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B. D. MURPHY, III, P.C.
P.O. Box 26
Fayetteville, GA 30214

FILED & RECORDED
FAYETTE COUNTY, GA.

MAGNOLIA RIDGE SUBDIVISION, UNIT ONE

Residential Declaration of

Protective Covenants, Conditions and Restrictions

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W.A. BALLARD, CLERK

KNOW ALL MEN BY THESE PRESENTS, That this Declaration of Covenants, Conditions and Restrictions, made and entered into on this 17th day of MARCH, 1998, by DAN V. STINCHCOMB, hereinafter referred to as Grantor,

W I T N E S S E T H :

WHEREAS, Grantor is the owner of the real property, (known as Magnolia Ridge Subdivision, Unit One), described in Article I of this Declaration and desires to create thereon a community with amenity areas, open spaces and other common facilities, and to this end, desires to subject the real property described in Article I, together with such additions as may hereinafter be made thereto (as provided in Article I), to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and,

WHEREAS, Grantor has deemed it desirable, for the efficient preservation of values and amenities in said community, to create an association to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the protective covenants and collecting and disbursing the assessments and charges hereinafter created; and,

WHEREAS, Grantor has incorporated under the laws of the State of Georgia, as a non-profit corporation, "Magnolia Ridge HomeOwners Association, Inc.", hereinafter referred to as the "Association" for the purpose of exercising the functions aforesaid;

NOW THEREFORE, Grantor declares that the real property in Article I hereof, is and shall be held, transferred, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens, (sometimes referred to as the "Covenants and Restrictions" or "Protective Covenants") hereinafter set forth.

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The real property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration shall be: ALL that tract or parcel of land lying and being in Land Lots 95 and 96 of the 5th District of Fayette County, Georgia, containing 40.048 acres more or less, according to plat of survey entitled "Magnolia Ridge, Unit One" prepared by R.M. Boyd & Assoc., Land Surveying & Engineering, dated September 22, 1997 of record in Plat Book 30, Pages 4-9, Fayette County, Georgia records.

Section 2. Additional Phases and Sections of Magnolia Ridge. Additional phases of Magnolia Ridge Subdivision may, in the sole discretion of the Grantor, become subject to this Declaration by recordation of additional declarations containing essentially the same substance as the instant indenture. Any subsequent Declarations of Protective Covenants, Conditions, and Restrictions

shall interlock the rights of all members to the Association to the end that all rights resulting to members of the Association shall be uniform as between all units of Magnolia Ridge Subdivision.

ARTICLE II

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DEFINITIONS

Unless the context otherwise specifies or requires, each term defined in Article II shall have the meaning herein respectively specified.

1. ASSOCIATION. The term shall mean and refer to the Association of all Owners established in accordance with the By-Laws and rules now or hereafter adopted by said Association, which rules, regulations and assessments shall be binding upon all Owners, Lessees, Licensees and Occupants. This association shall be formally known as the Magnolia Ridge HomeOwners Association, Inc.
2. BOARD. The term shall mean and refer to the Board of Directors of Magnolia Ridge HomeOwners Association, Inc.
3. BUILDING SETBACK LINE. The term shall mean and refer to an imaginary line or lines parallel to any property line specifying the closest point from any property line that a building structure may be located.
4. COMMITTEE. The term shall mean and refer to the Architectural Control Committee.
5. COMMON PROPERTIES. The term shall mean and refer to those areas of land shown on any recorded plat of any property subject to this Declaration and intended to be devoted to the common use and enjoyment of the Owners, Lessees, Licensees or Occupants of said property, and shall specifically include all areas designated as Amenity Areas on recorded plats and all areas deeded to the Association by Grantor.
6. DECLARATION. The term shall mean and refer to this Declaration of Protective Covenants, Conditions, and Restrictions for Magnolia Ridge Subdivision.
7. DEVELOPMENT. The term shall mean and refer to Magnolia Ridge Subdivision, Unit One, and any additions to this property as added by any supplemental Declaration.
8. FILE. The term shall mean and refer to, with reference to any subdivision map and any plat of survey, the filing for record of said map or plat in the Office of the Clerk of the Superior Court of Fayette County, Georgia.
9. GRANTOR AND/OR DEVELOPER. The term shall mean and refer to Dan V. Stinchcomb and his successors and assigns.
10. IMPROVEMENTS. The term shall mean and refer to and include structures and construction of any kind, whether above or below the land surface, such as but not limited to, buildings, out-buildings, water lines, sewers, electrical and gas distribution facilities, parking areas, walkways, fences, mass plantings, entrance ways, gates, signs and mailboxes.
11. LESSEE. The term shall mean and refer to the Owner of a leasehold interest in a part of Magnolia Ridge.
12. LICENSEE. The term shall mean and refer to any person or entity having any right or rights with respect to real property in Magnolia Ridge Subdivision pursuant to a license granted by an Owner.

13. LOT. A subdivided portion of the property intended for individual ownership upon which one single-family home is to be constructed.

14. LIVING AREA. The term shall mean and refer to those heated and air conditioned areas which are completely finished as living area and which shall not include garages, porches, patios, storage areas or basements.

15. MEMBER. The term shall mean and refer to all Owners who are members of the Association as provided in Article XI, Section I hereof.

16. OCCUPANT. The term shall mean and refer to any person or entity who occupies a part of Magnolia Ridge Subdivision and is not an Owner, Lessee or Licensee.

17. OWNER. The term shall mean and refer to the holder of record of fee title to all or part of Magnolia Ridge Subdivision.

18. RECORD OR RECORDED. The term shall mean and refer to, with respect to any document, the recordation of said document in the Office of the Clerk of the Superior Court of Fayette County, Georgia.

19. SIGN. The term shall mean and refer to any structure and all parts thereof which are erected or used for advertising or display.

20. THE PROPERTIES. The term shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any supplemental Declaration under the provisions of Article I hereof.

ARTICLE III

GEORGIA PROPERTY OWNERS' ASSOCIATION ACT

The development is hereby expressly made subject to the Georgia Property Owner's Association Act, as set forth in Official Code of Georgia Ann. {44-3-220, et seq.

ARTICLE IV

PROHIBITED USES AND VARIANCES

Section 1. Land Use and Building Type. No site shall be used except for residential and recreational purposes. When the construction of any building is once begun, work thereof shall be pursued diligently and continuously until the full completion thereof. The structures must be completed in accordance with said plans and specifications approved by the Committee upon each lot unless such completion is rendered impossible as the direct result of strikes, fires, national emergencies or natural calamities.

Section 2. Nuisances. No Owner, Lessee, Licensee or Occupant shall create a nuisance. No rubbish or debris of any kind shall be placed or permitted to accumulate on any real property and no odors shall be permitted to emanate so as to render any of said real property unsanitary, unsightly, offensive or detrimental to any property in the vicinity or to any Owner, Lessee, Licensee or Occupant thereof. No property shall be used in such a manner as to create a nuisance to others, such as but not limited to vibration, sound, electromagnetic disturbance, radiation, air or water pollution, dust or emission of odorous, toxic and non-toxic

matters.

Section 3. Property Maintenance, Repair of Buildings. All lots, whether occupied or unoccupied, and any buildings or other improvements placed thereon, shall at all times be maintained in accordance with all health, fire, police and governmental requirements and in such a manner as to prevent their becoming unsightly, i.e., by reason of unattractive growth or the accumulation of rubbish or debris thereon. No building or improvement shall be permitted by its Owner, Lessee, Licensee or Occupant to fall into disrepair, and each such building or improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

Section 4. Right of Entry. During reasonable hours and subject to reasonable security requirements, Grantor, its authorized representative and the Committee shall have the right to enter upon any lot and any building or other improvement constructed thereon, for the purpose of ascertaining compliance with this Declaration. Any such entry shall constitute an authorized entry, and Grantor, its authorized representatives or the Committee shall not be deemed guilty of trespass by reason thereof. In the event that said Owner, Lessee, Licensee or Occupant fails to comply with any or all of these protective covenants within thirty (30) days after written notice thereof, Grantor, its authorized representatives and the Committee shall have the right, privilege and license to enter upon any lot or any portion thereof and make any and all corrections or improvements that may be reasonably necessary to comply with these Protective Covenants, all at the sole cost and reasonable expense of such Owner, Lessee, Licensee or Occupant. Such cost shall be paid by Owner, Lessee, Licensee or Occupant to the Association within thirty (30) days after receipt of notice of the amount due. Any payment not made within said thirty (30) days shall become a lien upon such lot.

Section 5. Variances. Grantor reserves and shall have the sole right to grant reasonable variances from the provision of this Declaration, or any portion hereof, in order to overcome practical difficulties and to prevent unnecessary hardship in the application of the provisions contained herein, provided, however, that said variances, in the sole opinion of Grantor, shall not materially injure any of the property or improvements of adjacent property. No variance granted pursuant to the authority granted herein shall constitute a waiver of any provision of this Declaration as applied to any other person or real property.

Section 6. Additional Protective Covenants. No Owner, Lessee, Licensee or Occupant, without the written consent of Grantor, may impose any additional Protective Covenants on any part of Magnolia Ridge Subdivision.

ARTICLE V

PRESERVATION OF VALUES OF THE PROPERTY

AND THE NATURAL ENVIRONMENT-COMMON PROPERTIES

Section 1. It shall be the express intent and purpose of these Protective Covenants to protect, maintain and enhance the natural environment as well as preserve the value of the property subject to these Protective Covenants.

Section 2. Pursuant to its overall program of environmental conservation, the right is expressly reserved to the Association and to the Grantor, to make access trails or paths through said Common Properties for the purpose of permitting observation of wildlife, outdoor grilling, hiking and riding, to erect buildings and facilities for all types of recreation, and to take such other

steps as are reasonable, necessary and proper to further the aims and purposes of the Common Properties.

Section 3. The Association and Grantor shall have the right to protect from erosion the land described as Common Properties by planting trees, plants and shrubs where and to the extent necessary. The right is likewise reserved to the Association and Grantor to take necessary steps to provide adequate drainage ways, canals and access roads in Common Properties.

Section 4. Grantor reserves unto itself and its assigns, the right to go on, over and under the ground comprising the Common Properties to erect, maintain, repair and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, cable television or other public conveniences or utilities in said Common Properties. These reservations and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by any licensee of Grantor, but this reservation shall not be considered an obligation of Grantor to provide or maintain any such utility or service.

Section 5. No dumping, burning or disposal in any manner of trash, litter, garbage, sewage, woodlands or any unsightly or offensive material shall be permitted in or upon such Common Properties, except as is temporary and incidental to the bona fide improvement of the area. Fires of any kind shall be prohibited in all Common Properties except in designated and controlled areas as specified by the Association.

Section 6. Grantor expressly reserves to itself every reasonable use and enjoyment of said Common Properties, in a manner not inconsistent with the provision of this Declaration.

Section 7. It is expressly understood and agreed that the granting of this easement in no way places a burden of affirmative action on Grantor, and Grantor is not bound to make any of the improvements noted herein or extend to any Owner, Lessee, Licensee or Occupant any service of any kind.

Section 8. Upon facilities being constructed upon the Common Properties, the Board may adopt rules and regulations governing the use and control of such facilities.

ARTICLE VI

DEVELOPMENT STANDARDS

Section 1. Building Setback Lines.

A) Buildings. Buildings shall not be placed closer than the minimum setback lines shown on recorded plats.

B) Fences. No fence of any kind shall be placed or constructed nearer to the front property line than the rear corner of the residence.

C) Eaves, Steps, Etc. For the purpose of these Protective Covenants, swimming pools, decks, uncovered porches, patios, eaves and steps shall not be considered as a part of a building, provided, however, that this shall not be construed to permit any portion of a structure to encroach upon another lot.

Section 2. Governmental Rules. In the event governmental rules and regulations are more restrictive than these Protective Covenants, said rules and regulations shall prevail.

Section 3. Buildings and Other Structures.

A) Approval. Prior written approval of the Committee is required before the commencement of construction of any building, structure or other improvement.

B) Construction. After commencement of construction of any building on, or any improvements to, any lot, the Owner, Lessee, Licensee or Occupant so commencing such construction shall diligently pursue the work thereon, to the end that the buildings and improvements shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. The Owner, Lessee, Licensee or Occupant of any lot on which buildings or improvements are being constructed shall at all times keep all streets and rights-of-way contiguous to said lot free from any dirt, mud, garbage, trash or other debris which might be occasioned by construction of any buildings or improvements on such lot.

C) Building Materials. The exterior of every dwelling shall be finished with either vinyl siding, brick, stucco or stacked stone, or a combination of such materials.

D) Dwelling Size. The minimum square footage of the living area required for residential dwellings shall be 1,800 square feet for a one story and 2,000 feet for a two story, with a two story dwelling having at least 1,200 square feet of heated living area on the main floor. Certain lots with R40 zoning require a minimum square footage of 2000 feet for a one story dwelling and 2200 feet for a two story dwelling. Zoning requirements regarding the required square footage of homes will prevail over this Declaration unless this Declaration contains a more restrictive provision.

E) Garages. Each single family unit shall have a functional two car garage attached to the residence the door of which shall remain closed when the garage is not in use.

F) Roof Color and Pitch. All roofs must be either a charcoal, weatherwood or slate color. Roof pitches must be approved by the Committee pursuant to Article VI herein and cannot be modified after approval by the Committee without further review and approval by the Committee.

G) Garbage and Refuse Disposal. No lot shall be used, maintained or allowed to become a dumping ground for scraps, litter, leaves, limbs or rubbish. Trash, garbage or other waste shall not be allowed to accumulate on the property and shall not be kept except in sanitary containers which shall be screened on all sides visible from the street. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

H) Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose and further provided that they are not allowed to wander or roam about the neighborhood. Such pets, when outdoors, shall be under leash control of the owner or their agent.

Section 4. Temporary Structures and Outbuildings; Recreational Vehicles. No structure of a temporary character, tool or storage shed, barn or other outbuilding of any type shall be located on any lot at any time, unless approved in writing by the Committee. Boats, motorcycles, campers or other recreational vehicles shall be parked or stored within the garage or placed **behind the residence;**

however, in no event shall such vehicles be visible from the street which runs in front of the property.

Section 5. Utility Connections and Television Antennas-Satellite Dishes. All dwelling connections for all utilities including, but not limited to, water, sewerage, electricity, telephone and television shall be underground from the proper connection points to the dwelling in such a manner to be acceptable to the governing utility authority. Installation in a manner other than as prescribed herein shall not be permitted except upon written approval of the Committee. No satellite dishes of any nature or kind exceeding eighteen (18") inches in diameter shall be permitted on any lot.

Section 6. Landscaping.

A) Landscaping Plans. The front yard of every lot shall be sodded with Bermuda grass prior to occupancy of the dwelling or within thirty (30) days of the substantial completion of the dwelling, whichever date shall first occur. Minimal areas in the yard may be used as "pine islands" or other landscape design themes; however, all areas of a yard adjoining a public right of way must be sodded.

B) Maintenance. All landscaping shall be maintained in an attractive, sightly and well-kept condition and in accordance with the approved plans. In the event such landscaping is not so maintained, the Association shall notify the Owner in writing by certified mail that said landscaping is not being properly maintained. If such maintenance is not effected by the Owner within thirty (30) days from such notification, the Association shall have the right (but not the obligation) through its agents or employees, to enter upon the property for the purpose of maintaining, restoring or repairing said landscaping. The costs incurred by the Association in maintaining such landscaping, plus a twenty-five percent (25%) allowance for overhead, shall be borne by the Owner and shall be paid on demand to the Association or such other persons or entities designated by such Association. Until paid, the cost incurred plus twenty-five percent (25%) overhead allowance shall become a lien upon such lot and the improvements thereon, which may be foreclosed as a materialman's lien on real property. Within fifteen (15) days following any request from any Owner or Lessee, the Association shall certify in writing whether any amounts are due and owing pursuant to this paragraph with respect to the real property of any such Owner or the leasehold interest of such Lessee.

Section 7. Signs. No sign of any kind shall be displayed to the public view on any site except one sign per lot of not more than four (4) square feet advertising the property for sale.

Section 8. Sidewalks. The builder of any dwelling within the subdivision shall construct a sidewalk which shall run continuously along the entire road frontage of the front yard of such dwelling. All sidewalks shall be constructed of concrete and shall be forty eight (48") inches in width.

Section 9. Parking.

A) Compliance With Law. Each Owner, Lessee, Licensee or Occupant shall comply with all governmental requirements.

B) Parking. No automobiles, trucks, vans, buses, motorcycles, motorhomes or any other vehicles of any nature or kind shall be allowed to park on any street within the subdivision. All vehicles owned by the Owner, Lessee, Licensee or Occupant of any home within the subdivision must be kept within the garage attached to such home. All garage doors must be kept closed when not in use. **No commercial vehicles, including vans, trucks and buses**

shall be kept on any property within the subdivision. "Commercial Vehicle" shall be defined as any vehicle having more than a three-quarter (3/4) ton hauling capacity or having more than four wheels.

C) Driveways. All driveways and parking areas shall be constructed of concrete. Any other material must be specifically approved by the Committee. Where curbs are required to be broken for driveway entrances, the curb shall be repaired in a neat and orderly fashion acceptable to the Committee.

Section 10. Air Conditioning Compressors and Other Mechanical Equipment. All mechanical equipment and air-conditioning compressors shall be stored within the garage or screened from the street which runs by the property by a vegetative wall consisting of shrubbery and bushes of reasonable height and density as determined by the Committee.

Section 11. Mail Boxes. All mailboxes within the subdivision shall be identical in size and design as specified and required by the developer of Magnolia Ridge Subdivision.

Section 12. Fence Size and Material. All fences must be of a wood, brick, stucco or stone material. No chain link fences shall be allowed (except enclosing a retention pond area). All fences shall be a minimum of five (5') feet in height and shall not exceed six (6') feet in height.

Section 13. Clotheslines. No clotheslines or other laundry cleaning or drying devices shall be erected or placed in any front, rear or side yard areas.

ARTICLE VII

ARCHITECTURAL REVIEW

Section 1. The Committee. The Architectural Control Committee shall be composed of three (3) members. The current membership shall consist of Dan V. Stinchcomb, Scott Stinchcomb, & Francis Stinchcomb. A majority of the committee may designate a representative to act for it. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to the protective Covenants. The Committee shall have the powers and duties enumerated herein. It may approve, disapprove or approve with modifications, any plans submitted in writing to the Committee. Upon the resignation of any member, the remaining Committee members shall appoint a new member.

Section 2. Submission of Plans. Before commencing the construction or alteration of any building, enclosure, fence, or any other structure or improvement on or to any lot, the Owner, Lessee, Licensee or Occupant of such lot shall first submit one (1) complete set of architectural plans to the Committee for its written approval, disapproval or approval with modifications as hereinafter provided.

Section 3. Approval; Content of Plans. No improvement shall be erected, placed, altered, maintained or permitted on any lot until plans have been submitted to and approved in writing by the committee. Such plans shall include the following:

A) Architectural Plan. Floor plans, elevation drawings of all exterior walls, roof plan, and the location of the air conditioning compressor; and,

B) Description of Exterior. A description of all proposed exterior finishes, materials and colors, including those for walls, roofs and doors.

Such plans shall be submitted in writing over the signature of the Owner of the lot or his authorized agent and shall be

accompanied by the request of such Owner or Agent for the approval of said plans.

Section 4. Basis for Approval. Approval shall be based, among other things, on adequacy of site dimensions, adequacy of site drainage, conformity and harmony of external design with neighboring structures (similar colors and/or front elevations within close proximity shall be discouraged), relation of topography, grade and finished ground elevation of the site being improved to that existing or intended for neighboring sites; proper facing of main elevation with respect to nearby streets; and conformity of the plans to the purpose and general plan and intent of the Protective Covenants. The Committee shall not arbitrarily or unreasonably withhold its approval of such plans.

Section 5. Failure to Approve; Deemed Approval. If the Committee fails to approve, disapprove or approve with modifications, such plans within fifteen (15) days after the same have been submitted in writing to it, it shall be conclusively presumed that it has approved said plans, subject, however, to compliance with the Protective Covenants contained herein.

ARTICLE VIII

DURATION, MODIFICATION AND REPEAL

Section 1. Duration. The Protective Covenants shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, their respective legal representatives, successors and assigns for a term of twenty (20) years from the date these Protective Covenants are recorded, after which time said Protective Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then-Owners of two-thirds (2/3) of the lots has been recorded, agreeing to change said Protective Covenants. Provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken. Easements of any type enumerated herein are perpetual, will not terminate upon termination of these Covenants, and may not be modified or terminated without specific written concurrence of the Grantor. The Grantor, Association, or any affected Owner may, but shall not be required to, enforce these Protective Covenants.

Section 2. Notices. Notice will be deemed to be sufficiently given if deposited in the U.S. Mail with the required postage to the address of the Member that has been registered with the Association. Failure of the Member to register his, her or its address with the Association will be deemed to be a waiver of notice.

Section 3. Enforcement. Enforcement of these Protective Covenants shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain or to recover damages, and against the land to enforce any lien created by the covenants.

Section 4. Attorney Fees. In any legal or equitable proceeding to enforce or restrain the violation of these Protective Covenants, the prevailing party shall be entitled to reasonable attorney fees and court costs.

Section 5. Failure to Enforce Not a Waiver of Rights. No delay or failure on the part of any aggrieved party to invoke any available remedy in respect to a violation of any of the Protective Covenants shall be held to be a waiver by that party of (or an estoppel of the party to assert) any right available to him upon the recurrent or continuance of said violation or the occurrence of

a different violation, nor shall there be construed upon the Grantor a duty to take any action to enforce the Protective Covenants.

Section 6. Severability. Invalidation of any one of these Protective Covenants by judgement or court order shall in no way affect any other provision. Any and all provisions not invalidated shall remain in full force and effect.

ARTICLE IX

EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the Owner, Lessee, Licensee or Occupant of such lot, except for those improvements for which a public authority or utility company is responsible.

Grantor reserves unto itself a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment, gas, sewer, water, cable television or other public conveniences or utilities on, in or over ten (10) feet along one side of each lot, all Common Properties and such other areas as are shown on the applicable plat; provided further, that Grantor and/or Fayette County, Georgia may cut drainways for surface water wherever and whenever such action may be necessary in order to maintain reasonable standards of health, safety and appearance, or to meet governmental requirements. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by any Licensee of Grantor, but this reservation shall not be considered an obligation of Grantor to provide or maintain any such utility or service.

ARTICLE X

LIMITATION OF LIABILITY

Section 1. Plan Approval. Neither the Grantor nor its successors or assigns nor the Committee nor any member thereof shall be liable in damages to any Owner, Lessee, Licensee or Occupant or their successors and assigns by reason of any mistake in judgement, negligence, act or omission arising out of or in connection with the approval or disapproval or failure to approve any such plans, the enforcement or nonenforcement, modification or waiver, breach or default of any covenant or restriction or provision contained herein. Every Owner, Lessee, Licensee, Occupant and their successors and assigns, by acceptance of a Deed, waives and releases the right to bring any action, proceeding or suit against the Grantor, the Committee and all members thereof to recover damages.

Section 2. Construction. Where plans are approved by the Committee, or any change or modification thereto, such approval

shall be deemed to be strictly limited to an acknowledgment of consent by the Committee to the improvements being constructed in accordance therewith, and shall not in any way be deemed to imply any warranty, representation or approval by the Committee, the Grantor, its successors or assigns, that such improvements, if so constructed, will be structurally sound, will be fit for any particular purpose or will have a market value of any particular magnitude.

ARTICLE XI

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any parcel which is subject by Protective Covenants to assessment by the Association shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member.

Section 2. Voting Rights. The Association shall have one class of voting membership:

Members shall be all of those Owners as defined in Section 1. Members (excepting the Grantor) shall be entitled to one vote for each lot in which they hold the interests required for membership in Section 1. When more than one person holds such interest, all such persons shall be Members and the vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such lot. The Grantor shall have five votes for each lot to which the Grantor holds title.

ARTICLE XII

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3, every member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every parcel.

Section 2. Title to Common Properties. The Grantor may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Grantor, the Association is able to maintain the same but, notwithstanding any provision herein, the Grantor hereby covenants that it shall convey the Common Properties to the Association no later than December 31, 2000.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(A) The right of the Association, as provided in its Articles and By-Laws, to suspend enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and,

(B) The right of the Association to establish rules for the right of use and enjoyment of all Common Properties; and

The right of the Grantor, or its assigns, to use such properties including the use of a portion of such property for a

sales office; and,

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(D) The right of a member to assign his rights to the benefits of membership, except voting rights, to a person who is renting or leasing a home in the subdivision; and,

(E) The reservations and easements enumerated in Article IV.

ARTICLE XIII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien for Personal Obligation of Assessments. Each Owner of any lot, except the Grantor during the Grantor's period of ownership of any lot, shall by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be legally obligated to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements. Such assessments shall be fixed, established and collected from time to time as hereinafter provided, shall be a charge on the land and shall be a continuing lien on the property against which each assessment is being made. Each such assessment, together with interest thereon and the costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreating, health, safety and welfare of the residents of the property subject to these Protective Covenants and in particular for the improvement and maintenance of properties, amenities, services and facilities devoted to that purpose and related to the use and enjoyment of the Common Properties and of the improvements situating upon the property, including, but not limited to, the payment of taxes and insurance thereon and the repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof, as well as the specific powers given to the Association as designated in these Protective Covenants, (i.e., those specified in Article V).

Section 3. Initial Amount of Annual Assessments. The annual assessment shall be Three Hundred (\$300.00) Dollars per lot through December 31, 1999. Prior to January 1 of 2000, and prior to January 1 of every year thereafter, such maximum assessment may be increased by vote of the Members, as hereinafter provided and such changed assessment shall stand thereafter until such members vote otherwise. If such assessment is not made by the Board on or before January 1 of any year, the assessment for that year shall be the same as for the preceding year. Such assessments are in addition to those referred to in Section 4 below.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Properties or public rights-of-way, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting. The Grantor shall not be entitled to vote on such special assessments.

Section 5. Change in Maximum Amount of Annual Assessments.

Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the maximum amount and basis of the assessments fixed by Section 3 hereof prospectively for any such period, provided that any such change shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 6. Quorum for an Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence of the members, or of proxies, entitled to cast fifty percent (50%) of all of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments- Due Dates. The annual assessments provided for herein shall commence on the first day of the month following the date these Protective Covenants are filed of record in the Office of the Clerk of the Superior Court of Fayette County, Georgia. Such assessment, for the first year, shall be prorated based on the initial annual assessment amount.

The assessments for any year, after the first year, shall become due and payable on the fifteenth day of January of said year and shall become delinquent thirty (30) days thereafter. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors of the Association. The Board shall fix the date of commencement and the amount of the assessment against each lot and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

The Association shall, upon demand, furnish at any time to any Owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessment: The personal Obligation of the Owner: The Lien: Remedies of the Association. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then-Owner, his heirs, devisees, personal representatives and assigns. However, the personal obligation of the then-Owner to pay such assessment shall remain his personal obligation for the statutory period and such personal obligation shall not pass to his successors in-title unless expressly assumed by them. If the assessment is not paid by the delinquency date, the assessment shall bear interest from the date of delinquency at a rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner who is personally obligated to pay the same or to foreclose the lien against the property, and the cost of such action shall be added to the amount

of such assessment. In the event a judgement is obtained, such judgement shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court together with the costs of the action.

Section 10. Subordination of the Lien to Deeds to Secure Debt. The lien of the assessments provided for herein, and the liens specified in Articles IV and VI shall be absolutely subordinate to the lien of any deed to secure debt or other financing instrument now or hereafter placed upon the properties subject to assessment. This subordination shall not relieve such property owner from liability for assessments now or hereafter due and payable, but the lien thereby created shall be secondary and subordinate to any deed to secure debt or other financing instrument as if said lien were a deed to secure debt subordinate and inferior to such deed to secure debt or other financing instrument, irrespective of when such deed to secure debt or other financing instrument was executed and recorded.

ARTICLE XIV

EASEMENTS AND COVENANTS RUNNING WITH LAND

The rights, easements, covenants and restrictions herein established for the benefit of any lot shall run with and be appurtenant to title to such lot and shall be burdens upon every other lot within Magnolia Ridge Subdivision, run with title to all such lots, and bind Grantor, his assigns and successors-in-title with respect to each of such lots, and all Owners, Lessees, Licensees and Occupants of such lots.

ARTICLE XV

AMENDMENT OF PROTECTIVE COVENANTS

Grantor reserves and shall have the sole right: (A) to amend these Protective Covenants for the purpose of curing any ambiguity in or any inconsistency between the provisions contained herein; (B) to include in any contract or deed subsequent Protective Covenants, or other instruments hereafter made with respect to portions of Magnolia Ridge Subdivision then-owned By Grantor, any additional Protective Covenants applicable to the said land then-owned by said Grantor which do not lower standards of the Protective Covenants herein contained; and, (C) to release any lot from any part of the Protective Covenants, (including without limiting the foregoing, violations of building setback lines and provisions hereof relating thereto), if Grantor, in its sole judgement, determines such violation to be a minor or insubstantial violation. In addition, these protective Covenants may be amended when approved by Grantor and two-thirds (2/3) of the Owners.

ARTICLE XVI

Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Units in the Community. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained herein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number) (therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days;

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

(d) any proposed action which would require the consent of a specified percentage of Mortgage holders.

Section 2. Special Provisions. So long as required by the Federal Home Loan Mortgage Corporation (The Mortgage Corporation) and so long as the U.S. Department of Housing and Urban Development ("HUD") is insuring or the Veterans Administration ("VA") is guaranteeing any Mortgage in the Community, the following provisions apply in addition to and not in lieu of the foregoing. Unless two-thirds (2/3) of the first Mortgagees or Owners other than the Declarant give their consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Property which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Property shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design of the exterior appearance and maintenance of Units and of the Common property (The issuance and amendment of architectural standards, procedures, rules, and regulations or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this subsection.);

(d) fail to maintain fire and extended coverage insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

Nothing contained in Article XVI, Section 2, of this Declaration shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration for any of the acts set forth in this Section 2.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and First Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 3. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or

other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

Section 4. Notice to Association. Upon request, each Unit Owner shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owners Unit.

Section 5. Amendments by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements, or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to the Article to be recorded to reflect such changes.

Section 6. VA/HUD Approval. As long as the Declarant has the right to appoint and remove officers and directors of the Association, the following actions shall require the prior approval of the VA (so long as the VA is guaranteeing any Mortgage in the Community), and HUD (so long as HUD is insuring any Mortgage in the Community): annexation of additional property to the Community, except for annexation by Declarant in accordance with Article I, Section 2, hereof pursuant to a previously approved plan of annexation; mergers, and consolidations; dedication of Common Property to any public entity; dissolution; mortgaging of Common Property, and material amendment of the Declaration, By-Laws or Articles of Incorporation.

Section 7. Applicability of this Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Georgia law for any of the acts set out in this Article.

Section 8. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal, this 17th day of MARCH, 1998.

Signed, sealed and delivered in the presence of:

Sara A. Combs
Unofficial Witness

BY: Dan V. Stinchcomb (SEAL)
DAN V. STINCHCOMB

