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**AMENDED AND RESTATED DECLARATION OF
PROTECTIVE COVENANTS AND RESTRICTIONS**

FOR

ASHLEY FOREST

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<u>Exhibit</u>	<u>Subject Matter</u>
"A"	Land Initially Submitted
"B"	Land Subject to Annexation
"C"	Initial Use Restrictions and Rules
"D"	Rules of Arbitration
"E"	By-Laws of Ashley Forest Property Owners' Association, Inc.

**AMENDED AND RESTATED DECLARATION OF
PROTECTIVE COVENANTS AND RESTRICTIONS**

FOR

ASHLEY FOREST

THIS AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS (the "Declaration") is made this ____ day of August, 1997, by the Ashley Forest Development Company, a Georgia limited liability company (the "Declarant"). This Declaration amends and replaces in its entirety that certain Protective Covenants and Restrictions Running With the Land and Reservations of Easements for Ashley Forest, filed and recorded on November 2, 1995, in Book 1021, Page 556, *et. seq.*, of the Public Records.

By this Declaration, Declarant, as the owner (or if not the sole owner, with such owners' consent) of the real property described in Exhibit "A," imposes upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners, and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, Declarant has caused or intends to cause the Ashley Forest Property Owners' Association, Inc., to be formed as a Georgia non-profit corporation to own, operate and maintain Common Area and to administer and enforce the provisions of the Governing Documents.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Declaration by Supplemental Declaration shall be held, sold, used, and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

This document does not and is not intended to create a condominium within the meaning of the Georgia Condominium Act, O.C.G.A. Section 44-3-70, and the Association is not subject to the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220.

Article I
DEFINITIONS

The terms in this Declaration and the attached exhibits shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1. "Area of Common Responsibility": The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, or agreement.

1.2. "Articles of Incorporation" or "Articles": The Articles of Incorporation of Ashley Forest Property Owners' Association, Inc., as filed with the Secretary of State of the State of Georgia.

1.3. "Association": Ashley Forest Property Owners' Association, Inc., a Georgia non-profit corporation, its successors or assigns.

1.4. "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws and serving the same role as the board of directors under Georgia corporate law.

1.5. "Builder": Any Person which purchases one or more Units for the purpose of constructing improvements for later sale to consumers in the ordinary course of such Person's business.

1.6. "By-Laws": The By-Laws of Ashley Forest Property Owners' Association, Inc., attached as Exhibit "E," as they may be amended.

1.7. "Class "B" Control Period": The period of time during which the Class "B" Member is entitled to appoint the members of the Board of Directors as provided in Section 3.3 of the By-Laws.

1.8. "Common Area": All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

1.9. "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association as the Board may find necessary and appropriate. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by a majority of the total Class "A" vote of the Association.

1.10. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall be initially established by the Declarant and described in the Design Guidelines. Thereafter, the Community-Wide Standard shall be determined and enforced by the Board.

1.11. "Declarant": The Ashley Forest Development Company, a Georgia limited liability company, or any successor, successor-in-title, or assign who takes title to any portion of

the property described on Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided, there shall be only one Declarant at any time.

1.12. "Design Guidelines": The design and construction guidelines and application and review procedures applicable to the Properties promulgated and administered pursuant to Article IX.

1.13. "General Assessment": Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses.

1.14. "Governing Documents": A collective term referring to the Declaration, any Supplemental Declaration, Articles, By-Laws, Design Guidelines, and Use Restrictions and Rules.

1.15. "Master Plan": A term collectively referring to: (a) the preliminary plat of Ashley Forest as initially prepared by John E. Ryckley and Declarant and which may be amended from time to time; (b) the Final Plat of Phase I of Ashley Forest which was recorded on October 25, 1995, in Book 27, Page 14 of the Public Records, the Final Plat for Phase II of Ashley Forest which was recorded on August 12, 1997, in Book 29, Page 129 of the Public Records, and any additional final plats as may be recorded from time to time; and (c) any other land use plans for Ashley Forest which may or may not be recorded or which may or may not be approved by Fayette County, Georgia. Inclusion of property in the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit "B" of this Declaration bar its later annexation in accordance with Article VII.

1.16. "Member": A Person subject to membership in the Association pursuant to Section 3.2.

1.17. "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit. A "Mortgagee" is a beneficiary or holder of a Mortgage.

1.18. "Owner": One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

1.19. "Person": A human being, a corporation, a partnership, a trustee, or any other legal entity.

1.20. "Properties": The real property described on Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article VII.

1.21. "Public Records": The Office of the Clerk of the Superior Court of Fayette County, Georgia, and such other place which is designated as the official location for the recording of deeds and similar documents affecting title to real estate.

1.22. "Special Assessment": Assessments levied in accordance with Section 8.5.

1.23. "Specific Assessment": Assessments levied in accordance with Section 8.6.

1.24. "Supplemental Declaration": An instrument filed in the Public Records pursuant to Article VII which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

1.25. "Unit": A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as a residence for a single family. The term shall include within its meaning, by way of illustration but not limitation, each numbered lot shown on a subdivision plat filed in the Public Records with respect to any portion of the Properties, together with the structures, if any, constructed thereon, as well as vacant land intended for further subdivision, but shall not include Common Area or property dedicated to the public.

In the case of a portion of the Properties intended and suitable for subdivision into single-family lots but as to which no subdivision plat has been filed, such property shall be deemed to be a single Unit until such time as a subdivision plat is filed in the Public Records with respect to all or a portion of the property. Thereafter, the portion encompassed by such plat shall contain the number of Units determined as set forth in the preceding paragraph and any portion not platted shall continue to be treated as a single Unit.

1.26. "Use Restrictions and Rules": Those use restrictions and rules affecting the Properties, which may be adopted, modified and repealed as set forth in Article X. The initial Use Restrictions and Rules are set forth on Exhibit "C."

Article II

PROPERTY RIGHTS

2.1. Common Area. Every Owner shall have a right and an appurtenant, nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) This Declaration and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Board and the membership to adopt rules pursuant to Article X regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation of the Governing Documents after notice and a hearing pursuant to Section 3.24 of the By-Laws;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(f) The right of the Board to impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facilities situated upon the Common Area;

(g) The right of the Board to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees, and guests upon payment of such use fees as the Board may establish; and

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements as may be set forth in this Declaration.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

2.2. No Partition. There shall be no judicial partition of the Common Area. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

2.3. Condemnation. If any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by the Board, the Association shall restore or replace any improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking the Declarant, so long as the Declarant owns property subject to this Declaration or retains an ownership interest in property which may become subject to this Declaration in accordance with Section 7.1, and at least 67% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or

replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

2.4. Actions Requiring Owner Approval. If either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs is insuring or guaranteeing the Mortgage on any Unit, then the following actions shall require the prior approval of Members representing not less than two-thirds (2/3) of the total Class "A" votes in the Association and the consent of the Class "B" Member, if such exists: merger, consolidation, or dissolution of the Association; annexation of additional property other than that described on Exhibit "B;" and dedication, conveyance, or mortgaging of Common Area. Notwithstanding anything to the contrary in Section 2.3 or this Section, the Association, acting through the Board, may grant easements over the Common Area for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Area, without the approval of the membership.

Article III MEMBERSHIP AND VOTING RIGHTS

3.1. Function of Association. The Association shall be the entity responsible for management, maintenance, operation, and control of the Area of Common Responsibility. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board or the membership may adopt pursuant to Article X. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Georgia.

3.2. Membership. Every Owner automatically shall become a Member of the Association by taking title to a Unit. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.3 and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

3.3. Voting. The Association shall have two classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 3.2; provided, there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.10.

In any situation where there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The Class "B" membership shall terminate upon the earlier of the following:

(i) the date upon which 90% of the Units anticipated for development on the Master Plan for the property described on Exhibits "A" and "B" of this Declaration have been improved with a dwelling approved for occupancy and have been conveyed to Class "A" Members other than Builders;

✓ 68 units

(ii) December 31, 2012; or

(iii) the date upon which the Declarant voluntarily terminates such membership by written notice recorded in the Public Records.

Upon termination of the Class "B" membership, the Declarant shall become a Class "A" member as to any Units which the Declarant owns.

Article IV **RIGHTS AND OBLIGATIONS OF THE ASSOCIATION**

4.1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall manage and control the Common Area and all improvements thereon (including, without limitation, landscaping, furnishings, equipment, and other personal property of the Association used in connection with the Common Area), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to this Declaration and the By-Laws and consistent with the Community-Wide Standard. The Board is specifically authorized, but not obligated, to retain or employ professional management to assist in carrying out the Association's responsibilities under this Declaration and the By-Laws, the cost of which shall be a Common Expense.

4.2. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property, subject to the provisions of Sections 2.4 and 12.4. The Declarant and its designees may convey to the Association improved or unimproved real estate, or interests in real estate, located within the properties described in Exhibits "A" or "B," personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association.

4.3. Enforcement. The Association may impose and enforce sanctions for violations of the Governing Documents in accordance with procedures set forth in the By-Laws, including reasonable monetary fines and suspension of the right to vote and to use any recreational facilities within the Common Area. In addition, in accordance with Section 3.24 of the By-Laws, the Association may exercise self-help to cure violations and may suspend any services it provides to the Unit of any Owner who is more than 30 days delinquent in paying any assessment or other charge due to the Association. All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Governing Documents or Association rules, if the Association prevails it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action, or in any case where the Board determines that it is in the Association's interest, based upon expenses, hardship, or other reasonable criteria, not to pursue enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and permit local governments to enforce their ordinances within the Community for the benefit of the Association and its Members.

4.4. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5. Governmental Interests. For so long as Declarant owns property subject to this Declaration or retains an ownership interest in property which may become subject to this Declaration in accordance with Section 7.1, the Declarant may designate sites within the Properties for public or quasi-public facilities or uses. The sites may include Common Area, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner consents.

4.6. Indemnification. The Association shall indemnify every officer, director, and committee member, including members of the committees established under Article IX, against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been

an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and Georgia law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.7. Dedication of Common Areas. The Association may dedicate portions of the Common Area to Fayette County, Georgia, or to any other local, state, or federal governmental or quasi-governmental entity, subject to such approval as may be required by Section 2.4.

4.8. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, nor the Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system or measures, including any mechanism or system for limiting access to the Properties, can not be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board of Directors and committees, and the Declarant are not insurers and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

Article V MAINTENANCE

5.1. Association's Responsibility.

(a) The Association shall maintain and keep in good repair the Area of Common Responsibility, which shall include, but need not be limited to:

- (i) all property and improvements situated upon the Common Area;

(ii) landscaping and Association signage within public rights-of-way within or adjacent to the Properties;

(iii) any ponds, streams, wetlands and such other improvements located within the Properties which serve as part of the drainage and storm water retention system for the Properties. Provided, however, Declarant shall be responsible for such maintenance within each phase of development (as more specifically described on the Recorded final plats for Ashley Forest) until 80% of the Units therein are conveyed to Persons other than Declarant or a Builder;

(iv) such portions of any additional property included within the Area of Common Responsibility as may be dictated by the Governing Documents or any contract or agreement for maintenance thereof entered into by the Association; and

(v) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and to be maintained by the Association unless and until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(b) There are hereby reserved to the Association easements over the Properties as necessary to enable the Association to fulfill such responsibilities. The Association shall maintain the facilities and improvements within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless 67% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of the Declarant as long as the Declarant owns any property described on Exhibits "A" or "B" of this Declaration.

(c) Except as otherwise specifically provided herein, all costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a Common Expense, without prejudice to the right of the Association to seek reimbursement from the owner(s) or responsible party thereof.

5.2. Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas, and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants. In addition to any other

enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 8.6. The Association shall afford the Owner reasonable notice and an opportunity to perform such maintenance responsibilities prior to entry, except when entry is required due to an emergency situation.

5.3 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

Article VI INSURANCE AND CASUALTY LOSSES

6.1. Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if the Board determines such insurance is necessary and such is reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance for the full replacement cost of all insurable improvements on the Common Area and on other portions of the Area of Common Responsibility to the extent that it has responsibility in the event of a casualty;

(ii) Commercial general liability insurance for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board determines advisable.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Fayette County, Georgia area.

All Association policies shall provide for a certificate of insurance to be furnished to each Member insured and to the Association.

The policies may contain a reasonable deductible. In the event of an insured loss, the deductible shall be treated as a Common Expense; provided, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Section 3.24 of the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units pursuant to Section 8.6.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Georgia which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Area shall be for the benefit of the Association and its Members;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement; and

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

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

(iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(iv) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(v) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(vi) a cross liability provision; and

(vii) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Improvements on the Common Area shall be repaired or reconstructed unless the Members representing at least 67% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit. If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy a Special Assessment to cover the shortfall.

6.2. Owners' Insurance. By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible. Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IX. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

Article VII
ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1. Annexation Without Approval of Membership. Until all property described on Exhibit "B" has been subjected to this Declaration or 15 years after the recording of this Declaration in the Public Records, whichever is earlier, Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the real property described in Exhibit "B." The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property being annexed. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the property set forth in Exhibit "B" in any manner whatsoever.

7.2. Annexation With Approval of Membership. The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members representing a majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and the consent of the Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 7.1.

Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

7.3. Withdrawal of Property. The Declarant reserves the right to amend this Declaration so long as it has a right to annex additional property pursuant to this Section 7.1, for the purpose of removing any portion of the Properties from the coverage of this Declaration, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant.

7.4. Additional Covenants and Easements. The Declarant may subject any portion of the Properties to additional covenants and easements by filing a Supplemental Declaration in the Public Records, concurrent with or after the annexation of the subject property, setting forth such

ASHLEY FOREST PROPERTY OWNERS' ASSOCIATION, INC.

CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS

I, Sue Spears, hereby certify that: (1) I am the Secretary of ASHLEY FOREST PROPERTY OWNERS' ASSOCIATION, INC., a Georgia corporation (the "Association"); (2) the following is a true and correct copy of resolutions duly adopted by the Board of Directors of the Association (the "Board"), by unanimous vote, at a Board meeting held on April 25, 2001; and (3) such resolutions have not been repealed, altered or amended and remain in full force and effect as of the date hereof:

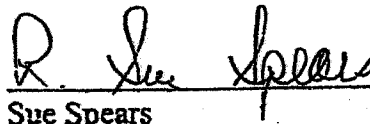
WHEREAS, Article VIII, Section 8.1(b) of the Amended and Restated Declaration of Protective Covenants and Restrictions for Ashley Forest (the "Declaration"), which Declaration was recorded on August 25, 1997, at Deed Book 1174, Page 724 of the Office of the Clerk of the Superior Court of Fayette County, Georgia, provides that the Board may establish a per annum rate of interest to accrue against delinquent assessments,

RESOLVED, that effective as of May 1, 2001, the applicable per annum rate of interest to accrue against delinquent General Assessments, Special Assessments, and Specific Assessments shall increase from ten percent (10%) to eighteen percent (18%); such interest shall accrue daily on the dollar amount of the outstanding assessment balance due;

WHEREAS, Declaration Article VIII, Section 8.1(b) of the Declaration provides that the Board may establish late charges to be assessed for an Owner's failure to timely pay assessments levied pursuant to the Declaration,

RESOLVED, that effective as of May 1, 2001, a late charge of \$25.00 shall be levied on the first day of each calendar quarter (i.e., January-March, April-June, July-September, October-December) in which any portion of an Association General Assessment, Special Assessment, and/or Specific Assessment remains unpaid and delinquent by an Owner; notwithstanding the foregoing, with respect only to the present calendar quarter (i.e., April-June 2001), a late charge of \$25.00 shall be levied against a Unit and its Owner if any portion of an Association General Assessment, Special Assessment, and/or Specific Assessment remains unpaid and delinquent by such Owner ten (10) days after notice of this Board resolution.

I have duly executed this Certified Resolution and affixed the seal of Association this 25th day of April, 2001.



Sue Spears
Its Secretary

[Affix Corporate Seal]

additional covenants and easements. Any such Supplemental Declaration shall require the written consent of the owner(s) of the subject property, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

Article VIII **ASSESSMENTS**

8.1. Creation of and Obligation for Assessments.

(a) **Purposes and Types.** There are hereby created three types of assessments: (a) General Assessments; (b) Special Assessments; and (c) Specific Assessments. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

(b) **Personal Obligation and Lien.** All assessments, together with interest (computed from the due date of such assessment at a rate of 10% per annum or such higher rate as the Board may establish, subject to the limitations of Georgia law), late charges established by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of the Owner and a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 8.7. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or

Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant or other entities for payment of Common Expenses.

8.2. Declarant's Obligation for Assessments. During the Class "B" Control Period, Declarant may annually elect either to pay assessments on all of its unsold Units subject to assessment or to pay the difference between the amount of assessments (exclusive of reserve contributions) levied on all other Units subject to assessment and the amount of actual expenditures (exclusive of contributions towards reserves) by the Association during the fiscal year. Unless the Declarant otherwise notifies the Board in writing at least 60 days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Class "B" Control Period, the Declarant shall pay assessments on its unsold Units in the same manner as any other Owner.

8.3. Computation of General Assessments. At least 30 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year. Except as otherwise provided in Section 8.8, General Assessments shall be fixed at a uniform rate for all Units. Such assessment rate shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including any reserve. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years and any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant has the right unilaterally to annex additional property pursuant to Section 7.1, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.2), which may be treated as either a contribution, an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such subsidy shall be conspicuously disclosed as a line item in the Common Expense budget and the treatment of such subsidy shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the final budget and notice of the amount of the General Assessment for the following year to each Owner at least 30 days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by at least 67% of the Members and by the Class "B" Member,

if such exists. There shall be no obligation to call such a meeting unless a petition for a special meeting is presented to the Board within 10 days of the delivery of the notice of assessment.

If a budget is not adopted for any year, then until such time as a budget is adopted, the budget in effect for the immediately preceding year shall continue for the current year.]

8.4. Reserve Budget and Operations Reserve Contribution. The Board may annually prepare a reserve budget which takes into account the number and nature of replaceable assets within the Area of Common Responsibility, if any, the expected life of each asset, and the expected repair or replacement cost. The Board may include within the annual General Assessment a contribution in an amount sufficient to permit meeting the projected reserve needs of the Association, with respect both to amount and timing, over the reserve budget period.

After the recorded date of this Declaration, and upon acquisition of record title to a Unit by the Owner thereof other than the Declarant, a contribution shall be made by the purchaser to the operations reserve account of the Association in the amount of \$100.00. This amount shall be in addition to, not in lieu of, the annual General Assessment per Unit, if any, for that fiscal year. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association.

8.5. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Members representing at least 51% of the total Class "A" votes in the Association, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. Except as otherwise provided in Section 8.8, Special Assessments shall be levied equally on all Units.

8.6. Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, landscape maintenance, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Unit into compliance with the terms of the Governing Documents or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a

hearing, in accordance with By-Laws Section 3.24, before levying any Specific Assessment under this subsection (b).

8.7. Lien for Assessments. The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of Georgia law), and costs of collection (including attorneys fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure in the same manner as mortgages are foreclosed under Georgia law.

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

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.8, including such acquirer, its successors and assigns.

8.8. Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the first day of the month following the later of: (a) the month in which the Unit is made subject to this Declaration, or (b) the issuance of a certificate of occupancy for the residential dwelling on the Unit. The first annual General Assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

8.9. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.10. Exempt Property. The following property shall be exempt from payment of assessments:

(a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1; and

(b) Any property dedicated to and accepted by any governmental authority or public utility.

Article IX

ARCHITECTURAL STANDARDS

9.1. General. No structure shall be placed, erected, or installed upon any Unit, and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article.

Any Owner may remodel, paint or redecorate the interior of structures on his Unit without approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to approval.

This Article shall not apply to the activities of the Declarant, nor to activities of the Association during the Class "B" Control Period.

9.2. Architectural Review.

(a) General. Until 100% of the Units intended for development as part of the Properties have been conveyed to Class "A" Members and a certificate of occupancy has been issued by the appropriate governmental authority to each such Unit, the Declarant shall retain the right to review and approve all applications for construction and modifications under this Article. Reviewers of applications need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Declarant or the Board as applicable. Fees for review of applications hereunder may be required to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals.

(b) Architectural Review Committee. After the period for Declarant review has expired, or at such earlier time as the Declarant assigns architectural review responsibility to the Association in a written instrument, the Board of Directors shall establish a Architectural Review Committee to consist of at least three and no more than five persons, all of whom shall be appointed by and shall serve at the discretion of the Board. The Architectural Review Committee shall have jurisdiction over modifications, additions, or alterations made on or to

existing structures on Units or containing Units and the adjacent open space. The Declarant shall have the right to veto any action taken by the Architectural Review Committee which the Declarant determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the Declarant.

9.3. Guidelines and Procedures.

(a) Design Guidelines. The Declarant may prepare initial Design Guidelines for the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions applicable to various portions of the Properties. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to those reviewing applications hereunder. The Design Guidelines are not the exclusive basis for decisions on architectural matters and compliance with the Design Guidelines does not guarantee approval of any application.

The Design Guidelines shall be available to Owners and Builders who seek to engage in development or construction within the Properties. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the Declarant is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

All structures and improvements constructed upon a Unit shall be constructed in strict compliance with the Design Guidelines in effect at the time the plans for such improvements are submitted for approval, unless the Declarant has granted a variance in writing pursuant to Section 9.5.

(b) Procedures. No activities within the scope of Section 9.1 shall commence on any portion of the Properties until an application for approval of the proposed work has been submitted to and approved by the Declarant or the Architectural Review Committee, as appropriate. (For purposes of this Article, the term "Reviewer" shall refer to either the Declarant or the Architectural Review Committee, as appropriate under the circumstances). Such application shall be in the form required by the reviewer having jurisdiction and shall include plans and specifications ("Plans") showing the site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefor, and other features of proposed construction, as applicable. The Reviewer may require the submission of such additional information as it deems necessary to consider any application.

In considering each submission, the Reviewer may consider (but shall not be restricted to consideration of) the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things. Decisions may be based on purely aesthetic considerations.

Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as the Reviewer and members thereof change over time.

In the event that the Reviewer fails to approve or to disapprove in writing any application within 30 days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing pursuant to Section 9.5.

If construction does not commence on a project for which approval has been granted within 12 months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to re-submit the Plans for reconsideration. All work shall be completed within 12 months of commencement or such other period as specified in the notice of approval, unless completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the Reviewer.

9.4. No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9.5. Variance. The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted resolutions. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Declarant from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

9.6. Limitation of Liability. The standards and procedures established by this Article are intended enhance the overall aesthetics of the Properties and shall not create any duty to any Person. Neither the Declarant nor the Architectural Review Committee shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring the appropriateness of soils, drainage and general site work. Neither the Declarant, the Association, the Board, the Architectural Review Committee, any other committee, or any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit. Members of the Architectural Review Committee shall be defended and indemnified by the Association as provided in Section 4.6.

9.7. Enforcement. Any structure or improvement placed or made in violation of this Article or the Design Guidelines shall be deemed to be nonconforming, except to the extent that

a variance has been granted pursuant to Section 9.5. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the maximum rate then allowed by law, may be assessed against the benefitted Unit and collected as a Specific Assessment.

Unless otherwise specified in writing by the Reviewers granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with By-Laws Section 3.24, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as a Specific Assessment.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Properties by the Board, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association and the Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Reviewer.

Article X

USE RESTRICTIONS AND RULES

10.1. Plan of Development; Applicability; Effect. Declarant has established a general plan of development for the Community in order to enhance all Owners' quality of life and collective interests, the aesthetics and environment within the Community, and the vitality of and sense of community within the Community, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the Community and to regulate and control the Area of Common Responsibility. All real property comprising the Community is subject to the land development, architectural, and design provisions set forth in Article IX, the other provisions of this Declaration governing individual conduct and uses of and actions within the Community, and the guidelines, rules, and restrictions promulgated pursuant to this Declaration, all of which establish affirmative and negative covenants, easements, and restrictions on the land subject to this Declaration.

All provisions of this Declaration and any Association rules shall apply to all Owners, occupants, tenants, guests, and invitees of any Unit. Any lease on any Unit shall provide that the lessee and all occupants of the leased Unit shall be bound by the terms of the Governing Documents.

10.2. Authority to Promulgate Use Restrictions. The Board, subject to its ability to exercise business judgment, may promulgate and enforce administrative use restrictions and rules effecting the Common Area (e.g., hours of operation, speed limits on roads, etc.). In addition, the Board and the Members may establish or revise Use Restrictions which effect the Units, or both the Units and the Common Area. Initial Use Restrictions applicable to all of the Community are attached as Exhibit "C" to this Declaration. Subject to the terms of this Article and in accordance with its duty of care and to exercise business judgment, the Board may amend or repeal Use Restrictions or adopt new Use Restrictions as follows:

(a) The Board shall send notice by mail to all Owners concerning any such proposed action at least five business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective unless, at a meeting of the Association, it is challenged and overturned by a vote of at least 51% of the total Class "A" votes in the Association and by the Class "B" Member, if any. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon petition of the Members as required for special meetings in the By-Laws.

(b) Alternatively, the Members, at a meeting duly called for such purpose as provided in the By-Laws, may adopt rules which modify, cancel, limit, create exceptions to, or expand the then current Use Restrictions by a vote of Members representing at least 51% of the total Class "A" votes in the Association and the approval of the Class "B" Member, if any.

(c) At least 30 days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send a copy of the rule to each Owner. The Association shall provide, without cost, a copy of the Use Restrictions to any requesting Member or Mortgagee.

(d) Nothing in this Article shall authorize the Board or the Members to modify, repeal, or expand the Design Guidelines. In the event of any inconsistency between the Design Guidelines and the Use Restrictions, the Design Guidelines shall control.

10.3. Owners' Acknowledgment. All Owners and occupants of Units are given notice that use of their Units is limited by the Use Restrictions and Rules as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into and recording a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected and that the Use Restrictions and Rules may change from time to time.

10.4. Rights of Owners. Except as may be specifically set forth in this Declaration (either initially or by amendment), neither the Board nor the Members may adopt any rule in violation of the following provisions:

(a) Abriding Existing Rights. If any rule would otherwise require Owners or occupants of Units to dispose of personal property which they maintained in or on the Unit prior to the effective date of such rule, or to vacate a Unit in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent unless the rule was in effect at the time such Owners or occupants acquired their interest in the Unit.

(b) Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

(c) Similar Treatment. Similarly situated Owners and occupants shall be treated similarly.

(d) Alienation. No rule shall prohibit leasing or transfer of any Unit, or require consent of the Association or Board for leasing or transfer of any Unit; provided, the Association or the Board may require minimum lease terms. The Association may require that Owners use lease forms approved by the Association, but it shall not impose any fee on the lease or transfer of any Unit greater than an amount reasonably based on the costs to the Association of administering that lease or transfer.

(e) Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Areas available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who abuse the Common Area, violate rules or this Declaration, or fail to pay assessments. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.

(f) Household Composition. No rule shall interfere with the freedom of occupants of Units to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area.

(g). Reasonable Rights to Develop. No rule or action by the Association or Board shall unreasonably impede the Declarant's right to develop the Properties.

(h). Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures which are visible from the outside on their Units of the kinds normally displayed in residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

The limitations in this Section 10.4 shall apply to rules only; they shall not apply to amendments to this Declaration adopted in accordance with Section 15.2.

Article XI **EASEMENTS**

11.1. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.2. Easements for Utilities, Etc.

(a) There are hereby reserved to the Declarant, so long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration, the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Properties (but not through a structure) to the extent reasonably necessary for the purpose of monitoring, replacing, repairing, maintaining, and operating cable television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; wetlands and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, sewers, telephone, gas, and electricity, and utility meters; and for the purpose of installing any of the foregoing on property which the Declarant or the Association owns or within easements designated for such purposes on recorded plats of the Properties.

Declarant specifically grants to the local water supplier, electric company, and natural gas supplier easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

(b) There is hereby reserved to the Declarant, so long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration, the non-exclusive right and power to grant and record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

(c) Any damage to a Unit resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

11.3. Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of the exercise of this easement.

11.4. Right of Entry. The Association shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance pursuant to Article V hereof, and to inspect for the purpose of ensuring compliance with the Governing Documents. Such right may be exercised by the Declarant, any member of the Board, the Association's officers, agents, employees, and managers, committee members, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any single family detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

Article XII

MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Properties.

12.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby 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 Properties 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 a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or Occupant which is not cured within 60 days; or

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

12.2. 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 Area.

12.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

12.4. HUD/VA Approval. As long as there is a Class "B" membership, the following actions shall require the prior approval of the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs, if either such agency is insuring or guaranteeing the Mortgage on any Unit: merger, consolidation or dissolution of the Association; annexation of additional property other than that described on Exhibit "B"; dedication, conveyance or mortgaging of Common Area; or material amendment of this Declaration.

12.5. 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 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Article XIII
DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred or assigned in whole or in part to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

The Declarant and Builders authorized by Declarant may maintain and carry on without fee or charge upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the sale of Units, including, but not limited to, business offices, signs, model homes, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

The Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

No Person shall record any declaration of covenants, conditions, and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any Use Restrictions and Rules or Design Guidelines made after termination of the Class "B" Control Period shall be effective without prior notice to and the written approval of Declarant so long as the Declarant owns any portion of the Properties primarily for development and sale. The Declarant also shall have such other rights to disapprove Association actions as provided in Section 3.19 of the By-Laws.

This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate upon the earlier of (a) 20 years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

Article XIV
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

14.1. Agreement to Avoid Litigation. The Declarant, the Association, its officers, directors, and committee members, all Persons subject to this Declaration, any Builder, and any Person not otherwise subject to this Declaration who agrees to submit to this Article

(collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances, or disputes described in Sections 14.2 ("Claims") shall be resolved using the procedures set forth in Section 14.3 in lieu of filing suit in any court.

14.2. Claims. Unless specifically exempted below, all claims, grievances, or disputes arising out of or relating to the interpretation, application, or enforcement of the Governing Documents, or the rights, obligations, and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subject to the provisions of Section 14.3.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 14.3:

(a) any suit by the Association against any Bound Party to enforce the provisions of Article VIII (Assessments);

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article IX (Architectural Standards) and Article X (Use Restrictions and Rules);

(c) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(d) any suit in which any indispensable party is not a Bound Party; and

(e) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 14.3.

14.3. Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

1. the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

2. the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
3. Claimant's proposed remedy; and
4. that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Final and Binding Arbitration.

1. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation. The Parties may by agreement submit the claim to mediation which may continue as long as the Parties shall agree.

2. If the Parties do not agree in writing to a settlement of the Claim within 15 days of the Notice or such additional time as they shall agree, the Claimant shall submit the Claim to arbitration in accordance with the Rules of Arbitration contained in Exhibit "D" or such rules as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons other than Claimant.

3. This subsection (b) is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Georgia. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Georgia.

14.4. Allocation of Costs of Resolving Claims.

(a) Prior to arbitration, each Party shall bear its own costs, including any attorneys fees incurred, and each Party shall share equally all charges rendered by any mediator(s).

(b) Any arbitration Award shall include all of the prevailing party's arbitration costs, filing fees and other expenses.

14.5. Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 14.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if

more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

Article XV

GENERAL PROVISIONS

15.1. Duration. This Declaration intended to have perpetual duration, subject to the right to termination as provided herein. However, so long as Georgia law limits the period during which covenants may run with the land, any provision of the Declaration affected by the law shall run with and bind the Community so long as permitted by the law, after which time such provisions automatically shall be extended for successive periods of 20 years, unless terminated in compliance with O.C.G.A. § 44-5-60. A written instrument reflecting termination must be recorded within the year immediately preceding the beginning of any renewal period. Every purchaser or grantee of any interest (including, without limitation, a security interest) in any real property subject to this Declaration, by acceptance of a deed or other conveyance, agrees that provisions of the Declaration may be extended and renewed as provided herein. Nothing in this Section shall be construed to permit termination of any easement created in these Master Covenants without the consent of the holder of such easement.

If any of the covenants, conditions, restrictions, or other provisions of these Master Covenants shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

15.2. Amendment. This Declaration may be amended as provided in this section. Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein.

(a) By Declarant. So long as Declarant owns any property described on Exhibits "A" or "B," it may unilaterally amend this Declaration to (a) bring any provision hereof into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) enable any title insurance company to issue title insurance coverage; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans; or (d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage loans. Further, so long as Declarant has the right unilaterally to subject additional property to this Declaration as provided in Section 7.1, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Unit Owners hereunder, nor shall it adversely affect title to any Unit without the consent of the affected Unit Owner.

(b) By the Board. The Board, by two-thirds (2/3) vote of the directors, shall be authorized to amend this Declaration without the consent of the Owners, to submit the Properties to the Georgia Property Owners' Association Act and to conform this Declaration to any

mandatory provisions thereof. Any such amendment shall require the consent of the Declarant so long as the Declarant owns any property described in Exhibit "A" or which may become subject to this Declaration pursuant to Section 7.1.

(c) By the Owners. This Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of the Members holding at least 67% of the total number of Class "A" votes in the Association and the consent of Declarant (so long as the Declarant owns property subject to this Declaration or retains an ownership interest in property which may become subject to this Declaration in accordance with Section 7.1).

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

15.3. Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

15.4. Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of the Members holding at least 67% of the Class "A" votes of the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article VIII; (c) proceedings involving challenges to *ad valorem* taxation; (d) actions brought by the Association which arise out of a contract with a contractor, vendor, or supplier; or (e) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. This Section shall apply in addition to the provisions of Article XIV, if applicable.

15.5. Cumulative Effect; Conflict. The provisions of the Governing Documents shall be cumulative. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

15.6. Compliance. Every Owner and occupant of any Unit shall comply with the Governing Documents. Subject to the terms of Article XIV, failure to comply shall be grounds for an action by the Association or, in a proper case, by any aggrieved Unit Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3.

15.7. Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

15.8. Exhibits. Exhibits "A," "B," and "D" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 15.2. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this ____ day of _____, 19 ____.

DECLARANT:

ASHLEY FOREST DEVELOPMENT COMPANY,
a Georgia Limited Liability Company

Signed, sealed, and delivered
this ____ day of _____,
19 ____, in the presence of:

By: _____
John E. Ryckley, President

WITNESS

NOTARY PUBLIC

My Commission Expires: _____
[AFFIX NOTARY SEAL]

[SIGNATURES CONTINUED ON ATTACHED PAGES]

CONSENT OF OWNER

IN WITNESS WHEREOF, the undersigned Owner hereby assents to the foregoing Amended and Restated Declaration of Protective Covenants and Restrictions for Ashley Forest (with amendments received by me on August 21, 1997, the "Declaration"). The undersigned Owner acknowledges that this Declaration amends and replaces in its entirety that certain Protective Covenants and Restrictions Running With the Land and Reservations of Easements for Ashley Forest, filed and recorded on November 2, 1995, in Book 1021, Page 556, *et. seq.*, of the Deed Records of the Clerk of the Superior Court of Fayette County.

Executed on this 21 day of August, 1997.

By:

John E. Ryckley
John E. Ryckley, President
Jerco., Inc., d.b.a. J.R. Classic Homes

Address: Lot 2, Ashley Forest Ph.I, L Lot 20&45, 7th
115 Ashley Forest Drive, Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August,
1997, in the presence of:

Lynne Sanders
WITNESS

Sarah E. Blum
NOTARY PUBLIC

Notary Public, Fayette County, Georgia
My Commission Expires July 29, 1998

My Commission Expires: _____

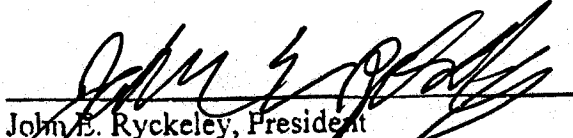
[AFFIX NOTARY SEAL]

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Executed on this 21 day of August, 1997.

By:


John E. Ryckley, President
Jerco., Inc., d.b.a. J.R. Classic Homes

Address: Lot 5, Ashley Forest Ph.I, L Lot 20&45, 7th
145 Ashley Forest Drive, Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August,
1997, in the presence of:

Lynne Sanders
WITNESS

Sarah E. Blum
NOTARY PUBLIC

Notary Public, Fayette County, Georgia
My Commission Expires July 26, 1998

My Commission Expires: _____

[AFFIX NOTARY SEAL]

CONSENT OF OWNER

IN WITNESS WHEREOF, the undersigned Owner hereby assents to the foregoing Amended and Restated Declaration of Protective Covenants and Restrictions for Ashley Forest (with amendments received by me on August 21, 1997, the "Declaration"). The undersigned Owner acknowledges that this Declaration amends and replaces in its entirety that certain Protective Covenants and Restrictions Running With the Land and Reservations of Easements for Ashley Forest, filed and recorded on November 2, 1995, in Book 1021, Page 556, *et. seq.*, of the Deed Records of the Clerk of the Superior Court of Fayette County.

Executed on this 21 day of August, 1997.

By:

John E. Ryckley
John E. Ryckley, President
Jerco., Inc., d.b.a. J.R. Classic Homes

Address: Lot 4, Ashley Forest Ph.I, L Lot 20&45, 7th

Signed, sealed, and delivered
this 21 day of August,
1997, in the presence of:

Lynne Sanders

WITNESS

Sarah E. Bleum

NOTARY PUBLIC

Notary Public, Fayette County, Georgia
My Commission Expires July 28, 1998

My Commission Expires: _____

[AFFIX NOTARY SEAL]

CONSENT OF OWNER

IN WITNESS WHEREOF, the undersigned Owner hereby assents to the foregoing Amended and Restated Declaration of Protective Covenants and Restrictions for Ashley Forest (with amendments received by me on August 21, 1997, the "Declaration"). The undersigned Owner acknowledges that this Declaration amends and replaces in its entirety that certain Protective Covenants and Restrictions Running With the Land and Reservations of Easements for Ashley Forest, filed and recorded on November 2, 1995, in Book 1021, Page 556, *et. seq.*, of the Deed Records of the Clerk of the Superior Court of Fayette County.

Executed on this 21 day of August, 1997

By:

John E. Ryckley
John E. Ryckley, President
Jerco., Inc., d.b.a. J.R. Classic Homes

Address: Lot 15, Ashley Forest Ph.I, L Lot 20&45, 7th

Signed, sealed, and delivered
this 21 day of August,
1997, in the presence of:

Lynne Sanders
WITNESS

Sarah E. Blew
NOTARY PUBLIC

Notary Public, Fayette County, Georgia
My Commission Expires July 26, 1998

My Commission Expires: _____

[AFFIX NOTARY SEAL]

CONSENT OF OWNER

IN WITNESS WHEREOF, the undersigned Owner hereby assents to the foregoing Amended and Restated Declaration of Protective Covenants and Restrictions for Ashley Forest (with amendments received by me on August 21, 1997, the "Declaration"). The undersigned Owner acknowledges that this Declaration amends and replaces in its entirety that certain Protective Covenants and Restrictions Running With the Land and Reservations of Easements for Ashley Forest, filed and recorded on November 2, 1995, in Book 1021, Page 556, *et. seq.*, of the Deed Records of the Clerk of the Superior Court of Fayette County.

Executed on this 21 day of August, 1997.

By: James E. Spears
James E. Spears

By: R. Sue Spears
R. Sue Spears

Address: 175 Ashley Forest Drive, Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August,
1997, in the presence of:

John E. Blum
WITNESS

Sarah E. Blum
NOTARY PUBLIC

Notary Public, Fayette County, Georgia
My Commission Expires July 26, 1998

My Commission Expires: _____

[AFFIX NOTARY SEAL]

CONSENT OF OWNER

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Executed on this 21 day of August, 1997.

By: James A. Bickerton
James A. Bickerton

By: Judy S. Bickerton
Judy S. Bickerton

Address: 110 Ashley Forest Drive, Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August,
1997, in the presence of:

[Signature]
WITNESS

[Signature]
NOTARY PUBLIC

Notary Public, Fayette County, Georgia
My Commission Expires July 26, 1998

My Commission Expires: _____

[AFFIX NOTARY SEAL]

CONSENT OF OWNER

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Executed on this 21 day of August, 1997.

By: _____

Steven B. Cummins

By: _____

Jennifer B. Cummins

Address: 100 Gray Fox Point, Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August
1997, in the presence of:

R. Lee Spears

WITNESS

Arab E. Blum

NOTARY PUBLIC

Notary Public, Fayette County, Georgia

My Commission Expires: My Commission Expires July 26, 1998

[AFFIX NOTARY SEAL]

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Executed on this 21 day of August, 1997.

By:

Andrew Adrian Blum, Jr.
Andrew Adrian Blum, Jr.

By:

Sarah E. Blum
Sarah Blum

Address: Lot 9 Ashley Forest, Ph. 1, LL20, 7th Dist.
c/o 175 Ashley Forest Dr., Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August,
1997, in the presence of:

John L. Roberts
WITNESS

Karen Rudikas
NOTARY PUBLIC

My Commission Expires: _____

Notary Public, Fayette County, Georgia
My Commission Expires March 24, 2000

[AFFIX NOTARY SEAL]

CONSENT OF OWNER

IN WITNESS WHEREOF, the undersigned Owner hereby assents to the foregoing Amended and Restated Declaration of Protective Covenants and Restrictions for Ashley Forest (with amendments received by me on August 21, 1997, the "Declaration"). The undersigned Owner acknowledges that this Declaration amends and replaces in its entirety that certain Protective Covenants and Restrictions Running With the Land and Reservations of Easements for Ashley Forest, filed and recorded on November 2, 1995, in Book 1021, Page 556, *et. seq.*, of the Deed Records of the Clerk of the Superior Court of Fayette County.

Executed on this 21 day of August, 1997.

By: David C. Sanders
David C. Sanders

By: Lynne D. Sanders
Lynne D. Sanders

Address: 105 Gray Fox Point, Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August,
1997, in the presence of:

[Signature]
WITNESS

[Signature]
NOTARY PUBLIC

Notary Public, Fayette County, Georgia
My Commission Expires July 28, 1998

My Commission Expires: _____

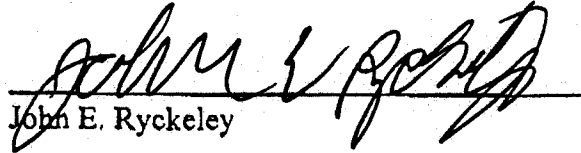
[AFFIX NOTARY SEAL]

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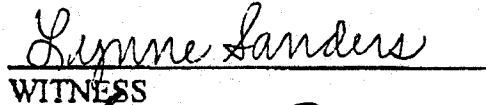
Executed on this 21 day of August, 1997.

By:


John E. Ryckley

Address: Lot 12, Ashley Forest Ph.I, L Lot 20&45, 7th
130 Ashley Forest Drive, Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August
1997, in the presence of:


WITNESS


NOTARY PUBLIC

Notary Public, Fayette County, Georgia
My Commission Expires July 28, 1998

My Commission Expires: _____

[AFFIX NOTARY SEAL]

CONSENT OF OWNER

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Executed on this 21 day of August, 1997.

By:

John E. Ryckley

Address:

Lot 3, Ashley Forest Ph.I, Llot 20&45, 7th
125 Ashley Forest Drive, Fayetteville, Ga.

Signed, sealed, and delivered
this 21 day of August
1997, in the presence of:

Lynne Sanders

WITNESS

Sarah E. Blum

NOTARY PUBLIC

Notary Public, Georgia
My Commission Expires July 26, 1998

My Commission Expires: Notary Public, Fayette County, Georgia
My Commission Expires July 26, 1998

[AFFIX NOTARY SEAL]

EXHIBIT "A"

Land Initially Submitted

ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 20 and 45 of the 7th Land District of Fayette County, Georgia, including those certain lots 1 through 15 inclusive, and as more particularly described on that certain Final Plat of Ashley Forest, Phase I recorded on October 25, 1995, in Plat Book 27, Page 14 in the Deed Records of the Clerk of the Superior Court of Fayette County, Georgia, as such plat may from time to time be amended or revised;

AND, ALL THAT TRACT OR PARCEL OF LAND, lying and being in Land Lots 20 and 45 of the 7th Land District of Fayette County, Georgia, including those certain lots 16 through 30 inclusive, and as more particularly described on that certain Final Plat of Ashley Forest, Phase II recorded on August 12, 1997, in Plat Book 29, Page 129 in the Deed Records of the Clerk of the Superior Court of Fayette County, Georgia, as such plat may from time to time be amended or revised.

EXHIBIT "B"

Land Subject to Annexation

All that tract or parcel of land lying and being in Land Lots 45 and 20 of the 7th District, Fayette County, Georgia, which is more particularly described below, and such other tracts or parcels of land which are adjacent to said property or property which may be shown on the Master Plan, now or hereafter amended.

PHASE THREE

BEGINNING at an 18" Poplar tree which marks the northwest corner of landlot 20 and running thence north 89 degrees 53 minutes 33 seconds east along the north boundary of said landlot 20 a distance 672.15 feet to the point of beginning; thence south 01 degrees 19 minutes 33 seconds east a distance of 1342.69 feet to a point; thence south 89 degrees 35 minutes 44 seconds east a chord distance of 80.70 (arc distance of 80.73 feet) to a point; thence south 02 degrees 15 minutes 14 seconds east a distance of 60.00 feet to a point; thence south 03 degrees 06 minutes 57 seconds west a distance of 281.08 feet to a point; thence north 89 degrees 22 minutes 04 seconds east a distance of 416.29 feet to a point; thence north 04 degrees 17 minutes 45 seconds east a distance of 341.65 feet to a point; thence south 83 degrees 18 minutes 23 seconds east a distance of 49.27 feet to a point; thence north 06 degrees 41 minutes 37 seconds east a distance of 60.00 feet to a point; thence north 02 degrees 57 minutes 28 seconds east a distance of 242.69 feet to a point; thence north 00 degrees 06 minutes 27 seconds west a distance of 206.41 feet to a point; thence north 07 degrees 47 minutes 21 seconds east a distance of 227.89 feet to a point; thence north 00 degrees 06 minutes 27 seconds west a distance of 626.90 feet to a point located on the north boundary of landlot 20; thence south 89 degrees 53 minutes 33 seconds west along said landlot 20 a distance of 712.77 feet to the point of beginning. Said Phase Three contains 24.021 acres.

PHASE FOUR

BEGINNING at an 18" Poplar tree which said tree marks the northwest corner of landlot 20; and running thence along the north boundary of landlot 20 a distance of 1384.92 feet to the point of beginning; thence south 00 degrees 06 minutes 27 seconds east a distance of 626.90 feet to a point; thence south 07 degrees 47 minutes 21 seconds west a distance of 227.89 feet to a point; thence south 00 degrees 06 minutes 27 seconds east a distance of 206.41 feet to a point; thence south 20 degrees 57 minutes 28 seconds west a distance of 242.69 feet to a point; thence south 06 degrees 41 minutes 37 seconds west a distance of 60.00 feet to a point; thence north 83 degrees 18 minutes 23 seconds west a distance of 49.27 feet to a point; thence south 04 degrees 17 minutes 45 seconds west a distance of 341.65 feet to a point; thence north 89 degrees 22 minutes 04 seconds east a distance of 901.08 feet to an iron pin; thence north 02 degrees 26 minutes 02 seconds west a distance of 1673.02 feet to an iron pin; thence south 89 degrees 53 minutes 33 seconds west a distance of 632.32 feet to the point of beginning. Said Phase Four contains 27.850 acres.

EXHIBIT "C"

Initial Use Restrictions and Rules

The following restrictions shall apply to all of the Properties until such time as they are amended, modified, repealed or limited by rules of the Association adopted pursuant to Article X of the Declaration.

1. General. The Properties shall be used only for single family residential, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by the Declarant to assist in the sale of property described on Exhibits "A" or "B," offices for any property manager retained by the Association or business offices for the Declarant or the Association) consistent with this Declaration and any Supplemental Declaration. Multi-family dwellings of any kind, including, but not limited to, duplexes, townhomes, and apartment-style homes are prohibited.

2. Restricted Activities. The following activities are prohibited within the Properties unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Parking vehicles on streets or thoroughfares within the Properties; parking mobile homes, recreational vehicles, boats and other watercraft, and trailers on the Properties except in enclosed garages or on the rear portion of a Unit, provided such area is screened and not visible from the street; and, the storage of vehicles, inoperable vehicles, or equipment except in enclosed garages. Passenger vehicles (e.g., cars, pickups, vans, sport-utility vehicles) used on a daily basis may be parked in driveways of Units. No major car repairs may be carried on upon the Unit. Tractor trailers and such similar commercial trucks, as well as buses (including charter, commercial, and school buses) are strictly prohibited;

(b) Raising, breeding or keeping of animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed and inoculated as required by law. Owners shall be personally responsible for any liability and damages which arise on account of the actions of their pet(s);

(c) Any activity which emits foul or obnoxious odors outside the Unit or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Units;

(d) Any activity which violates local, state or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(e) Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Unit;

(f) Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Units;

(g) Construction or installation of a metal, wire, or chain link fence;

(h) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except alarm devices used exclusively for security purposes;

(i) Dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, lake, stream, or elsewhere within the Properties, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site;

(j) Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers;

(k) Obstruction or rechanneling of drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that the Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent;

(l) Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and filed in the Public Records, except that the Declarant shall be permitted to subdivide or replat Units which it owns;

(m) Use of any Unit for a kindergarten, nursery, church, boarding house, or any like business.

(n) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(o) Any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Unit may conduct business 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 outside the Unit; (ii) the business activity conforms to

all zoning requirements for the Properties; (iii) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Properties; and (iv) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

The leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties;

(p) Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit without the prior approval of the appropriate Reviewer pursuant to Article IX;

(q) Any construction, erection, or placement of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article IX of the Declaration. This shall include, without limitation, signs, swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools; docks, piers and similar structures; hedges, walls, animal pens, or fences of any kind;

(r) Standard TV antennas and satellite dishes of less than one (1) meter in diameter shall be permitted upon the Properties; however, such over-the-air reception devices shall comply with all Design Guidelines or other applicable rules or use restrictions adopted by the Architectural Review Committee, the Board, or Association, pertaining to the means, method, and location of TV antenna and satellite dish installation. Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Properties, should any master system or systems be utilized by the Association and require such exterior apparatus; or

(s) Erecting any sign of any kind within the Properties without the written consent of the Board, except entry and directional signs installed by Declarant. If permission is granted to any Person to erect a sign within the Properties, the Board reserves the right to restrict the size,

color, lettering, and placement of such a sign. The Board and the Declarant shall have the right to erect signs as they, in their discretion, deem appropriate. Except as provided above, no signs, flags, banners, or similar items advertising or providing directional information with respect to activities being conducted within or outside the Properties shall be displayed or posted within the Properties.

3. Prohibited Conditions. The following shall be prohibited within the Properties:

(a) Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties;

(b) Structures, equipment, or other items on the exterior portions of a Unit which have become rusty, dilapidated, or otherwise fallen into disrepair;

(c) Sprinkler or irrigation systems or wells of any type which draw upon water from creeks, streams, wetlands, or other ground or surface waters within the Properties, except that Declarant and the Association shall have the right to draw water from such sources.

4. Leasing of Units. "Leasing," for purposes of this paragraph, is defined as regular, exclusive occupancy of a Unit by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. Leases shall have a minimum initial term of not less than six months. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the Use Restrictions and Rules.

EXHIBIT "D"

Rules of Arbitration

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's submission of the Claim to arbitration ("Arbitration Notice").

2. The Parties shall select arbitrators ("Party Appointed Arbitrators") as follows: all the Claimants shall agree upon one (1) Party Appointed Arbitrator, and all the Respondents shall agree upon one (1) Party Appointed Arbitrator. The Party Appointed Arbitrators shall, by agreement, select one neutral arbitrator ("Neutral") so that the total arbitration panel ("Panel") has three (3) arbitrators.

3. If the Panel is not selected under Rule 2 within 45 days from the date of the Arbitration Notice, any party may notify the nearest chapter of the Property Owners' Associations Institute, for any dispute arising under the Governing Documents, or Construction Arbitration Associates, Ltd. (a company located in the metropolitan Atlanta area), or such other independent body providing arbitration services, for any dispute relating to the design or construction of improvements on the Properties, which shall appoint one Neutral ("Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.

4. No person may serve as a Neutral in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral or Appointed Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral or Appointed Neutral after receipt of that Neutral's Bias Disclosure, such Neutral or Appointed Neutral shall be replaced in the same manner in which that Neutral or Appointed Neutral was selected.

5. The Appointed Neutral or Neutral, as the case may be ("Arbitrator") shall fix the date, time and place for the hearing. The place of the hearing shall be within the Properties unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator shall take into consideration the amount of time reasonably required to determine Claimant's damages accurately.

6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default, but shall hear Claimant's case and decide accordingly.

7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator shall determine any relevant legal issues, including whether all indispensable parties are Bound Parties or whether the claim is barred by the statute of limitations.

8. There shall be no stenographic record of the proceedings.

9. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as it deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.

10. If the Arbitrator decides that it has insufficient expertise to determine a relevant issue raised during arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such professional's assistance shall be determined by the Arbitrator in the Arbitrator's discretion. Such independent professional must not have any bias or financial or personal interest in the outcome of the arbitration, and shall immediately notify the Parties of any such bias or interest by delivering a Bias Disclosure to the Parties. If any Party objects to the service of any professional after receipt of a Bias Disclosure, such professional shall be replaced by another independent licensed professional selected by the Arbitrator.

11. No formal discovery shall be conducted in the absence of express written agreement among all the Parties. The only evidence to be presented at the hearing shall be that which is disclosed to all Parties at least 30 days prior to the hearing; provided, however, no Party shall deliberately withhold or refuse to disclose any evidence which is relevant and material to the Claim, and is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Claim, and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

12. The Arbitrator shall declare the hearings closed when satisfied the record is complete.

13. There will be no posthearing briefs.

14. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

15. If there is more than one arbitrator, all decisions of the Panel and the Award shall be by majority vote.

16. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.