
Return to: Weissman, Nowack, Curry & Wilco, P.C.
One Alliance Center, 4th Floor
3500 Lenox Road
Atlanta, GA 30326
Attn: George E. Nowack, Jr.

STATE OF GEORGIA

Cross Reference: Deed Book 36901
Page 422

COUNTY OF FULTON

AMENDMENTS TO AMENDED AND RESTATED DECLARATION FOR
ELIZABETH HEIGHTS TOWNHOMES

WHEREAS, Elizabeth Heights, LLC, a Georgia limited liability company (hereinafter collectively called the "Declarant" filed a Declaration for Elizabeth Heights Townhomes, recorded November 5, 2003 at Deed Book 36429, Page 289, Fulton County, Georgia records ("Original Declaration"); and

WHEREAS, Declarant replaced the Original Declaration in its entirety with an Amended and Restated Declaration for Elizabeth Heights Townhomes recorded on January 20, 2004 in Deed Book 36901, Page 422 *et seq* ("Restated Declaration"); and

WHEREAS, Article XVI, Section 16.2 of the Restated Declaration provides for its amendment by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Association holding sixty-six and two-thirds percent (66 2/3%) of the total eligible vote; and

WHEREAS, members holding at least sixty-six and two-thirds percent (66 2/3%) of the total eligible vote have approved these amendments;

NOW, THEREFORE, the Restated Declaration is hereby amended as follows:

Amendment #1.

Article XIV, Sections 14.1 and 14.2 are deleted in their entirety and replaced with the following:

LEASING

In order to protect the equity of the individual Unit Owners at Elizabeth Heights Townhomes, and to carry out the purpose for which the Condominium was formed by preserving the character of the Condominium as a homogenous residential community of predominantly owner-occupied homes, leasing of Units shall be governed by the restrictions imposed by this Paragraph. Except as provided herein, leasing of Units is prohibited.

(a) Definitions.

(i) "Effective Date" means the date this Amendment is recorded in the Fulton County, Georgia land records.

(ii) "Grandfathered Owner" means an Owner of a Unit who is lawfully leasing his or her Unit on Effective Date. Grandfathering shall apply only to the Unit owned by such Grandfathered Owner on the Effective Date. Grandfathering hereunder shall continue only until the earlier of: (1) the date the Grandfathered Owner conveys title to the Grandfathered Unit to any other person (other than the Owner's spouse), or (2) the date that all current occupants of the Grandfathered Owner's Unit vacate and cease to occupy the Unit. Upon either event, the Unit shall automatically lose grandfathering hereunder.

(iii) "Grandfathered Unit" means the Unit owned by a Grandfathered Owner on the Effective Date hereof.

(iv) "Leasing" means the regular, exclusive occupancy of a Unit by any person(s) other than: (1) the Owner or a parent, child or spouse of an Owner, or (2) a person who occupies the Unit with the Owner or parent, child or spouse of the Owner occupying the Unit as his or her primary residence.

(b) Leasing Permit and Restriction. No Owner of a Unit may lease his or her Unit unless: (1) the Owner is a Grandfathered Owner, (2) the Owner is not a Grandfathered Owner but has received a written leasing permit from the Board of Directors authorizing leasing, or (3) the Owner is not a Grandfathered Owner but has received a hardship leasing permit from the Board as provided below.

Non-Grandfathered Owners who want to lease their Units may do so only if they have applied for and received from the Board of Directors either a "leasing permit" or a "hardship leasing permit." Such a permit will allow an Owner to lease his or her Unit, provided that such leasing is in strict accordance with the terms of the permit and this Section. The Board of Directors shall have the authority to establish conditions as to the duration and use of such permits consistent with this Section. All leasing permits and hardship leasing permits shall be valid only as to a specific Owner and Unit and shall not be transferable between either Units or Owners (including a subsequent Owner of a Unit where a permit was issued to the Owner's predecessor in title).

An Owner's request for a leasing permit shall be approved if the number of current, outstanding permits issued plus Grandfathered Units is no more than 15 Units.

Leasing permits and hardship leasing permits are automatically revoked upon the happening of any of the following events: (1) the sale or transfer of the Unit to a third party (excluding sales or transfers to an Owner's spouse); or (2) the failure of an Owner to lease his or her Unit for one hundred twenty (120) consecutive days at any time after the issuance of a leasing permit.

If the number of current leasing permits issued and Grandfathered Units is more than 15 Units, then no additional leasing permits shall be issued (except for hardship leasing permits) until that number falls below 15 Units. Owners who have been denied a leasing permit shall automatically be placed on a waiting list for a leasing permit and shall be issued a permit, if they so desire, when such number falls

below 15 Units. The issuance of a hardship leasing permit to an Owner shall not cause the Owner to be removed from the waiting list for a leasing permit.

(c) Hardship Leasing Permits. If the failure to lease will result in an undue hardship to the Owner, then the Owner may seek to lease on a hardship basis by applying to the Board of Directors for a hardship leasing permit. The Board shall have the authority to issue or deny requests for hardship leasing permits in its discretion after considering the following factors: (1) the nature, degree, and likely duration of the hardship, (2) the harm, if any, which will result to the Properties if the permit is approved, (3) the number of hardship leasing permits which have been issued to other Owners, (4) the Owner's ability to cure the hardship, and (5) whether previous hardship leasing permits have been issued to the Owner.

A "hardship" as described herein shall include, but not be limited to, the following situations: (1) an Owner must relocate his or her residence outside the greater Atlanta metropolitan area and cannot, within six (6) months from the date that the Unit was placed on the market, sell the Unit except at a price below the current appraised market value, after having made reasonable efforts to do so; (2) an Owner dies and the Unit is being administered by his or her estate; or (3) an Owner takes a leave of absence or temporarily relocates out of the metropolitan-Atlanta area and intends to return to reside in the Unit within one (1) year.

Hardship leasing permits shall be valid for a term not to exceed one (1) year. Owners may apply for additional hardship leasing permits at the expiration of a hardship leasing permit, if the circumstances warrant. Hardship leasing permits shall be automatically revoked if, during the term of the permit, the Owner is approved for and receives a leasing permit.

(d) Leasing Provisions. When leasing is permitted under this Section, it shall be governed by the following provisions:

(i) Notice. At least seven (7) days before entering into a lease, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease. If a lease is disapproved, the Board shall notify the Owner of the action to be taken to bring the lease in compliance with the Declaration and any rules and regulations adopted pursuant thereto.

(ii) General. Units may be leased only in their entirety; no rooms or fractions of Units may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. There shall be no subleasing of Units or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than one (1) year, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship. Within ten (10) days after executing a lease agreement for the lease of a Unit, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Owner must provide the lessee copies of the Declaration, Bylaws, and the rules and regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

(iii) Liability for Assessments; Compliance. Each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(A) Compliance with Declaration, Bylaws, and Rules and Regulations. The Owner and lessee shall comply with all provisions of the Declaration, Bylaws and Association rules and shall control the conduct of all other occupants and guests of the leased Unit in order to ensure such compliance. The Owner shall cause all occupants of his or her Unit to comply with the Declaration, Bylaws and Association rules, and shall be responsible for all violations by such occupants, notwithstanding the fact that such Occupants are fully liable and may be sanctioned for any such violation.

If a Unit is leased or occupied in violation of this Paragraph or if the Owner, lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation, the Association's Board of Directors shall be authorized, in addition to all other available remedies, to levy fines against the lessee and/or the Owner, to suspend all voting and/or Common Element use privileges of the Owner, Occupants and unauthorized tenant(s) and to suspend all common services to the Unit paid for by the Association as a common expense, including water service to the Unit, subject to the provisions of this Declaration and the Bylaws.

If a Unit is leased or occupied in violation of this Paragraph, the Association may require the Owner to evict the tenant. If the Owner, lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation, such violation is deemed to be a default under the terms of the lease and shall authorize the Owner or the Association, as more fully described herein, to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. Alternatively, the Association may require the Owner to evict the violating tenant. If the Association proceeds to evict the lessee, any costs, including reasonable attorney's fees actually incurred and court costs associated with the eviction shall be an assessment and lien against the Unit.

Use of Common Elements. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements, including, but not limited to, the use of any and all recreational facilities.

(B) Liability for Assessments. When an Owner who is leasing his or her Unit fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(e) Applicability of this Paragraph. Notwithstanding the above, this Paragraph shall not apply to any leasing transaction entered into by the Association, or by any first Mortgagee who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage. Such parties shall be permitted to lease a Unit without first obtaining a permit in accordance with this Paragraph, and such Units shall not be considered as being leased in determining the maximum number of Units that may be leased in accordance with this Paragraph.

Amendment #2.

The following are deleted in their entirety:

- (i) Article VI, Section 6.2(iv)
- (ii) Article VI, Section 6.2(c)
- (iii) Article XI, Sections 11.4 and 11.5
- (iv) Article XIV, Section 14.5

Amendment #3.

Article XIV, Section 14.4(c) is amended by striking "DeKalb" and replacing it with "Fulton"

Amendment#4.

Article XIV, Section 14.4(s) is amended by deleting it in its entirety and replacing it with the following:

Antennas and Satellite Dishes. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Condominium, including the Unit or Limited Common Elements; provided, however, that the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Unit Owners:

(i) No transmission antenna, of any kind, may be erected anywhere on the Condominium, including the Units, without written approval of the Board of Directors or the Architectural Control Committee.

(ii) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one meter in diameter shall be placed, allowed or maintained upon the Condominium, including the Units and the Limited Common Elements.

(iii) DBS and MMDS satellite dishes or antennas one meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association, both as may be amended from time to time.

In the event of a transfer of the Unit which includes a satellite dish or antenna, the Grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the Bylaws and the rules and regulations regarding satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna

IN WITNESS WHEREOF, the undersigned of the Elizabeth Heights Homeowners Association, Inc. hereby certify that these Amendments to the Declaration were duly adopted by at least sixty-six and two-thirds percent (66 2/3%) of the total eligible vote.

This 30 day of August, 2007.

**ELIZABETH HEIGHTS HOMEOWNERS
ASSOCIATION, INC.**

By: _____

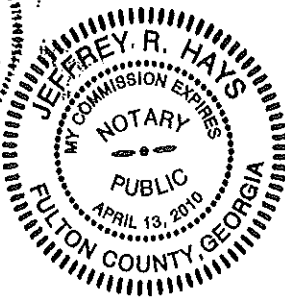
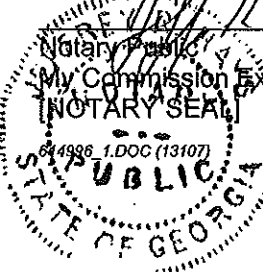
President

Attest: _____

Secretary

Signed, sealed, and delivered this
30 day of August, 2007.

Witness



After Recording, Please Return to:

George F. Maynard
The Maynard Law Firm, LLC
4001 Presidential Parkway
Suite 1512
Atlanta, Georgia 30340

Cross Reference:

Deed Book 36429, Page 289, Fulton
County, Georgia records

**AMENDED AND RESTATED DECLARATION
FOR
ELIZABETH HEIGHTS TOWNHOMES**

EXHIBIT

MATTER

- | | |
|-----|---|
| A | Legal Description of the Condominium Property and Common Areas |
| A-1 | Legal Description of the Fee Simple Units Property |
| B | Matters Affecting Title to the Property |
| C | Schedule of Units and the Voting Rights and Assessments Allocated to Each |

**AMENDED AND RESTATED DECLARATION
FOR
ELIZABETH HEIGHTS TOWNHOMES**

THIS AMENDED AND RESTATED DECLARATION is made by Elizabeth Heights, LLC, a Georgia limited liability company (hereinafter collectively called the "Declarant"). This Declaration amends, replaces and supercedes in its entirety a prior Declaration for Elizabeth Heights Townhomes, recorded November 5, 2003 at Deed Book 36429, Page 289, Fulton County, Georgia records.

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being in Land Lots 32 and 75, 17th District, Fulton County, Georgia, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, hereinafter called the "Property" subject to the title matters set forth on Exhibit "B" attached hereto and incorporated herein by this reference; and

WHEREAS, certain improvements have been constructed on the Property as shown on the Plat and the Plans which are referenced in Section 5.1(a) and (b) hereof; and

WHEREAS, Declarant has duly incorporated Elizabeth Heights Homeowners Association, Inc. (the "Association") as a nonprofit membership corporation under the laws of the State of Georgia; and

WHEREAS, the Declarant desires to submit the Property to the condominium form of ownership pursuant to the provisions of the Georgia Condominium Act, as the same is in effected on the date hereof (O.C.G.A. Section 44-3-70 through Section 44-3-116, as amended, hereinafter called the "Act"), the terms, conditions and provisions of which are incorporated herein by express reference, and the terms and conditions hereinafter set out. **THIS IS A CONVERSION CONDOMINIUM.**

NOW, THEREFORE, the Declarant does hereby make, declare and publish its intention and desire to submit, and does hereby submit, (a) the Property to the condominium form of ownership pursuant to, subject to and in accordance with the provisions of the Act and the terms and conditions hereinafter set forth, and (b) the Fee Simple Units Property to the terms and conditions of this Declaration.

ARTICLE I
Name

1.1 The name of the development shall be Elizabeth Heights Townhomes (the "Townhomes"), a townhome community. The Property and the Fee Simple Units Property are referred to herein as the "Entire Development".

Description of Submitted Property; Adjacent Property; Easements

2.2 Other Title Matters. The Entire Development is subject to the easements and other title matters which are set forth on Exhibit "B" attached hereto and by reference made a part hereof.

Definitions

ARTICLE IV

Convertible Space

ARTICLE V

Unit Information and Boundaries

(a) located thereon as shown on that certain survey plat for Elizabeth Heights, LLC, as signed and sealed by William W. DeLoach, Georgia RLS No. 1711, which plat has been prepared in accordance with Section 44-3-83 of the Act and has been filed in Condominium Plat Book 16, Page 94, Fulton County, Georgia Records (hereinafter said plat as recorded is referred to as the "Plat" or the "Condominium Plat");

(b) currently divided into one hundred twenty (120) residential Units intended for independent ownership and use and as substantially shown upon those certain Plans for Elizabeth Heights, and filed in the Condominium Floor Plans Cabinet 28, Folder 40, Fulton County, Georgia records (hereinafter said plans are referred to as the "Plans" or the "Condominium Plans"). There are eighty (80) Condominium Units on the Property, and forty (40) fee simple townhomes on the Fee Simple Units Property.

5.2 Unit Number. Each Unit shall have the identifying number allocated to it in accordance with this Declaration and the Plat and the Plans.

5.3 Boundaries. The boundaries of the condominium units on the Property (the "Condominium Unit") are as set forth below:

(a) Vertical Boundaries. The parametrical or vertical boundaries of each Condominium Unit shall be the vertical planes of the exterior, unexposed, unfinished surfaces of the wall separating the Unit from the exterior wall of the building and the vertical planes of the exterior, unexposed, unfinished surfaces of the wall separating the Unit from the hallway of the floor on which the Unit is located in the building. With respect to common walls between all Units, the parametrical boundary of all Units served thereby shall be the centerline of such wall. The vertical boundaries include the wallboard or other material comprising the wall of the Condominium Unit as it extends to its intersections with the upper and lower horizontal boundaries of the Condominium Unit.

(b) Horizontal Boundaries.

(i) If the Condominium Unit is on the top floor of the building, the upper horizontal boundary of such Condominium Unit is lowermost surface of the concrete slab constituting the ceiling of the Condominium Unit. The lower horizontal boundary of such Condominium Unit is the centerline of the concrete slab between the flooring of the Condominium Unit and the ceiling of the Condominium Unit below it.

(ii) If the Condominium Unit is on the bottom floor of the building, the upper horizontal boundary of such Condominium Unit is the centerline of the concrete slab between the ceiling of such Condominium Unit and the flooring of the Condominium Unit above it. The lower horizontal boundary of each such Condominium Unit located in the Townhomes is the upper surface of the concrete subflooring on which the Condominium Unit is constructed, with the flooring, if any, constituting part of the Condominium Unit and the concrete subflooring and building foundation not constituting part of the Condominium Unit.

(iii) If the Condominium Unit is not on the top or bottom of the building, the upper horizontal boundary of such Condominium Unit is the centerline of the concrete slab between the ceiling of such Condominium Unit and the flooring of the Condominium Unit above it. The lower horizontal boundary of such Condominium Unit is the centerline of the concrete slab between the flooring of the Condominium Unit and the ceiling of the Condominium Unit below it.

(c) Additional Information to Interpret Unit Boundaries. Entry doors and exterior glass surfaces, including, but not limited to, windows and glass doors, serving the

Condominium Unit shall be included within the boundaries of the Condominium Unit. Heating and air conditioning systems serving a single Unit (including any part of any such system located outside the boundaries of the Unit), all duct work for heating and air conditioning systems and appliances and plumbing fixtures within a Condominium Unit shall be part of the Condominium Unit.

If any chutes, flues, ducts, conduits, wires, pipes or other apparatus lies partially within and partially outside of the designated boundaries of the Unit, any portion thereof which serves only that Unit shall be deemed to be a part of that Unit, while any portions thereof which serve more than one (1) Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

In interpreting deeds and Floor Plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original Floor Plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or Floor Plan, regardless of settling or lateral movement of the building in which the Unit was located, and regardless of minor variance between the boundaries shown on the Floor Plans or in a deed and those of the Unit.

The ownership of each Unit shall include, and there shall pass with each Unit, whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association and an undivided interest in the funds and assets held by the Association.

5.4 Appurtenant Surfaces. If any chute, flue, duct, conduit, wire, bearing wall, bearing column or any other apparatus lies partially within and partially outside the designated boundaries of a Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit, and any portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

5.5 Subdivision and Partition of Condominium Units; Relocation of Boundaries. Subject to the provisions of Section 44-3-91 of the Act and the By-Laws of the Association, the boundaries between adjoining Condominium Units may be relocated from time to time, but no Condominium Unit may be subdivided for the purpose of creating two or more Condominium Units therefrom and no owner shall have the right of partition of a Condominium Unit.

ARTICLE VI

Common Elements and Limited Common Elements

6.1 Common Elements. The Common Elements consists of all portions of the Townhomes not located within the boundaries of a Unit or the Fee Simple Units Property. The Common Elements include, without limitation, certain utilities, fences, entry feature and lighting for same, paving, walls retaining walls, the foundation, roofs, exterior walls of the building, landscape areas, outside parking area and lighting for same, mail area, stairs, hallways, lobby, elevators, elevator shafts, elevator lobbies, mechanical rooms, maintenance room, dumpster, trash bin, and all other lighting, equipment and furniture in any Common Element of the Condominium Unit buildings.

Ownership of the Common Elements shall be by the Unit Owners as tenants-in-common. The percentage of undivided interest in and to the Common Elements attributable to each Unit is set forth on Exhibit "C" attached hereto and incorporated herein by this reference. Such percentages of undivided interest may be altered only by the consent of all Owners and Mortgagees (or such lesser number of Owners and Mortgagees as may hereafter be prescribed by the Act) expressed in a duly recorded amendment to this Declaration.

The Common Elements shall remain undivided, and no Owner or any other person shall bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as provided for Limited Common Elements or as otherwise provided herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners.

6.2 Limited Common Elements.

(a) The Limited Common Elements located on the Townhomes and the Unit(s) to which they are assigned are:

(i) the portion of the Common Elements on which there is located any portion of the air conditioning or heating system exclusively serving a particular Unit or Units is assigned as Limited Common Element to the Unit or Units so served;

(ii) any utility meter which serves only one (1) Unit is assigned as a Limited Common Element to the Unit so served;

(iii) a Unit may be assigned one (1) or more parking spaces, which are shown on the Plat as Limited Common Elements. Parking spaces may be initially assigned or reassigned by amendment to this Declaration as provided in Subparagraphs (b) and (c) below;

(iv) a Unit may be assigned one (1) or more storage spaces and shown on the Plans as a Limited Common Element, assigned to the Unit. Storage spaces may be initially assigned or reassigned by amendment to this Declaration as provided in subparagraphs (b) and (c) below; and

(v) any balcony attached to and serving only one (1) Unit is assigned as a Limited Common Element to the Unit to which it is attached and which it serves.

(b) The Association's Board of Directors, without need for a membership vote, is hereby authorized to assign and to reassign Limited Common Elements and Common Elements not previously assigned, provided that any such assignment or reassignment shall be made in accordance with the provisions of Section 44-3-82(b) and (c) of the Act. A Common Element not previously assigned as a Limited Common Element may be so assigned and a Limited Common Element may be reassigned by the Board, without the need for a vote of the Association, upon written application to the Association by the Unit Owner or Owners for whose exclusive use such Common Element is requested or whose use of the Limited Common Element previously assigned is directly affected. Upon such application, the Association shall prepare and execute an amendment to the Declaration assigning the Common Element as a Limited Common Element or reassigning the Limited Common Element, which amendment shall be

(c) For so long as Declarant owns any Unit primarily for the purpose of sale, Declarant shall have the right to assign or sell to Unit Owners one (1) or more parking spaces or storage spaces to be assigned as Limited Common Elements pursuant to subparagraphs (a) and (b) above. The proceeds of the sale of parking spaces or storage spaces as Limited Common Elements shall belong to the Declarant.

Allocation of Undivided Interest in the Common Elements

Allocation of Votes in the Association

Allocation of Liabilities, Common Expenses and Utility Fees

(a) any assessment with respect to all expenditures made or incurred by or on behalf of the Association in the operation, management and maintenance of the Property, including but not limited to: fees for management and supervision; printing, mailing, office equipment, all legal and accounting fees as required, secretarial and other expenses related to the conduct of the affairs of the Association and the Board of Directors; taxes; insurance; all utility

10.4 Restrictions on Powers. The Association shall have, except to the extent restricted herein, all those powers permitted by the provisions of Section 44-3-106 of the Act, and except to the extent that it may not without the written consent of two-thirds of the Unit owners (excluding Declarant) sell or transfer the Common Elements (excluding the grant of easements for public utilities or for any other public purposes consistent with the intended use of the Common Elements by the Unit owners).

10.5 Books and Records. The Association will maintain in its offices a current copy of this Declaration, the Articles of Incorporation of the Association, its By-Laws, as well as adequate books, records, financial statements and rules and regulations for the Townhomes, which materials shall be made available to be inspected during normal business hours by owners of Units or by holders, insurers or guarantors of first mortgages on any Unit.

10.6 Financial Statements. Commencing at the end of the first fiscal year of the Association, the Association shall obtain an audited financial statement of the books and records of the Association within one hundred twenty (120) days after the end of the fiscal year then ended. The Association shall make these audited financial statements available to any Unit owner or the holder, insurer or guarantor of any first mortgage that is secured by a Unit upon written request from such owner, holder, insurer or guarantor.

ARTICLE XI

Easements, Covenants and Use of the Townhomes

11.1 Purposes. The Townhomes are formed for residential purposes only and Units shall be occupied and used by the owners thereof only as private residences for the owners and the families, tenants, invitees, and guests of such owners and for no other purposes whatsoever. Without derogating from the generality of the foregoing, no business shall be maintained or conducted in or from any Unit.

11.2 Common Elements. All occupants of Units and their guests shall have a nonexclusive right to use the Common Elements for the purposes for which they are intended, subject, however, to the following provisions:

(a) No such use shall enter or encroach upon the lawful rights of other persons; and

(b) The Association shall have the right to restrict the use and govern the operation of the Common Elements by promulgating reasonable rules and regulations with respect thereto, including, without limitation, the right to charge reasonable monthly fees for the use thereof by Unit owners as the Association deems necessary or appropriate.

11.3 Strict Compliance. The owners of the Units shall be entitled to all of the rights but shall be subject to all of the obligations provided for in the Act and all owners shall comply strictly with the provisions of the Condominium instruments including any restrictions, rules or regulations contained in or promulgated in accordance with the By-Laws of the Association.

11.4 Maintenance of Offices. The provisions of Section 10.1 hereof shall not affect the right of the Declarant and its duly authorized agents, representatives and employees to enjoy the

easement provided for in Section 44-3-85(c) of the Act for the maintenance of sales and leasing offices and/or model Units on the Property.

11.5 Construction Easement. The Property shall be subject to a nonexclusive easement in favor of Declarant and its officers, employees, agents, independent contractors and invitees for entry upon and passage over the Property for purposes of constructing the Units and other improvements described herein, or preparing Units for sale.

11.6 Utility Easements. There shall be appurtenant to each Unit a nonexclusive easement for use of all pipes, wire, cables, conduits, utility lines, flues and ducts serving such Unit and situated in any other Unit. Each Unit shall be subject to an easement in favor of other Units for use of all pipes, wire, cables, conduits, utility lines, flues and ducts situated in such Unit and serving such other Units.

11.7 Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (i) settling of a Unit or Units; (ii) repair, alteration or reconstruction of the Common Elements made by or with the consent of the Association; (iii) repair or reconstruction of a Unit or Units following damage by fire or other casualty; or (iv) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Property remains subject to the Act.

11.8 Right of Access. The Association shall have the irrevocable right, to be exercised by the Board of Directors, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any matters that are the responsibility of the Association, or for making emergency repairs therein necessary to prevent damage to the Entire Development.

11.9 Maintenance of Common Elements. The necessary work of maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Declaration and the By-Laws. All portions of the exterior of the buildings located on the Property shall be considered Common Elements, and the maintenance, repair and reconstruction of which shall be a common expense of the Association. In addition, the maintenance, repair and replacement of the exterior of the buildings located on the Fee Simple Units Property shall be a common expense of the Association. Notwithstanding the foregoing, repair and replacement of all windows or doors serving individual Units shall be repaired or replaced by the Association, at the sole cost and expense of the Unit so served.

11.10 Prohibited Work. No owner shall do any work which would jeopardize the soundness or safety of the Entire Development, reduce the value thereof or impair any easement or hereditament without in every such case unanimous consent of all other owners of Units being first obtained.

ARTICLE XII

12.1 Insurance and Casualty Losses.

(a) Insurance covering all of the insurable improvements on the Property (with the exception of improvements and betterments made by the respective Condominium Unit owners or occupants) and all personal property as may be owned by the Association, against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and such other risk as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Condominium Units, including, but not limited to, vandalism and malicious mischief in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations), as determined annually by the Association;

(b) Comprehensive public liability insurance covering all of the Common Elements and insuring against all damage or liability caused by the acts of the Association, its officers, directors, agents and employees, all Unit owners and other persons entitled to occupy any Unit or any other portion of the Townhomes, with liability limits in amounts authorized from time to time by the Association, but in no event less than the amounts required in the Act; and

(c) Such other types and amounts of insurance as may from time to time be deemed necessary, desirable or proper, and be authorized by the Association by action of the Board of Directors or in its By-Laws.

(d) Notwithstanding anything to the contrary set forth herein, the owners of Units located on the Fee Simple Units Property shall carry their own hazard and liability insurance with respect to their Units, and the Association will not carry any insurance thereon. Each such Owner shall provide evidence of insurance to the Association, and such insurance shall name the Association as additional insured for liability coverage, and shall provide the Association will be given at least thirty (30) days prior written notice of cancellation. If any such Owner shall fail to provide such insurance, the Association shall obtain such insurance at said Owner's sole cost and expense, plus a twenty percent (20%) administration fee.

12.2 Payment of Insurance Premiums. Premiums for all hazard insurance on the Condominium Units buildings on the Property obtained by the Association under Section 12.1(a) above shall be assessed pro rata only against owners of Condominium Units. Premiums for all other insurance carried by the Association shall be common expenses and shall be paid by the Association.

12.3 Policy Standards.

(a) All insurance coverage obtained by the Association shall be written in the name of the Association as trustee for, and for the use and benefit of, each of the Unit owners and their mortgagees as their interest may appear, and their respective percentages of undivided interest in and to the Common Elements. Each such insurance policy shall be issued by an insurer authorized under the laws of the State of Georgia to do business in Georgia and to issue the coverage provided by the policy, and shall provide for the issuance of a certificate of

insurance to each Unit owner and its mortgagee, if any, which shall specify the proportionate amount of such insurance attributable to the particular Unit owner's interest in the Property.

(b) The Association shall use its best efforts to cause all of such insurance policies to contain: (i) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Unit owners and their employees, agents, tenants and invitees, and a waiver of any defenses based on co-insurance or on invalidity arising from the acts of the insured; (ii) a waiver by the insurer of its right to repair and reconstruct instead of paying cash; (iii) a provision that the policy cannot be cancelled, invalidated or suspended on account of the conduct of any Unit owner or any employee, agent, tenant or invitee of any Unit owner, or any officer, director, agent or employee of the Association, without a prior demand in writing and delivered to the Association to cure the defect and the allowance of reasonable time thereafter within which the defect may be cured by the Association, any Unit owner or any mortgagee; (iv) a provision that any "other insurance" clause in the policy shall exclude from its scope any policies of the individual Unit owners; (v) a provision that the coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty days written notice to any and all of the insured thereunder, including mortgagees; and (vi) a provision that the coverage will not be prejudiced by any act or negligence of the owners of the Units when said act or negligence is not within the control of the Association, or any failure of the Association to comply with any warranty or condition regarding any portion of the property over which the Association has no control.

12.4 Adjustment of Losses. Exclusive authority to adjust losses under insurance policies obtained by the Association shall be vest in the Association; provided, however, that no mortgagee shall be prohibited from participating in the settlement negotiations, if any, related thereto.

12.5 Individual Insurance by Unit Owners. It shall be the individual responsibility of each Unit owner, at its sole cost and expense, to provide, as it sees fit any insurance coverage for casualties not required to be maintained by the Association, including, without limitation, condominium betterments insurance, contents insurance, or liability insurance. Any Unit owner who obtains an individual insurance policy protecting any risk as to which insurance is carried by the Association shall file a copy of such individual policy with the Association within thirty (30) days after the purchase thereof.

12.6 Handling of Casualty Insurance Proceeds. All insurance policies purchased by and in the name of the Association shall provide that proceeds covered in casualty loss shall be paid to the Association. The Association shall receive such proceeds as are paid and delivered to it and hold the same in trust for the benefit of the Condominium Unit owners and their mortgagees as follows:

(a) Proceeds on account of damage to the Common Elements not involving a Condominium Unit shall be held to the extent of the undivided interest of each Condominium Unit owner, for each Condominium Unit owner, such interest to be equal to the undivided interest of each Condominium Unit owner in and to the Common Elements.

(c) If the damage or destruction for which the insurance proceeds are paid is to be required and such proceeds are not sufficient to defray the cost thereof, the Association may levy an additional assessment against all Condominium Unit owners in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Further, additional assessments may be made in a like manner and any time during or following the completion of any repair or reconstruction. The proceeds from insurance and assessments, if any, received by the Association hereunder when the damage or destruction is to be repaired or reconstructed shall be disbursed as provided for in Section 12.06 hereof.

12.8 Non-Liability and Indemnity of Officers and Directors of the Association and Declarant. The officers and directors of the Association and Declarant shall not be liable to any Unit owner for any mistake of judgment or for any other act or omission of any nature whatsoever in administering the Association, except for acts or omission of any nature whatsoever in administering the Association, except for acts or omission which constitute gross negligence or willful misconduct. The Association shall indemnify and hold harmless each of the officers and directors of the Association and Declarant and their respective legal representatives, successors and assigns, from any liability, cost or expense arising out of any act or omission in administering the Association which is not deemed to be gross negligence or willful misconduct.

ARTICLE XIII

Damage or Destruction

13.1 Obligation to Rebuild. In the event of damage to or destruction of the whole or any part of the Property, the Association shall repair, rebuild or restore the Property or such part as has been damaged or destroyed pursuant to the provisions of Section 44-3-94 of the Act unless the necessary agreement of Unit owners not to restore is obtained as set forth therein.

13.2 Compliance with Towhome Instruments. Such repairing, rebuilding or restoration shall be carried out in accordance with the provisions of the Act and the By-Laws of the Association.

ARTICLE XIV

Sale or Leasing of Units; Use of Units; Condition of Units; "AS-IS" Sales

14.1 Notice Provisions. Any owner who sells or who leases his Unit shall give notice in writing to the Board of Directors of such sale or of such lease stating the name and address of the purchaser or lessee and such other information as the Board may reasonably require. The Board of Directors shall have authority to make and to enforce reasonable rules and regulations in order to enforce this provision, including the right to impose fines constituting a lien upon the Unit sold or leased, pursuant to the Act; provided, however, no rule or regulation may create a right of first refusal in the Association or any other third party, this paragraph solely creating the obligation of an owner to give notice to sell or lease. Notice, as required herein, shall be given, in the case of a lease, not later than fifteen (15) days after commencement of the lease and, in the case of a sale, not later than the closing of the sale.

14.2 Leasing Provision. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases. All leases and lessees are subject to the provisions of the Declaration and rules and regulations adopted pursuant thereto. Any lease agreement entered into after first sale of a Unit by Declarant, shall be required to provide that the terms of a lease shall be subject in all respects to the provisions of the Declaration and By-Laws and Rules and Regulations and that any failure by the lessee to comply with the terms of such document shall be a default under the lease. All leases shall be in writing. Other than Units owned by the Declarant and with the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceedings, or any deed or other arrangement in lieu of foreclosure, all rentals must be for a term of no less than one (1) year. The Unit owner must make available to the tenant copies of the Declaration, By-Laws and Rules and Regulations.

14.3 Leasing Statement. Any Unit owner or person having executed a lease or a contract for the purchase of a Unit requesting a recordable statement certifying to the receipt by the Association of the notice herein specified, or the waiver of the Association's rights to receive such notice shall be furnished such a statement. Any such statement shall be binding on the Association and every Unit owner. Payment of a fee, not exceeding \$25.00, may be required as a prerequisite to the issuance of such a statement.

14.4 Use Restrictions. Each owner shall be responsible for ensuring that the owner's family, guests, tenants and occupants comply with all provisions of the Townhome Instruments and the Association's rules and regulations. Furthermore, each owner and occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the owner's family, guests, tenants or occupants, as a result of such person's violation of the Townhome Instruments, the Association may take action hereunder against the owner as if the owner committed the violation in conjunction with the owner's family, guests, tenants or occupants.

In addition to the following use restrictions, the Board may adopt rules and regulations in accordance with the terms hereof and of the Bylaws.

(a) Use of Units. Each Unit shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Unit or any part of the Townhomes, including business uses ancillary to a primary residential use, except that the residential Unit owner or occupant residing in a Unit may conduct such ancillary business and activities within the Unit so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the Unit; (ii) the business activity does not involve visitation of the Unit by employees, clients, customers, suppliers or other business invitees; (iii) the business activity conforms to all zoning requirements for the Townhomes; (iv) the business activity does not increase traffic in the Townhomes (other than by deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services); (v) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; (vi) the business activity is consistent with the residential character of the Townhomes and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Townhomes, as may be determined in the sole discretion of the Board; and

(b) Numbers of Occupants. No Unit shall be occupied by more than two persons per bedroom in the Unit (as such bedrooms are depicted on the Plans of such Unit filed in the Fulton County, Georgia records) plus one (1) additional person. "Occupancy," for purposes of this Paragraph, shall be defined as staying overnight in a Unit for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any year. This single family occupancy restriction shall not apply to require the removal of any person lawfully occupying a Unit on the effective date hereof.

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(d) Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without prior written Board consent, except as specifically provided herein.

With prior written Board approval, and subject to any restrictions imposed by the Board, an owner may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such owner who reserves a portion of the Common Elements as provided herein shall assume, on behalf of himself or herself and his or her guests, occupants and family, all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees. The Board may charge such sums as it deems appropriate in its sole and absolute discretion for the use of the Common Elements by an owner.

(e) Use of Limited Common Elements. Use of the Limited Common Elements is restricted exclusively to the owner(s) of the Unit(s) to which such Limited Common Elements are assigned, and said owner's family members, guests, tenants and invitees. The Limited Common Elements are reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Elements in general, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

(f) Prohibition of Damage, Nuisance and Noise. Without prior written Board consent, nothing shall be done or kept on the Townhomes which would increase the rate of insurance on the Townhomes or any Unit, which would be in violation of any statute, rules, ordinance, regulation, permit or other governmental requirements, or which would increase the common expenses.

Noxious, destructive or offensive activity shall not be carried on upon the Townhomes. No Unit owner or occupant may use or allow the use of the Unit or any portion of the Townhomes at any time, in any way or for any purpose which may endanger the health, unreasonably annoy or disturb or cause embarrassment, or discomfort to other owners or occupants, or in such a way as to constitute, in the Board's reasonable opinion, a nuisance. Nothing herein, however, shall be construed to affect the rights of an aggrieved owner to proceed individually for relief from interference with his or her property or personal rights. No Unit owner or occupant may use or allow the use of the Unit, the Common Elements or the Limited Common Elements in any manner which creates noises between the hours of 11:00 p.m. and 7:30 a.m. which can be heard by persons in another Unit that will, in the Board's reasonable discretion, unreasonably interfere with the rights, comfort or convenience of any other owner or occupant.

No owner, occupant or agent of such owner or occupant shall do any work which, in the Board's reasonable opinion, would jeopardize the soundness or safety of the Townhomes or any structure thereon, would reduce the value thereof, or would impair any easement or other interest in the Townhomes, without the prior written consent of all Association members and their mortgagees.

No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any owner or family member or invitee of any owner. Each owner shall indemnify and hold the Association and the other owners harmless against all loss to the Association or other owners resulting from any such damage or waste caused by such owner, members or his or her family, guests, invitees, or occupants of his or her Unit.

(g) Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display or lawful firearms on the Common Elements is permitted by law enforcement officers and security guards hired by the Association, and also is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the owner's Unit. The term "firearms" includes airsoft guns, "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. Section 25-10-1, as amended.

(h) Pets. No owner or occupant may keep any pets other than generally recognized household pets on any portion of the Townhomes, and no owner or occupant may keep more than two (2) generally recognized household pets per Unit; provided, however, that this requirement shall not apply to any owner or occupant that has more than two (2) pets on the effective date hereof. Any owner or occupant permitted to keep more than two (2) pets hereunder may not replace pets that die or are otherwise removed from the Townhomes until the number of pets kept in such Unit is two (2) or less. Notwithstanding the above, a reasonable number of generally recognized household pets, as determined in the Board's sole discretion, weighting less than two (2) pounds each may be kept in Units.

No owner or occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors or kept unattended outdoors in fenced areas, including fenced porch or patio areas. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Elements, including Limited Common Elements, without prior written approval of the Association. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while outdoors. Feces left upon the Common Elements by pets must be removed by the owner of the pet or the person responsible for the pet.

No potbellied pigs may be brought onto or kept at the Townhomes at any time. No pit bulldogs, other dogs or other animal determined in the Board's sole discretion to be dangerous may be brought onto or kept on the Townhomes at any time. No pets weighing over fifty (50) pounds shall be allowed whatsoever. Any pet which endangers the health of any owner or occupant or which creates a nuisance or unreasonable disturbance, as may be determined in the Board's sole discretion, must be permanently removed from the Townhomes upon seven (7) days' written notice by the Board. If the owner or occupant fails to do so, the Board may remove the pet. Any pet which in the Board's sole discretion, presents an immediate danger to the health, safety or property of any community member may be removed by the Board without prior notice to the pet's owner.

Any owner or occupant who keeps or maintains any pet upon the Townhomes shall be deemed to have indemnified and agreed to hold the Association, its directors, officers,

and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Townhomes.

(i) Parking Lot. The parking lot located on the Townhomes is part of the Common Elements.

Disabled and stored vehicles are prohibited from being parked on the Townhomes. Boats, trailers, panel trucks, trucks with a load capacity of one (1) ton or more, vans (excluding mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Townhomes. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements; provided, that no such vehicle shall be authorized to remain on the Common Elements overnight or for any purpose except serving a Unit or the Common Elements, without written Board consent.

For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Townhomes for fourteen (14) consecutive days or longer without prior written Board permission.

If any vehicle is parked on any portion of the Townhomes in violation hereof or in violation of the Association's rules, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the parking garage stating the name and telephone number of the person or entity which will do the towing. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another vehicle or access to another owner's or occupant's Unit, is obstructing the flow of traffic, is parked on any grassy area, is parked in a space which has been assigned as exclusively servicing another Unit, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed immediately. If a vehicle is towed in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing activity. The Association's right to tow is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. The Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

(j) Abandoned Personal Property. Personal property, other than an automobile as provided for above, is prohibited from being stored, kept, or allowed to remain for

more than twenty-four (24) hours upon any portion of the Common Elements, other than on a limited common element, without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Unit, if known, the Board may remove and either discard or store the personal property in a location which the board may determine. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

(k) Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting in damage to the Townhomes, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five degrees (55°) Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below. Owners and occupants of Units shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. If during the months specified above the heating equipment is not working properly, the owner or occupant shall immediately inform the Board of this failure of the equipment and of the time needed to repair the equipment. The Board may fine any owner or occupant and/or cause the water service to the violator's Unit to be discontinued for violation hereof, in addition to any other remedies of the Association.

(l) Signs. Except as may be required by legal proceedings, no signs, advertising posters or billboard of any kind shall be erected, placed, or permitted to remain on the Townhomes without the prior written consent of the Board or its designee, except that one (1) professional security sign not to exceed six inches (6") by six inches (6") in size may be displayed from within a Unit, and one (1) professionally lettered "For Rent" or "For Sale" sign not to exceed two feet (2') by two feet (2') in size may be displayed from within a Unit being offered for sale or for lease. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association on the Common Elements.

(m) Rubbish, Trash, and Garbage. All rubbish, trash and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit,

temporarily or otherwise, except as provided herein. Rubbish, trash, and garbage shall be disposed of in sealed plastic bags and either placed in proper receptacles designed by the Board for collection or removed from the Condominium.

(n) Unsightly or Unkept Conditions. The pursuit of hobbies or other activities, including, but not limited to, the assembly and disassembly of motor vehicles or other mechanical devices, which might tend to cause disorderly, unsightly, or unkept conditions, shall not be pursued or undertaken on any part of the Townhomes. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit. Only appropriate outdoor items, such as patio furniture, may be kept in the porch, patio or balcony serving the Unit.

(o) Garage Sales. Garage sales, yard sales, flea markets, or similar activities shall be permitted at the Townhomes only with prior written Board consent and subject to all reasonable conditions that the Board may impose.

(p) Window Treatments. Unless otherwise approved in writing by the Board, any window treatments or any portion thereof visible from outside of any Units shall be white or off-white in color; and shall not be bed sheets.

(q) Replacing Carpet with Tile or Hardware Floors. No owner, occupant or any other person may replace carpeting with a tile, marble, vinyl or hardwood floor, or other hard surfaced flooring material, on the interior of a residential Unit, without first obtaining written approval of the Board. To obtain Board approval, the person seeking to make the change must demonstrate that such replacement will not cause noise to any Unit below which will exceed the average noise level in Units with carpeted floors.

(r) Keys. Each owner shall insure that all times the Association or its designated representative has keys to each Unit. The Association shall have the right to access Units from time to time in order to perform maintenance, pest control, or for emergency purposes.

(s) Satellite Dishes. No owner or occupant shall place any antenna on the exterior of any Unit, or any satellite dish or other receptive device exceeding eighteen inches (18") in diameter. Any such permissible satellite dish or other receptive device shall be painted the same color as the trim on the building in order to minimize the visual impact of such device.

14.5 Condition of Units; "AS-IS" Sale of Units. By acquiring any Unit in the Property, each Unit owner acknowledges that they have not relied upon any advice, representations or statements of Declarant and waive and shall not assert any claims against Declarant involving the same. Each Unit owner agrees that Declarant shall not be responsible to advise any Unit owner on any matter, including but not limited to the following: any matter which could have been revealed through a survey, title search or inspection of the Unit; the condition of the Unit, any portion thereof, or any item therein; the necessity or cost of any repairs to the Units; hazardous or toxic materials, including, without limitation, asbestos-containing materials, lead based paint, or radon; the tax or legal consequences of this transaction; the availability and cost of utilities or community amenities; the appraised or future value of the Unit; any condition(s) existing off the

Property which may affect the Property; the terms, conditions and availability of financing; and the uses and zoning of the Property whether permitted or proposed. The ceilings or other finishes in the Unit may contain asbestos. Each Unit owner acknowledges that Declarant is not an expert with respect to the above matters and that, if any of these matters or any other matters are of concern to them, each Unit owner shall seek independent expert advice relative thereto. Declarant shall not by the execution and delivery of any document or instrument executed and delivered in connection with the closing, make any warranty, express or implied, of any kind or nature whatsoever, with respect to the Property other than warranties of title pursuant to any deed of conveyance, and all such warranties are hereby disclaimed. Without limiting the generality of the foregoing, DECLARANT MAKES, AND SHALL MAKE, NO EXPRESS OR IMPLIED WARRANTY OF HABITABILITY OR SUITABILITY OR FITNESS OF THE PROPERTY FOR ANY PURPOSE, OR AS TO THE MERCHANTABILITY, VALUE, QUALITY, CONDITION OR SALEABILITY OF THE PROPERTY. The sale of the Units in the Property by Declarant to Unit owners shall be "AS IS" and "WHERE IS", "WITH ALL FAULTS".

14.6 Maintenance Responsibility.

(a) By the Owner. Each owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit and all improvements made by the owner to the Limited Common Elements assigned to the Unit except any portion of a Unit which is expressly made the maintenance obligation of the Association as set forth in subparagraph (b) below. This maintenance responsibility shall include, but not be limited to the following: all glass surfaces (excluding exterior cleaning), windows, window frames (except for periodic painting, staining and/or cleaning of the exterior window frames), casings and locks (including caulking of windows); all doors, doorways, door frames, and hardware that are part of the entry system of the Unit (except for periodic painting, staining and/or cleaning of the exterior surface of entry doors and door frames facing the hallway of the Townhomes); all portions of the heating and air conditioning system, including the air conditioning compressor and the fan coil serving the Unit; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or without a Unit's boundaries (including all electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit).

In addition, each Unit owner shall have the responsibility:

(i) To keep in a neat, clean and sanitary condition any Limited Common Elements serving his or her Unit.

(ii) To perform his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units.

(iii) To promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible.

(iv) To pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit owner but which responsibility such owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of

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- Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Elements by an owner or Occupant which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Elements) 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.

The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. As finish levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready". Such repair and subsequent cleaning shall be performed based on a reasonableness standard. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the owner of any Unit, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the owner of a Unit has put the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to the owner of any Unit 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 the Common Elements. 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 Paragraph where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its

(c) Failure to Maintain. If the Board of Directors determines that any owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the owner written notice of the owner's failure or refusal and of the 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 of Directors.

If the Board determines that the need for maintenance or repair is in the Area of Common Responsibility and is caused through the willful or negligent act of any owner, or occupant or their family, guests, lessees, or invitees, then the Association may assess the cost of any such maintenance, repair, or replacement against the owner's or occupant's Unit, shall become a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

(i) The Board of Directors, upon resolution, shall have the authority to any Unit owner(s) to do any act or perform any work involving portions of the which are the maintenance responsibility of the Unit owner, which will, in the discretion, decrease the possibility of fire or other damage in the Townhomes, urance premium paid by the Association for any insurance coverage or otherwise ard in procuring or maintaining such insurance coverage. This authority shall eed not be limited to, requiring owners to install and maintain smoke detectors, ers to certify that they have checked the batteries for their smoke detectors, ers to allow the Association to inspect the smoke detectors and replace batteries if schedule to be determined by the Board of Directors, requiring owners to make to the owner's Unit, and such other measures as the Board may reasonably require cost of such work does not exceed Three Hundred and No/100 Dollars (\$300.00) y twelve (12) month period.

(ii) In addition to, and not in limitation of, any other rights the Association may have, if any Unit owner does not comply with any requirement made by the Board of Directors pursuant to subparagraph (d)(i) above, the Association, upon fifteen (15) days written notice (during which period the Unit owner may perform the required act or work without further liability), may perform such required act or work at the Unit owner's sole cost. Such cost shall be an assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to subparagraph (d)(i) of this Paragraph, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the owner or occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

ARTICLE XV Eminent Domain

15.1 If any portion of the Property is taken by eminent domain, the award shall be allocated as provided in Section 44-3-97 of the Act.

ARTICLE XVI Amendment of Declaration

16.1 Mortgagee's Rights.

(a) Unless at least sixty-seven percent (67%) of the total allocated votes in the Association and eligible mortgage holders representing at least fifty-one percent (51%) of the votes of Units subject to mortgages held by eligible mortgage holders give their consent, the Association or the membership shall not:

- (i) by act or omission seek to abandon or terminate the Declaration;
- (ii) change the pro rata interest or obligations of any individual Unit for the purpose of (1) levying assessments or changes or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Unit in the Common Elements, except for changes due to adding additional Units on the Adjacent Property;
- (iii) partition or subdivide any Unit, or redefine any Unit boundaries;
- (iv) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause);
- (v) use hazard insurance proceeds for losses to any portion of the Townhomes (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such portion of the Townhomes;
- (vi) affect the voting rights of owners hereunder;

(vii) increase any assessment hereunder that raises the previously assessed amount by more than twenty-five percent (25%), or change the provisions hereunder with respect to the rights of the Association to file liens for unpaid assessments or the priority of such liens;

(viii) reduce reserves for maintenance, repair and replacement of any Common Elements;

(ix) reallocate responsibility for maintenance or repairs;

(x) impose any restriction on the leasing of Units not contained herein;

(xi) impose any restriction on a Unit owner's right to sell or transfer his or her Unit;

(xii) establish self-management by the Association if professional management has been required previously by the project documents or by an eligible mortgage holder; or

(xiii) modify and/or impose any provision of this Declaration for the express benefit of mortgage holders, insurers or guarantors.

The provisions of this subparagraph shall not be constructed to reduce the percentage vote that must be obtained from mortgagees or Unit owners where a larger percentage vote is otherwise required by the Act or the Townhome Instruments for any of the actions contained in this paragraph.

(b) Where the mortgagee holding a first mortgage of record or other purchase of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the first mortgage, it shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from owners of all the Units, including such acquirer, its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

(c) Upon written request to the Association, identifying the name and address of the holder and the Unit number or address, any eligible mortgage holder will be entitled to timely written notice of:

(i) any condemnation loss or any casualty loss which affects a material portion of the Townhomes or any Unit on which there is a first mortgage held by such eligible mortgage holder;

(ii) any delinquency in the payment of assessments or charges owed by an owner of a Unit subject to a first mortgage held by such eligible mortgage holder which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an

5

(iii) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(iv) any proposed action which would require the consent of a specified percentage of eligible mortgage holders, as specified herein.

(d) any holder of a first Mortgage shall be entitled, upon written request, to receive within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the mortgagee so requesting.

(e) Notwithstanding anything to the contrary herein contained, the provisions governing sales and leases shall not apply to impair the right of any first mortgagee to: (i) foreclose or take title to a Unit pursuant to remedies contained in its mortgage; (ii) take a deed or assignment in lieu of foreclosure; or (iii) sell, lease, or otherwise dispose of a Unit acquired by the mortgagee.

16.2 Amendments. Except where a higher vote is required for action under any other provisions of this Declaration or by the Act, in which case such higher vote shall be necessary to amend such provision, this Declaration may be amended by the affirmative vote, written consent, or any combination or affirmative vote and written consent of the members of the association holding sixty-six and two thirds percent (66 2/3%) of the total eligible vote thereof. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Fulton County, Georgia land records.

In addition to the above, material amendments to this Declaration must be approved by eligible mortgage holders who represent at least fifty-one percent (51%) of the votes of Units that are subject to mortgages held by eligible mortgage holders. Notwithstanding the above, the approval of any proposed amendment by an eligible mortgage holder shall be deemed implied and consented to if the eligible mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after the eligible mortgage holder receives notice of the proposed amendment sent by certified or registered mail, return receipt requested.

Notwithstanding the foregoing, the board of directors, without the necessity of a vote from the owners, may amend this Declaration to comply with any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA").

Any action to challenge the validity of an amendment adopted under this paragraph must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.

ARTICLE XVII
Termination of the Townhomes

17.1 Subject to the provisions of Section 44-3-98 of the Act with regard to the manner in which the termination of the Townhomes shall be effected and to the consequences thereof, Elizabeth Heights Townhomes, a Townhome Community, shall be terminated only by the agreement of four-fifths ($\frac{4}{5}$) of the owners of the Units and of all mortgagees of such Units unless, in the case of the destruction of the entire development by fire or other casualty, following which the owners of the Units decide not to rebuild, in which case the provisions of the By-Laws and the Declaration shall apply.

ARTICLE XVIII
Control by Declarant

18.1 Generally. Pursuant to and in accordance with the provisions of Section 44-3-101 of the Act, the Declarant is hereby authorized in accordance with the By-Laws of the Association, incorporated herein by reference, to appoint and remove any member or members of the Board of Directors and any officer or officers of the Association with or without cause, and amend this Declaration, the Articles of Incorporation of the Association, and/or the By-Laws, until the first of the following to occur:

- (a) The fifth (5th) anniversary of the date of recording of this Declaration, or
- (b) Four (4) months after the date as of which Units to which seventy-five percent (75%) of the undivided interests in the Common Elements have been conveyed by Declarant to Unit owners other than a person or persons constituting Declarant, or
- (c) The date as of which the Declarant surrenders the authority to appoint and remove all members of the Board of Directors by express amendment to the Declaration executed and recorded by the Declarant.

ARTICLE XIX
Perpetuities

19.1 Should any of the provisions of this Declaration be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the date that is ninety (90) years from and after the date of this Declaration.

ARTICLE XX
Miscellaneous

20.1 Notices. Notices provided for in the Act, this Declaration or the Articles or By-Laws shall be in writing, and shall be addressed to any Unit owner at his/her or their Unit at the Condominium or at such other address as hereinafter provided. Notices to the Association shall be in writing and addressed to the President of the Association at his or her Unit at the Townhomes, or to such other address as may hereafter be provided for and a written notice of such change of address furnished to all Unit owners. Any Unit owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as

above shall be deemed delivered three business days after mailing by United States Registered or Certified Mail, or when delivered in person. Upon written request to the Association, the holder of any interest in any Unit shall be given a copy of all notices to be given to the owner whose Unit is subject to such interest.

20.2 Right to Notice, Attend Meetings and Inspection of Records. The owner of any interest in any Unit, including any mortgagee, and any insurer or grantor of such mortgage, in addition to the rights set forth in the Act, shall have the right to inspect the books and records of the Association, including financial records, upon reasonable notice, and the right to attend and speak at any meeting of the Association, provided, however, no person other than a member as such shall leave any voting rights. If the owner of any such interest files with the Association a written request, the Association shall have the right to notify such party of any violation by the owner of such Unit provided, however, that in no event shall the Association agree with any such party to furnish such notice unless such party agrees in writing that in no event shall the Association be liable for any claim or damages as a result of any failure to give such notice. Upon written request, any mortgagee shall have the right to receive a financial statement for the immediately preceding fiscal year.

20.3 Headings. The headings, sections and subsections in this Declaration and the Articles and By-Laws are for convenience or reference only and shall not in any way be deemed to limit or construe the intent of the parties or interpret the meaning of any document.

20.4 Number and Gender. As used in this Declaration, the singular shall include the plural, the masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

20.5 Severability. If any provision of this Declaration or the Articles or By-Laws is held invalid, the validity of the remainder of this Declaration and the Articles and By-Laws shall not be affected thereby, and the remainder thereof shall be construed as if such invalid part was never included herein or therein.

20.6 Rights and Obligations. Each successor in title of the Declarant with respect to any part of the property, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges created or reserved by this Declaration. All rights, benefits and privileges hereby imposed shall be deemed and taken to be covenants running with the land, and shall be binding inure to the benefit of any person having any interest or estate in the property or any portion thereof.

20.7 GENERAL PROVISIONS.

(a) SECURITY. THE ASSOCIATION OR THE DECLARANT MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SAFETY ON THE CONDOMINIUM; HOWEVER, EACH OWNER, FOR HIMSELF OR HERSELF AND HIS OR HER AGENTS, EMPLOYEES, TENANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT NEITHER THE ASSOCIATION NOR THE DECLARANT IS A PROVIDER OF SECURITY AND NEITHER PARTY SHALL HAVE A DUTY TO PROVIDE SECURITY ON THE TOWNHOMES. FURTHERMORE, THE ASSOCIATION DOES NOT GUARANTEE THAT NON-

UNIT OWNERS AND NON-OCCUPANTS WILL NOT GAIN ACCESS TO THE PROPERTY AND COMMIT CRIMINAL ACTS ON THE PROPERTY NOR DOES THE ASSOCIATION GUARANTEE THAT CRIMINAL ACTS ON THE PROPERTY WILL NOT BE COMMITTED BY OTHER Unit OWNERS OR OCCUPANTS. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER TO PROTECT HIS OR HER PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH Unit OWNER. NEITHER DECLARANT NOR THE ASSOCIATION SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SAFETY MEASURES UNDERTAKEN.

(b) Dispute Resolution. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or property manager of the Association, a Unit Owner or Occupant must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the property manager, if any, of the Association. The Owner or Occupant shall, in such request and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) or more than twenty-one (21) days from the date of receipt of the request.

(c) Parking Spaces, Vehicles and Storage Spaces. Neither the Declarant nor the Association shall be held liable for loss or damage, including water or acid damage, to any property placed or kept in any parking space or storage space in the Townhomes. Each Owner or Occupant with use of a parking space or storage space who places or keeps a vehicle and/or any personal property in the vehicle, parking space or storage space does so at his or her own risk.

(d) Unit Keys. At the request of the Association, each Owner, by acceptance of a deed to a Unit, agrees to provide the Association with a key to the Unit and the security alarm code, if any, to be used by the Association for maintenance, emergency, security or safety purposes as provided in this Declaration and for pest control, if necessary, as provided in this Declaration. Neither the Declarant nor the Association shall be liable for any loss or damage due to its holding such key, or use of such key for the purposes described above and each Unit Owner shall indemnify and hold harmless the Declarant, the Association and its officers and directors against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon the Declarant, the Association or its officers or directors in connection with any action, suit, or other proceeding (including settlement of any such action, suit or proceeding) brought by the Unit Owner or the Unit Owner's family, tenants, guests, employees, invitees, or licensees against the Declarant, the Association, its officers or directors arising out of or relating to its holding or use of such key for the purposes described above.

(e) Right of Action. All Owners hereby acknowledge and agree that the Association shall not be entitled to institute any legal action against anyone on behalf of any or all of the Owners which is based on any alleged defect in any Unit or the Common Elements, or any damage allegedly sustained by any Owner by reason thereof, but rather, that all such actions shall be instituted by the Person(s) owning such Units or served by such Common Elements or allegedly sustaining such damage. Notwithstanding the above, once the Declarant no longer has

the right to appoint and remove directors and officers, as set forth in the Bylaws, the Association Board of Directors may negotiate the resolution of any alleged defect(s) in the Common Elements and Area of Common Responsibility on behalf of the Unit Owners and shall have the right and authority to settle and release on behalf of any and all of the Unit Owners claims, causes of action, damages and suits involving the same. Any such settlement and release shall bind all Unit Owners and their successors and assigns.

(f) Successor Declarants. Any successor to the Declarant shall not be responsible or subject to liability by operation of law or through the purchase of Declarant's interest in the Townhomes or any position thereof at foreclosure or otherwise for any act, omission, or matter occurring or arising from any act, omission, or matter occurring prior to the time the successor succeeded to the interest of the Declarant.

(g) Disclosures. Each Owner and Occupant acknowledge the following:

(i) The Townhomes are located adjacent to thoroughfares that could be improved or widened in the future.

(ii) The views from an Owner's Unit can change over time due to among other things, additional development and the removal or addition of landscaping.

(iii) No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

(iv) Since in every community, there are conditions which different people may find objectionable, it is acknowledged that there may be conditions outside of the Property which an Owner or Occupant finds objectionable and that it shall be the sole responsibility of the Owners and Occupants to become acquainted with community conditions which could affect the Unit.

(v) No representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one Unit to another.

(vi) The Townhome Plans and the dimensions and square footage calculations shown thereon are only approximations. Any Unit Owner who is concerned about any representations regarding the floor plans should do his/her own investigation as to the dimensions, measurements and square footage of his/her Unit.

(h) Contracts Executed During Declarant Control. Except for contracts between the Association and the Declarant or its affiliates, all contracts or leases executed by or on behalf of the Association during the period in which the Declarant has the right to appoint the officers and directors of the Association pursuant to the Bylaws shall contain a termination clause permitting the Association to terminate the contract or lease at any time, without cause and without penalty, upon not more than ninety (90) days written notice.

(i) Services During Declarant Control. Each Owner acknowledges that Declarant and its affiliates may provide services utilized by communities such as this

Townhomes including, but not limited to, management services. Each Owner consents and agrees that the Association may enter into service contracts with Declarant and its affiliates.

(j) Mold and/or Mildew. Mold and/or mildew can grow in any portion of the Townhomes that is exposed to a regular source of moisture. Therefore, the Association and the Unit Owners agree to: (i) upon the discovery of any water leaks, immediately repair any such leaks in their respective areas of maintenance responsibility in a good and workmanlike condition; (ii) insure that any building material which has absorbed water or moisture as a result of a water leak and has not been completely dried as part of the repair of the water or moisture damage is removed and replaced; (iii) regularly inspect the parts of the Townhomes building which they respectively maintain for the existence of mold, mildew, and/or water leaks; and (iv) promptly and regularly clean any area where mold and/or mildew appears with industry-accepted products designed to inhibit the growth of mold and/or mildew. Notwithstanding anything to the contrary herein, Declarant shall have no obligation to perform any inspections, maintenance or repairs in accordance with this Paragraph 20.7; and shall not be held liable for any loss or damage caused by the failure of the Association or a Unit Owner to perform their obligations herein.

ARTICLE XXI

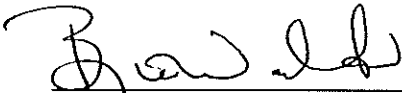
Author

21.1 This Declaration was prepared by George F. Maynard, of The Maynard Law Firm, LLC, with an office address of 4001 Presidential Parkway, Suite 1512, Atlanta, Georgia 30340.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Declarant has executed this Declaration under seal on the 20th day of January, 2004.

Signed, sealed and delivered
in the presence of:



Unofficial Witness



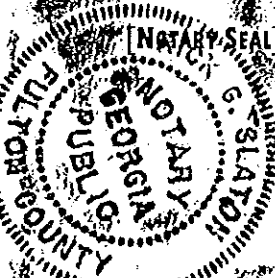
Notary Public

My Commission Expires

RICK G. SLATON

NOTARY PUBLIC, FULTON COUNTY, GEORGIA

MY COMMISSION EXPIRES OCTOBER 10, 2004



DECLARANT:

ELIZABETH HEIGHTS, LLC,
a Georgia limited liability company

By: H&B HOLDINGS TWO, LLLP, a Georgia
limited liability limited partnership

Its: Sole Member

By: HPB MANAGEMENT, LLC, a
Georgia limited liability company
Its: Authorized Partner

By:

MANAGER

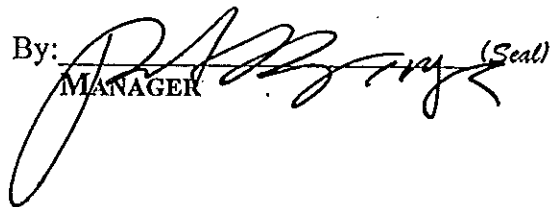
 (Seal)

EXHIBIT "A"

Deed Book 36901 Pg 456

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1

LEGAL DESCRIPTION OF THE PROPERTY

SEE EXHIBIT "A" TO THE ORIGINAL DECLARATION RECORDED AT DEED BOOK 36429, PAGE 289, FULTON COUNTY, GEORGIA RECORDS, WHICH LEGAL DESCRIPTION IS INCORPORATED HEREIN BY THIS REFERENCE.

LESS AND EXCEPT THE FEE SIMPLE UNITS PROPERTY DESCRIBED ON EXHIBIT "A-1" ATTACHED HERETO.

EXHIBIT "A"
LEGAL DESCRIPTION

All that tract or parcel of land lying and being in Land Lots 32 and 75, of the 17th District, Fulton County, Georgia, and being more particularly described as follows:

BEGINNING at the Northwesterly right-of-way of Roswell Road (80 foot right-of-way) and the Northeasterly right-of-way of Dalrymple Road (60 foot right-of-way) if said rights of way were extended to form an angle and not a curve; thence heading Northwesterly along the Northeasterly right-of-way a distance of 200.0 feet to a ½ inch rebar found on the Northeasterly right-of-way of Dalrymple Road and the TRUE POINT OF BEGINNING; thence North 76 degrees 58 minutes 44 seconds West along the Northeasterly right-of-way a distance of 345.15 feet to a 1 inch crimp top pipe found on the Northeasterly right-of-way of Dalrymple Road; thence North 34 degrees 26 minutes 48 seconds West a distance of 85.01 feet to a 1 inch crimp top pipe found; thence North 69 degrees 55 minutes 44 seconds West a distance of 149.85 feet to a 1 inch crimp top pipe found; thence North 05 degrees 00 minutes 22 seconds West a distance of 729.12 feet to a 1 inch crimp top pipe found; thence South 87 degrees 38 minutes 48 seconds East a distance of 389.99 feet to a ½ inch rebar set; thence South 15 degrees 30 minutes 00 seconds East a distance of 731.90 feet to a ½ inch rebar set; thence South 73 degrees 21 minutes 57 seconds East a distance of 16.50 feet to a ½ inch rebar found; thence South 03 degrees 32 minutes 00 seconds West a distance of 200.00 feet to a ½ inch rebar found on the Northeasterly right-of-way of Dalrymple Road and the TRUE POINT OF BEGINNING, said tract containing 8.9475 acres of land in accordance with plat by Pearson & Associates, Inc. for Freeman Income Real Estate, L.P., a Delaware Limited Partnership and Ticor Title Insurance Company of California dated November 12, 1985, Last Revised November 6, 2002.

Being the same legal as set in Warranty Deed between Davidson Income Real Estate, L.P. and Davidson IRE Associates, L.P., a South Carolina limited partnership recorded at Book 17280, Page 192.

GEORGE F. MAYNARD
The Maynard Law Firm, LLC
4001 Presidential Parkway
Suites 1509-1512
Atlanta, Georgia 30340-3707

(678) 597-1258 - Office
(404) 218-4607 - Cell

(678) 597-1256 - Fax
(404) 875-5031 - Home

EXHIBIT "A-1"

Deed Book 36901 Pg 457

1 1001 1002 1003 1004 1005 1006 1101 1102 1103 1104 1105 1106 1201 1202 1203 1204 1205 1206 1207 1208 1301 1302 1303 1304 1401 1402 1403 1404

LEGAL DESCRIPTION FOR THE FEE SIMPLE UNITS PROPERTY

Those forty (40) separate fee simple townhome lots located in Land Lots 32 and 75, 17th District, Fulton County, Georgia, as described below and to be shown on a plat thereof to be recorded by Declarant.

<u>BUILDING</u>	<u>UNIT NUMBER</u>
8	801
	802
	803
	804
	805
	806
9	901
	902
	903
	904
	905
	906
10	1001
	1002
	1003
	1004
	1005
	1006
11	1101
	1102
	1103
	1104
	1105
	1106
12	1201
	1202
	1203
	1204
	1205
	1206
	1207
	1208
13	1301
	1302
	1303
	1304
14	1401
	1402
	1403
	1404

Deed Book 36901 Pg 458

1. Taxes for the year 2003 and subsequent years, that are liens not due and payable
2. The easements and restrictions set forth in this Declaration
3. All other title matters of record

EXHIBIT "C"

Deed Book 36901 Pg 459

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

ELIZABETH HEIGHTS				CONDOMINIUM UNITS		
Building # - Type of Unit	Unit #	Percentage Undivided Interest in Common Elements per Unit	Votes Per Unit	Percentage Liability for Common Expenses Per Unit	Sq. Ft.	Percentage Liability for Condominium Buildings Hazard Insurance Premiums
Building 1 - 3BR/2BA Garden	1A	0.8805%	1	0.8805%	1425	1.34%
	1B	0.8805%	1	0.8805%	1425	1.34%
	1C	0.8805%	1	0.8805%	1425	1.34%
	1D	0.8805%	1	0.8805%	1425	1.34%
	1E	0.8805%	1	0.8805%	1425	1.34%
	1F	0.8805%	1	0.8805%	1425	1.34%
	1G	0.8805%	1	0.8805%	1425	1.34%
	1H	0.8805%	1	0.8805%	1425	1.34%
Building 2 - 2BR/2BA Garden	2A	0.7570%	1	0.7570%	1225	1.16%
	2B	0.7570%	1	0.7570%	1225	1.16%
	2C	0.7570%	1	0.7570%	1225	1.16%
	2D	0.7570%	1	0.7570%	1225	1.16%
	2E	0.7570%	1	0.7570%	1225	1.16%
	2F	0.7570%	1	0.7570%	1225	1.16%
	2G	0.7570%	1	0.7570%	1225	1.16%
	2H	0.7570%	1	0.7570%	1225	1.16%
Building 3 - 2BR/2BA Garden	3A	0.7570%	1	0.7570%	1225	1.16%
	3B	0.7570%	1	0.7570%	1225	1.16%
	3C	0.7570%	1	0.7570%	1225	1.16%
	3D	0.7570%	1	0.7570%	1225	1.16%
	3E	0.7570%	1	0.7570%	1225	1.16%
	3F	0.7570%	1	0.7570%	1225	1.16%
	3G	0.7570%	1	0.7570%	1225	1.16%
	3H	0.7570%	1	0.7570%	1225	1.16%
Building 4 - 2BR/2BA Garden	4A	0.7570%	1	0.7570%	1225	1.16%
	4B	0.7570%	1	0.7570%	1225	1.16%
	4C	0.7570%	1	0.7570%	1225	1.16%
	4D	0.7570%	1	0.7570%	1225	1.16%
	4E	0.7570%	1	0.7570%	1225	1.16%
	4F	0.7570%	1	0.7570%	1225	1.16%
	4G	0.7570%	1	0.7570%	1225	1.16%
	4H	0.7570%	1	0.7570%	1225	1.16%
Building 5 - 3BR/3BA Garden	5A	0.8805%	1	0.8805%	1425	1.34%
	5B	0.8805%	1	0.8805%	1425	1.34%
	5C	0.8805%	1	0.8805%	1425	1.34%
	5D	0.8805%	1	0.8805%	1425	1.34%
	5E	0.8805%	1	0.8805%	1425	1.34%
	5F	0.8805%	1	0.8805%	1425	1.34%
	5G	0.8805%	1	0.8805%	1425	1.34%
	5H	0.8805%	1	0.8805%	1425	1.34%
Building 6 - 2BR/2BA Garden	6A	0.7570%	1	0.7570%	1225	1.16%
	6B	0.7570%	1	0.7570%	1225	1.16%
	6C	0.7570%	1	0.7570%	1225	1.16%
	6D	0.7570%	1	0.7570%	1225	1.16%
	6E	0.7570%	1	0.7570%	1225	1.16%
	6F	0.7570%	1	0.7570%	1225	1.16%
	6G	0.7570%	1	0.7570%	1225	1.16%
	6H	0.7570%	1	0.7570%	1225	1.16%

ELIZABETH HEIGHTS					CONDOMINIUM UNITS	
Building # - Type of Unit	Unit #	Percentage Undivided Interest in Common Elements per Unit	Votes Per Unit	Percentage Liability for Common Expenses Per Unit	Sq. Ft.	Percentage Liability for Condominium Buildings Hazard Insurance Premiums
Building 7 - 2BR/2BA Garden	7A	0.7570%	1	0.7570%	1225	1.16%
	7B	0.7570%	1	0.7570%	1225	1.16%
	7C	0.7570%	1	0.7570%	1225	1.16%
	7D	0.7570%	1	0.7570%	1225	1.16%
	7E	0.7570%	1	0.7570%	1225	1.16%
	7F	0.7570%	1	0.7570%	1225	1.16%
	7G	0.7570%	1	0.7570%	1225	1.16%
	7H	0.7570%	1	0.7570%	1225	1.16%
Building 16 - 3BR/2BA Garden	16A	0.8805%	1	0.8805%	1425	1.34%
	16B	0.8805%	1	0.8805%	1425	1.34%
	16C	0.8805%	1	0.8805%	1425	1.34%
	16D	0.8805%	1	0.8805%	1425	1.34%
	16E	0.8805%	1	0.8805%	1425	1.34%
	16F	0.8805%	1	0.8805%	1425	1.34%
	16G	0.8805%	1	0.8805%	1425	1.34%
	16H	0.8805%	1	0.8805%	1425	1.34%
Building 17 - 3BR/2BA Garden	17A	0.8805%	1	0.8805%	1425	1.34%
	17B	0.8805%	1	0.8805%	1425	1.34%
	17C	0.8805%	1	0.8805%	1425	1.34%
	17D	0.8805%	1	0.8805%	1425	1.34%
	17E	0.8805%	1	0.8805%	1425	1.34%
	17F	0.8805%	1	0.8805%	1425	1.34%
	17G	0.8805%	1	0.8805%	1425	1.34%
	17H	0.8805%	1	0.8805%	1425	1.34%
Building 18 - 3BR/2BA Garden	18A	0.8805%	1	0.8805%	1425	
	18B	0.8805%	1	0.8805%	1425	
	18C	0.8805%	1	0.8805%	1425	
	18D	0.8805%	1	0.8805%	1425	
	18E	0.8805%	1	0.8805%	1425	
	18F	0.8805%	1	0.8805%	1425	
	18G	0.8805%	1	0.8805%	1425	
	18H	0.8805%	1	0.8805%	1425	

Juanita Hicks

Clerk of Superior Court

Fulton County, Georgia

I HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE DECLARATION AS FILED IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT OF FULTON COUNTY, GEORGIA.

ELIZABETH HEIGHTS				TOWNHOME UNITS	
Building # - Type of Unit	Unit #	Percentage Undivided Interest in Common Elements per Unit	Votes Per Unit	Percentage Liability for Common Expenses Per Unit	Sq. Ft.
Building 8 - 2BR/1.5BA TH	801	0.7365%	1	0.7365%	1192
	802	0.7365%	1	0.7365%	1192
	803	0.7365%	1	0.7365%	1192
	804	0.7365%	1	0.7365%	1192
	805	0.7365%	1	0.7365%	1192
	806	0.7365%	1	0.7365%	1192
Building 9 - 2BR/1.5BA TH	901	0.7365%	1	0.7365%	1192
	902	0.7365%	1	0.7365%	1192
	903	0.7365%	1	0.7365%	1192
	904	0.7365%	1	0.7365%	1192
	905	0.7365%	1	0.7365%	1192
	906	0.7365%	1	0.7365%	1192
Building 10 - 3BR/2BA TH	1001	0.9885%	1	0.9885%	1600
	1002	0.9885%	1	0.9885%	1600
	1003	0.9885%	1	0.9885%	1600
	1004	0.9885%	1	0.9885%	1600
	1005	0.9885%	1	0.9885%	1600
	1006	0.9885%	1	0.9885%	1600
Building 11 - 3BR/2BA TH	1101	0.9885%	1	0.9885%	1600
	1102	0.9885%	1	0.9885%	1600
	1103	0.9885%	1	0.9885%	1600
	1104	0.9885%	1	0.9885%	1600
	1105	0.9885%	1	0.9885%	1600
	1106	0.9885%	1	0.9885%	1600
Building 12 - 2BR/1.5BA TH	1201	0.7365%	1	0.7365%	1192
	1202	0.7365%	1	0.7365%	1192
	1203	0.7365%	1	0.7365%	1192
	1204	0.7365%	1	0.7365%	1192
	1205	0.7365%	1	0.7365%	1192
	1206	0.7365%	1	0.7365%	1192
	1207	0.7365%	1	0.7365%	1192
	1208	0.7365%	1	0.7365%	1192
Building 13 - 3BR/2BA TH	1301	0.9885%	1	0.9885%	1600
	1302	0.9885%	1	0.9885%	1600
	1303	0.9885%	1	0.9885%	1600
	1304	0.9885%	1	0.9885%	1600
Building 14 - 3BR/2BA TH	1401	0.9885%	1	0.9885%	1600
	1402	0.9885%	1	0.9885%	1600
	1403	0.9885%	1	0.9885%	1600
	1404	0.9885%	1	0.9885%	1600

BY-LAWS
OF
ELIZABETH HEIGHTS TOWNHOMES HOMEOWNER'S ASSOCIATION, INC.

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BY-LAWS
OF
ELIZABETH HEIGHTS TOWNHOMES HOMEOWNER'S ASSOCIATION, INC.

Article I.
General

Section 1. Applicability. These By-Laws provide for the self-government of Elizabeth Heights Townhomes Homeowner's Association, Inc. in accordance with the Articles of Incorporation filed with the Secretary of State of Georgia and the Declaration of Covenants and Restrictions for Elizabeth Heights Townhomes recorded in the Fulton County, Georgia land records ("Declaration").

Section 2. Name. The name of the corporation is Elizabeth Heights Townhomes Homeowner's Association, Inc., ("Association").

Section 3. Definitions. The terms used herein shall have their generally accepted meanings or such meanings as are specified in Paragraph 2 of the Declaration.

Section 4. Membership. An Owner of a Unit shall automatically become a member of the Association upon taking title to the Unit and shall remain a member for the entire period of ownership. As may be more fully provided below, a spouse or a cohabitant of a member may exercise the powers and privileges of the member. If title to a Unit is held by more than one (1) Person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Unit. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Unit and shall be transferred automatically by conveyance of that Unit and may be transferred only in connection with the transfer of title.

Section 5. 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 or entities 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 or entities which are the Owner, and termination of the person's relationship with the Association will create a

vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy will be filed in accordance with these By-Laws.

Section 6. Voting. Each Unit shall be entitled to one equal vote, which vote may be cast by the Owner, the Owner's spouse, the cohabitant of the Owner, or by a lawful proxy as provided below. When more than one (1) Person owns a Unit, the vote for such Unit shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Unit. If only one (1) co-owner attempts to cast the vote for a Unit, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for such Unit. In the event of disagreement between or among co-owners or an attempt by two (2) or more of them to cast such vote or votes, such Persons shall not be recognized and such vote or votes shall not be counted. No Owner shall be eligible to vote, either in person or by proxy, or 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 or if the Owner has had its voting rights suspended for the infraction of any provision of the Declaration, these By-Laws, or any rule of the Association. If the voting rights of an Owner have been suspended, that Owner shall not be counted as an eligible vote for purposes of establishing a Majority or a quorum.

Section 7. Majority. As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number of eligible votes, Owners, or other group, respectively. Unless otherwise specifically stated, the words "majority vote" mean more than fifty (50%) percent of those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or these By-Laws, all decisions shall be by majority vote.

Section 8. Purpose. The Association shall have the responsibility of administering the Project, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Project and performing all of the other acts that may be required to be performed by the Association pursuant to the Declaration. Except as to those matters which the Declaration specifically requires to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

Article II. Meetings of Members

Section 9. Annual Meetings. The regular annual meeting of the members shall be held during the fourth quarter of each year with the date, hour, and place to be set by the Board of Directors.

Section 10. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President or Secretary, by request of any two (2) members of the Board of Directors, or upon written petition of Owners holding at least twenty-five (25%) percent of the total Association vote. The Secretary shall then verify that the required number of members have joined in the petition and shall submit all proper petitions 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 By-Laws.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver to each Owner of Units of record or to the Units a notice of each annual or special meeting of the Association at least twenty-one (21) days prior to each annual meeting and at least seven (7) days prior to each special meeting. The notice shall state the purpose of any special meeting, as well as the time and place where it is to be held. The notice of an annual meeting shall state the time and place of the meeting. If any Owner wishes notice to be given at an address other than his or her Unit, the Owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered proper service of notice.

Section 12. Waiver of Notice. Waiver of notice of meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted 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.

Section 13. Quorum. Except as may be provided elsewhere, the presence of Owners, in person or by proxy, entitled to cast one-third (1/3) of the eligible votes 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 adjourned and shall not need to be reestablished. Owners whose voting rights have been suspended pursuant to the Declaration or these By-Laws shall not be counted as eligible votes toward the quorum requirement.

Section 14. Adjournment. Any meeting of the Owners may be adjourned from time to time for periods not exceeding ten (10) days by vote of the Owners holding the Majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may

be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

Section 15. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. proxies may be delivered to the Board by personal delivery, U.S. mail or facsimile transmission to any Board member or the property manager. Proxies may be revoked only by written notice delivered to the Association, except that the presence in person by the giver of a proxy 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.

Section 16. Action Taken Without a Meeting. In the discretion of the Board, any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the Association delivers a written consent form or ballot to every member entitled to vote on the matter.

(1) A written ballot shall: (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action.

(2) Approval by written ballot pursuant hereto shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and 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.

(3) 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 corporation in order to be counted.

(4) A written ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

Section 17. 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 By-Laws or the Articles of Incorporation, unless the Owners present at a particular meeting vote to suspend Roberts' Rules at that meeting.

Article III.
Board of Directors

2. Composition and Selection.

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors. During the time the Declarant has the right to appoint and remove directors and officers of the Association, the Board shall be composed of two (2) persons. After Declarant's right to appoint has terminated, the Board shall be composed of three (3) persons. Except for directors appointed by the Declarant hereunder, the directors shall be Owners or spouses or cohabitants of such Owners; provided, however, no Owner and his or her spouse or cohabitant may serve on the Board at the same time, and no co-owners may serve on the Board at the same time.

Section 2. Term of Office. Notwithstanding anything to the contrary herein, Declarant shall have exclusive authority to appoint and remove directors and officers until the earlier of: (1) three (3) years after the recording of the Declaration, (2) the date as of which Units to which eighty percent (80%) of the undivided interests in the Common Elements pertain shall have been conveyed by Declarant to Unit Owners other than a Person constituting the Declarant, or (3) the surrender in writing by Declarant of the authority to appoint and remove officers and directors of the Association. At the first election of directors of the Association following the expiration or termination of the Declarant's right to appoint directors hereunder, the directors shall be elected for staggered terms of two (2) years. At the expiration of the term of office of each Board member, and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years. The Board members shall hold office until their respective successors shall have been elected by the Association.

Section 3. Removal of Members of the Board of Directors. At any regular or special meeting of the Association duly called, any one or more Board members, except for directors appointed by Declarant hereunder, may be removed with or without cause by a Majority of the members of the Association and a successor may then and there be elected to fill the vacancy thus created. Further, any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings or is more than sixty (60) days past due in the payment of any assessment 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 the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 4. Vacancies. Vacancies in the Board caused by any reason, except the removal of a director by vote of the membership or by Declarant, shall be filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. The successor so selected shall hold office for the remainder of the term of the director being replaced.

Section 5. Compensation. Directors shall not be compensated for services as such unless and only to the extent that compensation is authorized by a Majority vote of the members. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors.

Section 6. 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 that 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 any meeting at which the proposed contract is discussed and to discuss the proposed contract unless requested by any other director to leave the room during the discussion.

Section 7. Nomination. Nomination for election to the Board shall be made by a Nominating Committee which shall be appointed by the Board of Directors at least thirty (30) days prior to the annual meeting to serve a term of one (1) year and shall consist of at least one (1) Board member and at least two (2) other members of the Association who are not Board members. The members of the Nominating Committee shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but not less than the number of directors to be elected. The nominations shall be made at least fourteen (14) days prior to the annual meeting. Nominations shall also be allowed from the floor at the meeting. Each candidate shall be given a reasonable opportunity to communicate his or her qualifications to the membership prior to the election. No member shall be nominated for election to the Board, nor permitted to run for election, if more than thirty (30) days past due in the payment of any assessment. Failure to comply with this Section shall in no way invalidate the election of directors who were not nominated in accordance with the provisions hereof.

Section 8. Elections. All members of the Association eligible to vote shall be entitled to cast their entire vote for each directorship to be filled. There shall be no cumulative voting. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes. Voting for election of Board members shall be by written ballot (unless dispensed by unanimous consent at such meeting at which such voting is conducted).

3. Meetings.

Section 1. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings

shall be held at least once every six (6) months. The newly elected Board shall meet within ten (10) days after each annual meeting of the membership.

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

Section 3. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board 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.

Section 4. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. A Majority of directors 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.

Section 5. Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so 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, 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.

Section 6. Action Without a Meeting. Any action by the Board 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. Such written consents must describe the action taken and be signed by no fewer than a majority of the directors and such written consent or consents shall be filed with the minutes of the Board of Directors.

4. Powers and Duties.

Section 1. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Project and may do all such acts and things as are not by the Declaration, the Articles of Incorporation, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in the way of explanation, but not limitation:

(1) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;

(2) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

(3) providing for the operation, care, upkeep, and maintenance of all of the Common Elements, if any;

(4) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Common Elements, and other Association property 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;

(5) 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 applicable Georgia law, and using the proceeds to administer the Association;

(6) making and amending rules and regulations and imposing sanctions for violation thereof, including, without limitation, monetary fines;

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

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

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

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

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

(12) 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

(13) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trust, condominium associations, or other associations or corporations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

Section 2. 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. The Board shall use reasonable efforts in any management contract to provide for termination of such contract with or without cause and without penalty, upon no more than thirty (30) days written notice. No management contract shall have a term in excess of one (1) year.

Section 3. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration, or improvement of the Common Elements and facilities, and for other purposes, with the approval of a Majority of the Members of the Association.

Section 4. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon such officer or director in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer or director, whether or not such person is an officer or director at the time such expenses are incurred subject to the limitations below. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer or director in the performance of his or her duties, except for his or her own individual willful misfeasance or

malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director or former officer or director may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and, if obtainable, officers' and directors' liability insurance to fund this obligation, and the insurance shall be written as provided in the Declaration.

5. Committees.

Section 1. Architectural Control Committee. The Board may establish an Architectural Control Committee for the purpose of establishing and maintaining architectural standards in the Project as provided in the Declaration.

Section 2. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 3. Service on Committees. Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President and shall serve at the pleasure of the Board of Directors. Any committee member may be removed with or without cause at any time and with or without a successor being named.

Article IV.

Officers

Section 4. Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all or any of which may be the same person. A Vice President may be elected at the discretion of the Board.

Section 5. Election of Officers. The Association officers shall be elected annually by the Board at the first Board meeting following each annual meeting of the members and shall hold office at the pleasure of the Board and until a successor is elected.

Section 6. Removal of Officers. Upon the affirmative vote of a Majority of the Members of the Board, any officer may be removed, either with or without cause, and a successor may be elected.

Section 7. 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.

Section 8. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including, but not limited to, the power to appoint committees from among the members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 9. Vice President. The Vice President, if any, shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 10. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under Georgia law.

Section 11. 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 of Directors. The Treasurer shall be responsible for the preparation of the budget as provided in the Declaration. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Section 12. 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.

Section 13. 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 resolution of the Board of Directors.

Article V.
Rule Making and Enforcement

request a hearing before the Board to contest the violation or fine(s) or to request reconsideration of the fine(s). Fine(s) may be effective or commence upon the sending of such notice to such later date specified in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge the fine. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator.

(2) Hearing. If a written request for hearing is received from the violator within ten (10) days of the date of the violation notice provided above, then the Board shall schedule and hold in executive session a hearing affording the violator a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time.

Section 16. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Declaration, the By-Laws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth in Section (2) of this Article. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

The Association or its duly authorized agent shall have the power to enter a Unit or upon any portion of the Common Elements to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declaration, the By-Laws, or the rules and regulations; provided, however, written notice shall be given to the Owner of the Unit at least two (2) days prior to the time that any items of construction are altered or demolished. All costs of self-help, including reasonable attorney's fees, shall be assessed against the violating Unit Owner and shall be collected as provided herein for the collection of assessments.

Article VI. Miscellaneous

Section 17. Notices. Unless otherwise provided by these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

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

(2) If to an Occupant, at the address of the Unit occupied; or

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

Section 18. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws or the Declaration.

Section 19. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision thereof.

Section 20. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 21. Fiscal Year. The fiscal year of the Association may be set by Board resolution, and, in the absence thereof, shall be the calendar year.

Section 22. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board and a financial statement prepared. However, after having received the Board's financial statement review at the annual meeting, the Owners may, by a majority of the Association vote, require that the accounts of the Association be audited as a Common Expense by an independent accountant. Such statement shall be made available to the holder, insurer, or guarantor of any first mortgage on a Unit upon submission of a written request and must be available within one hundred twenty (120) days of the fiscal year end of the Association.

Section 23. Conflicts. The duties and powers of the Association shall be those set forth in the Declaration, these By-Laws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the Declaration, these By-Laws, or the Articles of Incorporation, then the provisions of the Georgia Nonprofit Corporation Code, as may be applicable, the Declaration, the Articles of Incorporation and these By-Laws, in that order, shall prevail, and each Owner of a Unit, by acceptance of a deed or other conveyance

therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

Section 24. Amendment. Except where a higher vote is required for action under a particular provision by the Declaration or By-Laws, in which case such higher vote shall be necessary to amend, these By-Laws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members holding two-thirds (2/3) of the total vote of the Association. As long as Declarant has the right to appoint directors and officers of the Association as provided in Article III, Section 2 of these By-Laws, any amendment to these By-Laws shall require the written consent of Declarant. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. No amendment shall become effective until it is certified by the President and Secretary of the Association and recorded in the Fulton County Georgia land records. Any amendment duly certified and recorded shall be conclusively presumed to have been duly adopted in accordance with the By-Laws.

Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

Section 25. Books and Records.

(1) All members of the Association and any institutional holder of a first Mortgage shall be entitled to inspect the following records at a reasonable time and location specified by the Association, upon written request at least five (5) days before the date on which the member wishes to inspect and copy:

(1) its Articles or restated Articles of Incorporation and all amendments to them currently in effect;

(2) its By-Laws or restated By-Laws and all amendments to them currently in effect;

(3) resolutions adopted by either its members or Board of Directors increasing or decreasing the number of directors or the classification of directors, or relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;

(4) resolutions adopted by either its members or Board of Directors relating to the characteristics, qualification, rights, limitations, and obligations of members or any class or category of members;

(5) the minutes of all meetings of members and records of all actions approved by the members for the past three (3) years;

(6) all written communications to members generally within the past three (3) years, including the financial statements furnished for the past three (3) years;

(7) a list of the names and business or home addresses of its current directors and officers; and

(8) its most recent annual report delivered to the Secretary of State.

(2) A member may inspect and copy the following records upon written notice at least five (5) business days before the date on which the member wishes to inspect and copy only if the member's demand is made in good faith and for a proper purpose that is reasonably relevant to the member's legitimate interest as a member; the member describes with reasonable particularity the purpose and the records the member desires to inspect; the records are directly connected with this purpose; and the records are to be used only for the stated purpose:

(1) excerpts from minutes of any Board meeting, records of any action of a committee of the Board while acting in place of the Board on behalf of the Association, minutes of any meeting of the members, and records of action taken by the members or the Board without a meeting, to the extent not subject to inspection under subsection 9(a);

(2) accounting records of the Association; and

(3) the membership list only if for a purpose related to the member's interest as a member. Without the consent of the Board, a membership list or any part thereof may not be: used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the Association; used for any commercial purpose; or sold to or purchased by any person.

The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the Member.

CERTIFICATION

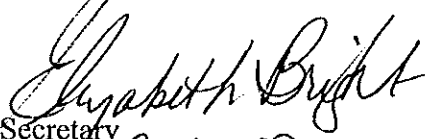
I, the undersigned, do hereby certify:

That I am the duly appointed and acting Secretary of Elizabeth Heights Townhomes Homeowner's Association, Inc., a Georgia corporation;

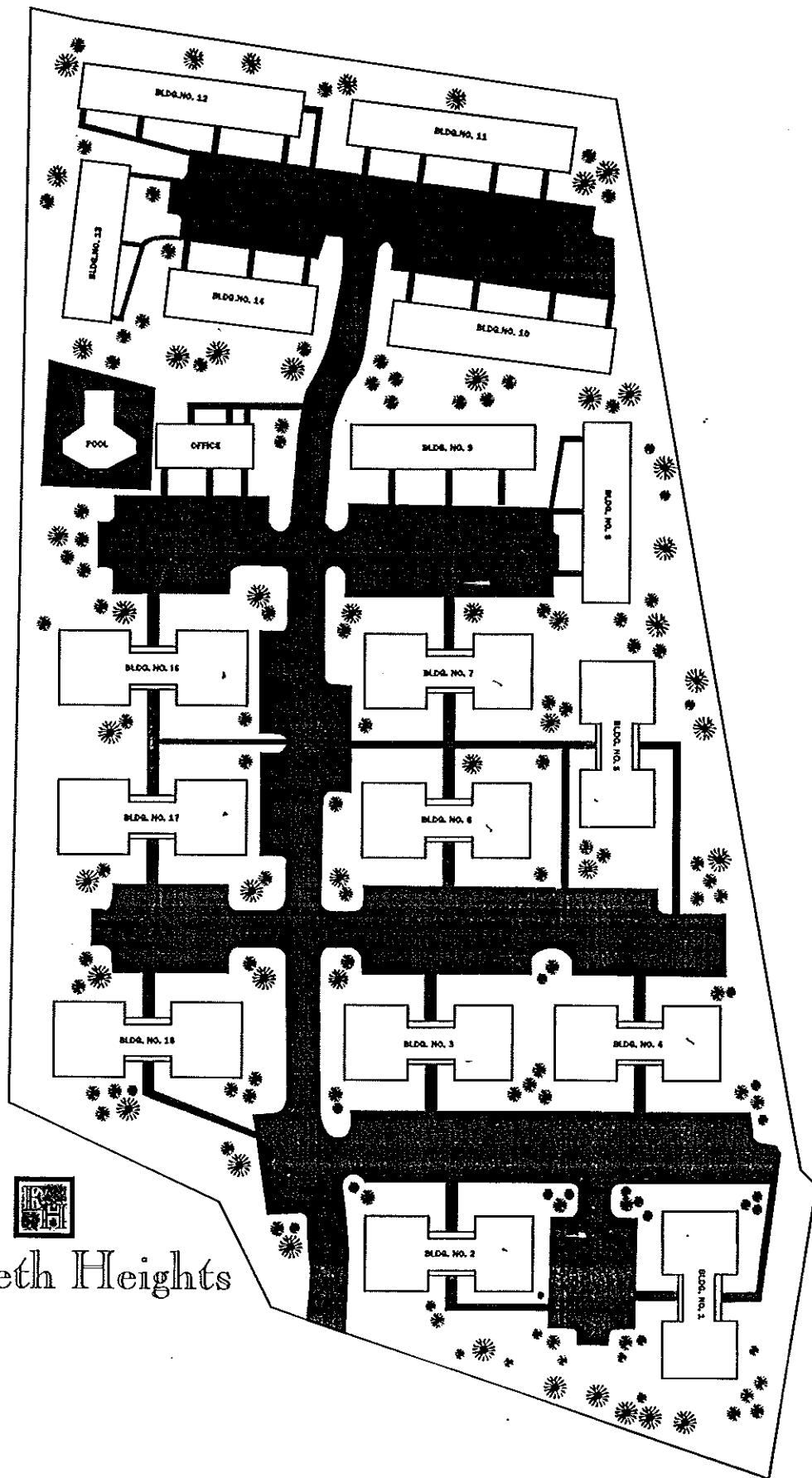
That the foregoing By-Laws constitute the By-Laws of said Association, as duly adopted by the Board of Directors of the Association on the 1st day of August, 2000.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 1st day of August, 2000.

**ELIZABETH HEIGHTS
TOWNHOMES
HOMEOWNER'S
ASSOCIATION, INC.**


Secretary 8-1-00

[SEAL]



Elizabeth Heights