect such property, and damage shall be repaired by the party causing the damage at its sole expense.

11.4. Easements to Inspect and Right to Correct. Declarant reserves for itself, the Association and such other persons as it may designate, perpetual non-exclusive easements throughout the Community to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning or correcting any portion thereof, including all improvements and other structures located thereon. Declarant shall have the right to redesign or correct any part thereof. Damage caused upon any Lot resulting from the exercise of this easement or right of entry shall promptly be repaired by, and at the expense of, the party exercising the easement right.

11.5. Construction and Sale Period Easement. Notwithstanding any provisions contained in the Declaration, the Bylaws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, and any amendments thereto, until Declarant's right to subject Additional Property to this Declaration terminates, and thereafter so long as Declarant or any Declarant-approved builder owns at least one (1) Lot in the Community primarily for purpose of development or sale, Declarant reserves an easement across the Community for Declarant and any agents, representatives, contractors, builders or developers approved by Declarant to maintain and carry on development, marketing and sales activities, upon such portion of the Community as Declarant may reasonably deem necessary. This reserved easement shall include an easement for such facilities and activities which, in the sole opinion of Declarant, may be required, convenient, or incidental to the development, construction, and sales activities related to property within or near the Community. This easement shall include, without limitation:

(a) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on, or in any Lot or other portion of the Community;

(b) the right to tie into any portion of the Community with driveways, parking areas and walkways;

(c) the right to tie into or otherwise connect to and use, replace, relocate, maintain and repair any device which provides utilities or similar services, without a tap-on or any other fee for so doing;

(d) the right to carry on sales and promotional activities in the Community;

(e) the right to place directional and marketing signs on any portion of the Community, including any Lot or Common Area; and

(f) the right to construct and operate business offices, construction trailers, model homes, sales and leasing offices incidental to Declarant's construction, development, sales and leasing activities.

Rights exercised pursuant to this Section 11.5 shall be exercised with a minimum of interference to the quiet enjoyment of affected property, and reasonable steps shall be taken to protect such property from damage. Any damage shall be repaired by the party causing the damage at its sole expense. This subsection shall not be amended without the Declarant's express written consent until the Declarant's rights hereunder have terminated as provided in this Declaration.

ARTICLE XII. LEASING

12.1. Definitions. For purposes of this Article XII, the terms "lease", "leased" and "leasing" shall mean the regular, exclusive occupancy of a Dwelling by any Person other than its Owner, except that leasing shall not include occupancy by the children, parents, or spouses of Owners.

12.2. Lease Terms. No Dwelling or other structure installed upon any Lot may be leased for a term of less than twelve (12) months, provided that a lease may convert to a month-to-month term after the first term of occupancy. No Dwelling may be leased except in its entirety. In addition, the following provisions shall be incorporated automatically into all lease and occupancy agreements for any Dwelling, whether or not the same are repeated therein:

(a) a covenant by the tenant to comply with the terms of this Declaration and the Master Declaration and all rules and regulations adopted by the Association in accordance herewith;

(b) a prohibition against any subleasing of the Dwelling or assignment of the lease without prior written approval of the Board;

(c) a delegation to the Board by the Owner of the Owner's rights to enforce the terms of the lease and this Declaration against the tenant, including but not limited to the right to evict a tenant as provided by law and in the lease;

(d) a transfer to the tenant of all of the Owner's rights to use of the Common Area;

(e) an assignment to the Association of, and delegation of the right to collect payment of, all rents payable by the tenant to the Owner, to the extent of any unpaid assessments due from the Owner to the Association from time to time; and

(f) any other provisions required by law, it being the responsibility of each Owner to be familiar and to comply with all applicable laws and regulations, as well as any and all restrictions and requirements imposed by lenders having or considering a security interest in such Dwelling or the Lot thereon.

The terms set forth above shall not apply to any lease entered into by the Association or by the Declarant (regardless of whether said lease is entered into prior to or after the expiration of the Declarant's right to appoint and remove officers and directors of the Association pursuant to the Bylaws).

12.3. Notice of Lease Agreements. Each Owner shall provide the Board a copy of all proposed leases within seven (7) days prior to the effective date thereof, in order to ensure compliance with this provision. If a lease is disapproved, the Board shall notify the Owner of the reasons for such disapproval and any actions necessary to bring the lease into compliance herewith. In addition, within ten (10) days after executing a lease agreement for the lease of a Dwelling, the Owner shall provide the Board a copy of the lease and the name of each person other than the tenant(s) named therein who will occupy the Dwelling pursuant thereto. In addition, in the case of any Dwelling which is owned or leased by a legal entity other than a natural person, the Owner shall identify to the Board, in writing, the persons who are authorized to occupy the Dwelling. No Owner may assign any lease or otherwise change tenants (or change the designation of who is authorized to occupy a Dwelling, in the case of a legal entity) more frequently than once every six (6) months.

12.4. Declaration, Bylaws, Rules and Regulations. It shall be the responsibility of each Owner to provide his, her or its tenants with copies of this Declaration, any Association rules and regulations adopted from time to time by the Board, and the Master Declaration, including all amendments to the Master Declaration and the Palms Declaration, including all amendments to the Palms Declaration.

12.5. Compliance with Master Declaration. Each Owner and Occupant shall be subject to and shall comply with the terms of the Master Declaration regarding a "Build to Rent Community" and/or a "Rental Enterprise", as such terms are defined therein and which may be amended from time to time. By way of example, and not exclusion: (a) the Owner of Units in a Build to Rent Community or within a Rental Enterprise shall submit for review and approval by the Association on an annual basis a written maintenance plan for the Owner's property; (b) the Association shall engage professional subcontractors or utilize its employees to maintain the Units in a manner consistent with the Maintenance Plan, and shall assess the Owner to reimburse its out of pockets costs and expenses for said work and reasonable overhead for managing said work; (c) the

Association may also perform additional repairs or maintenance if needed in its reasonable discretion to maintain the Units to the neighborhood standard or to make unanticipated repairs and may also assess the Owner to reimburse it's out of pockets costs and expenses for said work and reasonable overhead for managing said work.

ARTICLE XIII. GENERAL PROVISIONS

13.1. Enforcement.

(a) Generally. Each Owner and Occupant shall comply strictly with the Bylaws, with any rules and regulations adopted by the Board from time to time, with the covenants, conditions and restrictions set forth in this Declaration, and with any such restrictions which may be placed in the deed to such Owner's Lot. In the event of a conflict between the provisions of this Declaration and the Bylaws, or this Declaration and any deed covenants, this Declaration shall prevail. The Board may impose fines or other sanctions for violation of any of the same, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board, on behalf of the Association, or in a proper case by an aggrieved Owner. If a fine or sanction is imposed, it may continue without further hearing until the violation is cured. 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. The Board shall have the right to record in the appropriate land records a notice of violation of this Declaration, Bylaws or the rules and regulations and to assess the cost of recording and removing such notice against the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

(b) Enforcement by Master Declarant. In the event that the Declarant and the Association fail to enforce the provisions of this Declaration required to be enforced under the terms of the Master Declaration after thirty (30) days written notice from the Master Declarant (or the Master Association after the Class "B" Control Period (as such term is defined in the Master Declaration)), then the Master Declarant (or the Master Association after the Class "B" Control Period) shall have the authority to enforce said provisions and to take such actions on behalf of the Association as may be required to enforce said provisions. Said authority shall include, but not be limited to, the right to specially assess Owners for the purpose of paying assessments due from the Association to the Master Association.

(c) Enforcement by Palms Declarant. In the event that the Declarant and the Association fail to enforce the provisions of this Declaration required to be enforced under the terms of the Palms Declaration after thirty (30) days written notice from the Palms Declarant (or the Palms Association after the Class "B" Control Period (as such term is defined in the Palms Declaration)), then the Palms Declarant (or the Palms Association after the Class "B" Control Period) shall have the authority to enforce said provisions and to take such actions on behalf of the

Association as may be required to enforce said provisions. Said authority shall include, but not be limited to, the right to specially assess Owners for the purpose of paying assessments due from the Association to the Palms Association.

13.2. Self-help. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon any Lot or any other portion of the Property to abate or remove, using such force as may be reasonably necessary as allowed by law, any structure, thing or condition which violates this Declaration, the Bylaws, the rules and regulations or the use restriction or to cutoff or read water/sewer meters serving the Property. Unless an emergency situation exists, the Board shall give the violating Owner ten (10) days written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney fees, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

13.3. Enforcement Costs. The Owner or Occupant responsible for a violation shall be liable for all costs incurred in enforcement, including reasonable attorney's fees actually incurred, whether or not a legal proceeding in law or equity is filed in connection with the violation. In the event an Occupant is responsible for the violation, the Owner shall also be liable for all costs incurred in enforcement against such Occupant, including reasonable attorney's fees actually incurred, whether or not a legal proceeding in law or equity is filed in connection with the violation. All such costs shall be considered an assessment and shall become a lien against the Owner's Lot.

13.4. Duration. The covenants and restrictions of this Declaration shall run with the title the Property and all portions thereof, and shall inure to the benefit of and shall be enforceable by the Declarant, the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for an initial period of twenty (20) years. Thereafter, this Declaration automatically shall be automatically extended for successive periods of twenty (20) years, unless a written instrument reflecting disapproval of such renewal is executed by the then Owners of more than eighty percent (80%) of the Lots and recorded within the year immediately preceding the beginning of any such twenty (20) year renewal period.

13.5. Amendment. This Declaration may be amended only upon the consent or vote of at least two-thirds (2/3) of the Owners, except for specific amendments for which a greater or lesser number of votes is required as provided elsewhere in this Declaration or the Bylaws, and if the Declarant still owns any Lot in the Community, also upon the affirmative written consent of the Declarant. In addition, so long as Declarant owns a Lot in the Community, this Declaration may be amended unilaterally by Declarant as follows, provided that no such amendment shall adversely affect the title to any Owner's Lot unless any such Owner shall consent in writing:

(a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith;

(b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration;

(c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, the Department of Housing and Urban Development, the Veterans Administration, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or

(d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee mortgage loans on the Lots subject to this Declaration.

No amendment to this Declaration shall be or become effective unless and until it shall have been approved by the Master Association and the Palms Association.

13.6. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

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

13.8. Captions. The captions are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular article or section to which they refer.

13.9. Indemnification. To the fullest extent allowed by applicable law, the Association shall indemnify every officer of the Association and director of the Association against any and all expenses, including, without limitation, attorney fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The 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. This indemnification shall also include attorney fees and expenses incurred in enforcing this indemnification. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

13.10. Books and Records. This Declaration, the Bylaws, copies of rules and use restrictions, membership register, books of account, and minutes of meetings of the members of the Board and of committees shall be made available for inspection and copying by the duly appointed representative of any member and by the holders, insurers, or guarantors of first mortgages, at any reasonable time and for a purpose reasonably related to such party's interest as a member or holder, insurer, or guarantor of a first mortgage, at the office of the Association or at such other reasonable place as the Board shall prescribe. The Board shall establish reasonable rules with respect to (1) the notice to be given to the custodian of the records; (2) the hours and days of the work when such an inspection may be made; and (3) the payment of the cost of reproducing copies of such documents. In addition, every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extra copies of documents at the reasonable expense of the Association.

13.11. Financial Review. A review of the books and records of the Association shall be made annually in the manner as the Board may decide; provided, however, after having received the Board's financial statements at their annual meeting, at least a majority of the Owners may require that the accounts of the Association be audited as a common expense by a certified public accountant. Upon written request of any institutional holder of a first mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements within ninety (90) days of the date of the request.

13.12. Notice of Sale or Acquisition. In the event an Owner sells such Owner's Lot, the Owner shall give to the Association, in writing, prior to the effective date of such sale, the name of the purchaser of the Lot and such other information as the Board may reasonably require. Upon acquisition of a Lot, each new Owner shall give the Association, in writing, the name and mailing address of the Owner and such other information as the Board may reasonably require.

13.13. Agreements. Subject to the prior approval of Declarant (so long as Declarant owns a Lot) all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, assigns and others having an interest in the Property or the privilege of possession and enjoyment of any part of the Property.

13.14. Implied Rights. The Association may exercise any right or privilege given to it expressly by the Declaration, the Bylaws, the Association's articles of incorporation, any use restrictions or rule and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

13.15. Variances. Notwithstanding anything to the contrary contained herein, the Declarant and the Board or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws, and any rule, regulation or use restriction adopted pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Community.

13.16. Dispute Resolution. Any Lot Owner or Occupant must give written notice to the Declarant or Board requesting a hearing with the Declarant or Board and attend such hearing to discuss amicable resolution of any dispute against the Declarant, Board, or Association, respectively, before that Owner or Occupant files any lawsuit against the Declarant, the Association, the Board, or any officer or director, or any agent of same. The Owner or Occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance and resolve the dispute in an amicable fashion, and shall give the Declarant or Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Declarant or Board shall give notice of the date, time, and place of the hearing to the Person requesting the hearing. The Declarant or Board shall schedule the hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the notice of hearing from the Person requesting the hearing. Alternatively, the Declarant or Board may notify the Owner or Occupant that it is waiving the requirement of the Owner or Occupant to request and attend the hearing with the Declarant or Board.

13.17. SECURITY. **THE DECLARANT AND/OR THE ASSOCIATION MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SAFETY AT THE COMMUNITY; HOWEVER, EACH OWNER AND OCCUPANT, FOR HIMSELF OR HERSELF AND HIS OR HER TENANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT THE DECLARANT AND/OR THE ASSOCIATION IS NOT A PROVIDER OF SECURITY AND SHALL HAVE NO DUTY TO PROVIDE SECURITY AT THE COMMUNITY. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER AND OCCUPANT TO PROTECT HIS OR HER PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH OWNER AND OCCUPANT.**

THE DECLARANT AND/OR THE ASSOCIATION SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE

ADEQUATE SECURITY OR INEFFECTIVENESS OF SAFETY MEASURES UNDERTAKEN.

13.18. Turnover. Turnover shall mean the point in time when Declarant turns over all of Declarant's rights under this Declaration to the Association, including ownership of the Common Area, which turnover may occur at any time after the date of recording of this Declaration, in the sole discretion of Declarant; provided, however, that Turnover to the Association shall automatically occur when Declarant shall cease to own at least one (1) Lot within the Property.

13.19. Person. Person shall mean a natural person, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration under seal this 9th day of July, 2025.

DECLARANT:

Signed, sealed and delivered
in the presence of:

BEACON NEW HOMES, LLC, a
Georgia limited liability company

Witness: Peter Smith

By: [Signature] (Seal)

Jeanne M. Whitney
Notary Public

Its: member

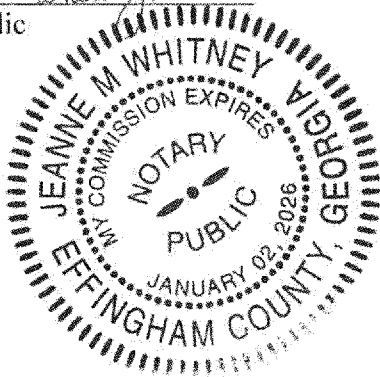


EXHIBIT "A"

DESCRIPTION OF SUBMITTED PROPERTY

ALL THOSE TRACTS OR PARCELS OF LAND lying and being in Chatham County, Georgia, and being more particularly described on that certain plat entitled: PALMS TOWNHOMES – MAJOR SUBDIVISION PLAT, BEING A PORTION OF PARCEL TH-1, NEW HAMPSTEAD TRACTS, CITY OF SAVANNAH, CHATHAM COUNTY, GEORGIA, FOR: BEACON NEW HOMES LLC, recorded on July 18, 2024, at Plat Book 54, Page 414 in the Chatham County, Georgia property records, which plat is incorporated herein and made a part hereof by reference.

EXHIBIT "B"

BYLAWS

OF

TOWNHOMES AT THE PALMS OWNERS ASSOCIATION, INC.

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BYLAWS
OF
TOWNHOMES AT THE PALMS OWNERS ASSOCIATION, INC.

ARTICLE I. GENERAL

1.1. Applicability. These Bylaws provide for the self-government of Townhomes at The Palms Owners Association, Inc., in accordance with the Articles of Incorporation filed with the Secretary of State and the Declaration of Covenants, Conditions, and Restrictions for the Townhomes at The Palms (hereafter referred to as the "Declaration"), recorded in the Chatham County, Georgia land records.

1.2. Name. The name of the corporation is Townhomes at The Palms Owners Association, Inc. (hereafter referred to as the "Association").

1.3. Definitions. The terms used herein shall have their generally accepted meanings or the meanings specified in the Declaration.

1.4. Membership. The Members of the Association shall be those persons who are determined to be members in accordance with Article III, Section 3.1 of the Declaration.

1.5. Voting. The voting rights of the Members shall be as set forth in the Articles of Incorporation and the Declaration, as such voting rights are specifically incorporated herein.

1.6. Entity Members. In the event an Owner is a corporation, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary, or other designated agent of such trust, or manager of such other legal entity shall be eligible to represent such entity in the affairs of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity which is the Owner of the Lot. The membership rights of an Owner which is a corporation, partnership, or other legal entity shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

1.7. Purpose. The Association shall have the responsibility of administering the Community, establishing the means and methods of collecting the assessments in accordance with the Declaration, and performing all of the other acts that may be required to be performed by the Association pursuant to the Declaration and Georgia Nonprofit Corporation Code. Except as to those matters which the Declaration or the Georgia Nonprofit Corporation Code specifically require to be performed by the vote of the

Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Directors.

1.8. Electronic Communications.

(a) Records and Signatures. Whenever the Declaration or these Bylaws require that a document, record or instrument be written or in writing, the requirement is deemed satisfied by an electronic record pursuant to the Georgia Uniform Electronic Transactions Act. Whenever the Declaration or these Bylaws require a signature on a document, record or instrument, an electronic signature, in accordance with the Georgia Uniform Electronic Transactions Act, satisfies that requirement.

(b) Verification and Liability for Falsification. The Board of Directors may require reasonable verification of any electronic signature, document, record, or instrument. Absent or pending verification, the Board of Directors may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not authentic. Neither the Board of Directors nor the Association shall be liable to any Owner or any other Person for accepting or acting in reliance upon an electronic signature or electronic record that the Board of Directors reasonably believes to be authentic, or rejecting any such item which the Board of Directors reasonably believes not to be authentic. Any Owner or Person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic signature shall fully indemnify the Association for actual damages, reasonable attorneys' fees actually incurred and expenses incurred as a result of such acts.

ARTICLE II. MEETINGS OF MEMBERS

2.1. Annual Meetings. The annual meeting of the members shall be held each year with the date, hour, and place to be set by the Board.

2.2. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President or by request of any two (2) or more directors, or upon written petition of at least twenty-five (25%) percent of the total eligible vote of the Association membership. Any such written petition by the members must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of members have joined in the petition and shall submit the petition to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition, and the Secretary shall send notice of the meeting in accordance with these Bylaws. Members petitioning for a special meeting may request the date, time and location of the meeting, but such request shall not be binding upon the Association.

2.3. Telephonic or Virtual Meetings. In the Board's discretion, any meeting of the members may be held by means of remote telephone or electronic communication, including, but not limited to, virtual meeting platforms, video conferencing, the internet, or other similar means, provided all persons participating in the meeting can hear each other or can otherwise communicate with each other. The Board of Directors may adopt

rules and procedures governing the conduct of meetings by remote telephone or electronic communication. For in-person meetings of the members, the Board of Directors may, but shall not be required, to allow attendance by remote telephone or electronic communication.

2.4. Notice of Meetings. The Secretary shall mail or deliver to each member of the Association a notice of each Association meeting at least twenty-one (21) days prior to each annual meeting and at least ten (10) days prior to each special meeting. All notices shall state the date, time, and location of the annual or special meeting. If any member wishes notice to be given to an address other than the Owner's Lot address, the member shall designate such other address by written notice to the Secretary. The mailing or delivering of a meeting notice as provided in this Section shall constitute proper service of notice.

2.5. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any Association meeting, either before or after such meeting. Attendance at a meeting by a member, whether in person or represented by proxy, shall be deemed waiver by such member of notice of the date, time and location thereof unless such member 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 at such meeting unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

2.6. Quorum. The presence, in person or by proxy, of members entitled to cast twenty-five percent (25%) of the total eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is closed and shall not need to be reestablished. Members whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the quorum requirement.

2.7. Adjournment. Any meeting of the Association members may be adjourned from time to time for periods not exceeding ten (10) days 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 have been transacted properly at the original session of the meeting with a quorum present may be transacted at a reconvened session with a quorum present, and no additional notice of such reconvened session shall be required.

2.8. Proxy. Any Association 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. The term "proxy" shall mean the written document in which the member authorizes any other person to attend a membership meeting on behalf of the member and vote the member's vote at the meeting. The written proxy document shall not be required to be in any particular form; but to be valid, the proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used or such earlier date and time as determined by the Board. The member giving the proxy shall be the "proxy

giver” and the person holding the proxy and authorized to attend on behalf of the proxy giver and vote for the proxy giver shall be the “proxy holder.” Proxies may be delivered by either the proxy giver or the proxy holder by personal delivery, U.S. Mail, facsimile transmission, email, or other electronic means to any Board member or the property manager, if any. Proxies may be revoked only by written notice of the proxy giver delivered to the Secretary, except that the presence in person by the proxy giver at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy. Proxies shall be counted towards establishment of a quorum.

2.9. Action Taken Without a Meeting. In the Board’s discretion, any action that may be taken by the Association members at any annual, regular, or special meeting may be taken without a meeting if the Board delivers a written consent form or written ballot to every member entitled to vote on the matter.

(a) Ballot. A written ballot shall set forth each proposed action, provide an opportunity to vote for, or withhold a vote for, each candidate for election as a director, if any, and provide an opportunity to vote for or against each other proposed action. Approval by written ballot shall be valid only when (1) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of directors; and (3) specify the time by which a ballot must be received by the Board in order to be counted. A written ballot may not be revoked.

(b) Written Consent. Approval by written consent shall be valid only when the number of written consents received equals or exceeds the requisite majority of the voting power for such action. Executed written consents shall be included in the minutes or filed with the Association’s records. If an action of the members is approved by written consent hereunder, the Board shall issue written notice of such approval to all members who did not sign written consents. Membership approval shall be effective ten (10) days after written notice is issued; provided, however, if the consent is to an amendment to the Declaration or Bylaws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

2.10. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these Bylaws or the Articles of Incorporation, unless the members present at a particular meeting vote to suspend Robert’s Rules at that meeting. Any failure to comply with Roberts Rules of Order (latest edition) shall not invalidate any action taken at the meeting.

ARTICLE III. BOARD OF DIRECTORS

3.1. Composition.

The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons; provided, however, during the period of time that Declarant has the right to appoint and remove the directors and officers of the Association pursuant to Section 3.2 of this Article, the Board of Directors shall be composed of one (1) to three (3) persons as determined by the Declarant. Except for directors appointed by the Declarant hereunder, the directors must reside in the Community and shall be Owners of Lots or the spouse of an Owner; provided, however no Owner and his or her spouse may serve on the Board at the same time, and no co-owners may serve on the Board at the same time. Except for directors appointed by the Declarant hereunder, no Owner or such Owner's spouse shall be eligible to be elected to the Board of Directors if that Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association.

3.2. Election and Term.

The Declarant shall have the right to appoint and remove directors and officers of the Association until the earlier of the following to occur: (a) the expiration of ten (10) years after the recording of the Declaration; (b) sixty (60) after all of the Lots shall have been conveyed to persons who are not the Declarant or a party to whom Declarant rights may be assigned; or (c) the voluntary surrender by Declarant in writing of the authority to appoint and remove directors and officers of the Association.

Upon the termination of the Declarant's right to appoint and remove directors, the Association shall call a special meeting to be held at which Members shall elect a Board. Thereafter, directors shall be elected at each annual meeting of the Association. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes. There shall be no cumulative voting.

Initially, the term of one (1) director shall be fixed at one (1) year and the term of two (2) directors shall be fixed at two (2) years. At the expiration of the initial term of office of each respective director, a successor shall be elected to serve for a term of two (2) years. Each director shall hold office until his or her successor shall have been elected by the Association.

In the event that the terms of Board of Directors are no longer staggered for any reason (including for example, but without limitation, if quorum is not met at an annual meeting, and an election cannot be held to replace those directors whose terms are expiring), at the election of directors of the Association at the next annual meeting at which a quorum is obtained, directors shall be elected for such terms as the Board may reasonably determine in order to reestablish the staggered terms as provided herein. The expressed purpose of this Section is to provide for continued staggered terms of directors.

The newly elected Board shall meet within ten (10) days following the meeting at which the election occurred for the purpose of appointing officers and any other business that comes before the Board.

3.3. Nomination. Nomination for election to the Board shall be made from the floor at the meeting. Nominations also may be made by a nominating committee, if appointed by the Board. The Board may also establish additional procedures for the nomination of directors.

3.4. Removal of Directors. At any valid regular or special Association meeting, any one or more directors, except those directors appointed by the Declarant, may be removed with or without cause by a majority of the total eligible vote of the Association members and a successor may then and there be elected to fill the vacancy created. In addition, any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings or is more than thirty (30) days past due in the payment of any assessment or charge may be removed by the vote of a majority of the other directors. Any director whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and shall be given an opportunity to be heard at the meeting.

3.5. Vacancies. Vacancies on the Board caused by any reason, except the removal of a director by vote of the membership as provided in Section 3.4 of this Article, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any Board meeting. The successor selected shall hold office for the remainder of the term of the director being replaced.

3.6. Compensation. Directors shall not be compensated for services. However, directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon Board approval of such expenses. For purposes hereof, reasonable food and beverages purchased for Board meetings shall not be considered compensation.

3.7. Director Conflicts of Interest. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided the director's interest is disclosed to the Board and the contract is approved by a majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the Board. The interested director shall be entitled to be present at the meeting at which the proposed contract is discussed, but the director must leave the room during the discussion on such matter.

3.8. Regular Meetings. Regular Board meetings may be held at such time and place as determined by the Board, but at least once every three (3) months.

3.9. Special Meetings. Special Board meetings may be called by the President on three (3) days notice to each director given by mail, in person, by telephone, by facsimile

transmission, or by email, which notice shall state the time, date, location, and purpose of the meeting. Special Board meetings shall be called by the President, Vice President, Secretary, or Treasurer in like manner and on like notice upon the written request of at least two (2) directors.

3.10. Waiver of Notice. Any director at any time, in writing, may waive notice of any Board meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any Board meeting 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 Board meeting, no notice shall be required and any business may be transacted at such meeting.

3.11. Quorum and Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. The presence of directors entitled to cast a majority of the votes of the Board shall constitute a quorum for the transaction of business. One or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

3.12. Open Meetings. All Board meetings shall be open to all Association members, but members other than directors may not participate in any discussion or deliberation unless expressly authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, delinquent assessments, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.13. Action Without a Meeting. Any Board action required or permitted to be taken at any meeting may be taken without a meeting if a majority of the directors consent in writing to such action. The written consents must describe the action taken. The written consents shall be filed with the minutes of the Board. The written consent may be by email or other electronic means; a copy of the consents shall be printed and filed with the minutes of the Board.

3.14. Powers and Duties. The Board shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Community and may do all such acts and things as are not by the Act, the Declaration, the Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these Bylaws, the Board shall have the power to and shall be responsible for the following, in the way of explanation, but not limitation:

(a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments;

(c) providing for the operation, care, upkeep, and maintenance of all portions of the Community for which the Association is assigned maintenance responsibility under the Declaration;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair and replacement of all portions of the Community for which the Association is assigned maintenance responsibility under the Declaration, 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 financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth in O.C.G.A. Section 14-3-302, and using the proceeds to administer the Association;

(f) making and amending rules and regulations for the Community and imposing sanctions for violation thereof, including reasonable monetary fines;

(g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to, or alterations of, the Community after damage or destruction by fire or other casualty, in accordance with the other provisions of the Declaration and these Bylaws;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific 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; and

(m) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into management agreements. Any and

all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

3.15. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize.

3.16. Borrowing. The Board shall have the power to borrow money for the purpose of maintenance, repair, restoration or improvement to the Common Area or for any other purpose; provided, however, if the total amount of such borrowing exceeds or would exceed the greater of Fifty Thousand Dollars (\$50,000.00) or ten percent (10%) of the annual budget then in effect of outstanding debt at any one time, such borrowing must first be approved by members of the Association holding a majority of the total Association vote; provided further, however, the Board shall be authorized to borrow money from the Declarant as provided in Article IV, Section 4.11 of the Declaration without the approval of the members of the Association.

3.17. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The 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, 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 shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

ARTICLE IV. OFFICERS

4.1. Designation. The principal officers of the Association shall be the President, Secretary, and Treasurer. The President and Secretary must be directors. The Treasurer shall be elected by the Board, but need not be a director. The Board may appoint one or more Vice Presidents, Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgment may be necessary. Except for the offices of Secretary and Treasurer and all offices appointed by Declarant, which may be held by the same person, no person may hold more than one (1) office.

4.2. Appointment of Officers. The Declarant shall have the right to appoint and remove directors and officers of the Association until the earlier of the following to occur:

(a) the expiration of ten (10) years after the recording of the Declaration; (b) sixty (60) after all of the Lots shall have been conveyed to persons who are not the Declarant or a party to whom Declarant rights may be assigned; or (c) the voluntary surrender by Declarant in writing of the authority to appoint and remove directors and officers of the Association. Upon the termination of the Declarant's right to appoint and remove officers, the Association officers shall be appointed annually by the Board of Directors, and shall hold office at the pleasure of the Board and until a successor is elected.

4.3. Removal of Officers. During the period that the Declarant has the right to appoint and remove the officers of the Association, any officer may be removed, either with or without cause, and a successor may be appointed by the Declarant. After the termination of the Declarant's right to appoint and remove officers of the Association as provided herein, upon the affirmative vote of a majority of the Board members at any Board meeting at which a quorum is established, any officer may be removed, either with or without cause, and a successor may be elected.

4.4. Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.5. President. The President shall be the chief executive officer of the Association and shall preside at all Association and Board meetings.

4.6. 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.

4.7. Secretary. The Secretary shall keep the minutes of all Association and Board meetings and shall have charge of the Association's books and records.

4.8. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for 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.

4.9. Other Officers. Other offices may be created by the Board, and the Board members which hold such offices shall have such titles and duties as are defined by the Board.

4.10. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, checks, promissory notes, 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 Board resolution.

ARTICLE V. AMENDMENTS

5.1. Amendment. These Bylaws may be amended by the Board of Directors (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation of judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to any Lot or Lots; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on improved Lots; or (d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee mortgage loans on improved Lots. In addition, these Bylaws may be unilaterally amended by the Board of Directors, by majority vote with a proper quorum, for any reason for so long as the Declarant has the right to appoint and remove the directors of the Association pursuant to Article III, Section 2 of these Bylaws.

In addition, these Bylaws may be amended upon the affirmative vote or written consent, or any combination thereof, of at least two-thirds (2/3) of the total eligible Association vote; provided, however, that for so long as the Declarant has the right to appoint and remove the directors of the Association pursuant to Article III, Section 2 of these Bylaws, then the Board of Directors, by majority vote with a proper quorum, shall have the right to veto such amendment.

5.2. Limitation Period. Any action to challenge the validity of these Bylaws or an amendment adopted under this Article must be brought within one (1) year of the recording of same in the Chatham County, Georgia land records. No action to challenge these Bylaws or any such amendment may be brought after such time.

ARTICLE VI. MISCELLANEOUS

6.1. Committees. The Board may establish such committees as the Board deems desirable with the powers and duties that the Board shall authorize. Except as otherwise provided herein and in the Declaration, members of any committee shall be appointed by the Board and shall serve at the pleasure of the Board. Any committee member may be removed with or without cause at any time and with or without a successor being named.

6.2. Notices.

(a) Method of Giving Notice. All notices, demands, bills, statements, or other communications shall be in writing and shall be given:

- (1) Personal delivery to the addressee;
- (2) Via United States mail, first class, postage prepaid;
- (3) Via electronic mail;
- (4) Via facsimile; or

(5) Via any other legal means.

(b) Addressee. Notice sent by one of the methods described herein shall be deemed to have been duly given:

(1) If to an Owner, at the address, electronic mail address or facsimile number which the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Owner's Lot;

(2) If to an Occupant, to the electronic mail address or facsimile number which the Occupant has designated in writing, or if no such address has been designated, at the address of the Lot occupied; or

(3) If to the Association, the Board or the managing agent, if any, at the postal address, facsimile, or electronic mail address of the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary.

6.3. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws or the Declaration.

6.4. 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 Bylaws or the intent of any provision thereof.

6.5. Fiscal Year. The fiscal year of the Association may be set by Board resolution or, in the absence thereof, shall be the calendar year.

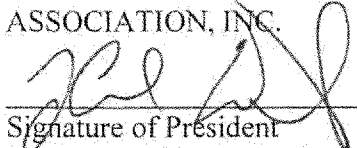
6.6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board. However, after having received the Board's financial review at the annual meeting, the members may, by a majority of the Association members present at such meeting, in person or proxy, require that the Association accounts be audited as a common expense by an independent accountant.

6.7. Conflicts. The duties and powers of the Association shall be those set forth in the Georgia Nonprofit Corporation Code, the Declaration, these Bylaws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association. If there are conflicts or inconsistencies between such, then the provisions of the Georgia Nonprofit Corporation Code (as may be applicable), the Declaration, the Articles of Incorporation and these Bylaws, in that order, shall prevail, and each Owner of a Lot, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

6.8. Books and Records. To the extent provided for, and restricted in, Section 14-3-1602 of the Georgia Nonprofit Corporation Code, as such Code Section may be amended from time to time, all Association members and any institutional holder of a first Mortgage shall be entitled to inspect Association records at a reasonable time and location specified by the Association, upon written request at least five (5) business days before the date on which the member wishes to inspect and copy. The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the member. Notwithstanding anything to the contrary, the Board may limit or preclude member inspection of confidential or privileged documents, including attorney/client privileged communications, executive session meeting minutes, and financial records or accounts of other members. Minutes for any Board or Association meetings do not become effective as an official Association record until approved by the Board or Association membership, as applicable, at a subsequent meeting. All Board members may inspect and copy any book or record of the Association.

This 28th day of MAY, 2025

TOWNHOMES AT THE PALMS OWNERS
ASSOCIATION, INC.

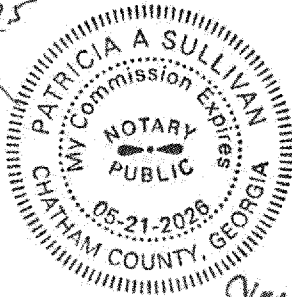

Signature of President

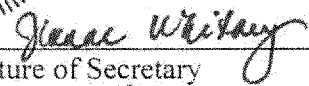
Print Name: CORDE WILSON

Sworn to and subscribed before me
this 28 day of MAY, 2025

Witness: [Signature]

[Signature]
Notary Public




Signature of Secretary

Print Name: JEANNE WHITNEY

Sworn to and subscribed before me
this 28 day of MAY, 2025

Witness: [Signature]

[Signature]
Notary Public

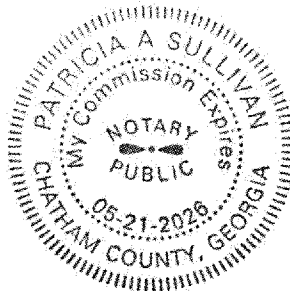


EXHIBIT "C"

CONSENT OF MASTER DECLARANT

For good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, New Hampstead Holdings, LLC, a Georgia limited liability company ("Master Declarant") hereby consents to the Declaration of Covenants, Conditions and Restrictions for the Townhomes at The Palms to which this Joinder is attached (the "Neighborhood Declaration"), pursuant to Section 7.1 of that certain Declaration of Covenants Conditions and Restrictions for New Hampstead dated December 28, 2005 and recorded in Deed Book 299-Z, Page 21, in the Official Public Records of Chatham County, Georgia (the "Master Declaration"), but the foregoing shall not affect the priority of the Master Declaration over this Neighborhood Declaration, and this Consent notwithstanding, that said Master Declaration shall remain a first and senior lien and encumbrance upon the real property subject to this Neighborhood Declaration.

MADE as of the 7TH day of JULY, 2025

Signed, seal and delivered
in the presence of:

K. M. Moore

Unofficial Witness

Sheila Kay Hunter

Notary Public

[affix notary seal]

MASTER DECLARANT:

New Hampstead Holdings, LLC,
a Georgia limited liability company

By: Jeffrey B. Coggins

Name: JEFFREY B. COGGINS

Title: MANAGER

