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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
YORK PLACE TOWNHOMES A/K/A YORKTOWN PLACE

THIS DECLARATION, made on the date hereinafter set forth by TIBET INVESTORS, LLC, a Georgia Limited Liability Company, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Savannah, County of Chatham, State of Georgia, being known as YORK PLACE TOWNHOMES A/K/A YORKTOWN PLACE and being more particularly described on Exhibit "A" attached hereto and by reference made a part hereof.

NOW, THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to YORKTOWN PLACE HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

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Section 2. "Board" shall mean the Board of Directors of the Yorktown Place Homeowners Association, Inc.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Property, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot shall be all of the Area of the subdivision saving and excepting therefrom all of the individual lots to be conveyed to property owners. All of which will more particularly appear on the Subdivision Map to be recorded contemporaneously herewith. The Common Area shall be conveyed to the Association free and clear of encumbrances at the time the first lot is conveyed to an Owner.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Area.

Section 7. "Declarant" shall mean and refer to TIBET INVESTORS, LLC, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Development" shall mean YORK PLACE TOWNHOMES A/K/A YORKTOWN PLACE, Savannah, Chatham County, Georgia, a residential townhouse development.

Section 9. "Unit" shall mean a completed fee simple townhouse constructed on an individual Lot.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following Provisions:

- (a) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be

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effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

(b) the right of individual Owners to the exclusive use of parking spaces as provided in this Article.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking Rights. Ownership of each Lot not containing an attached garage shall entitle the Owner or Owners thereof to the use of one (1) assigned automobile parking space which shall be located on or near the lot and access to any available unassigned parking spaces, together with the right of ingress or egress in and upon the driveways and parking areas appurtenant thereto. The Association may permanently assign one vehicle parking space for each dwelling.

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ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total outstanding votes in the Class B membership; or,

(b) Five (5) years following conveyance of the first Lot to an Owner. Thereafter, the Class B member shall become a Class A member.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments.

The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; provided, however, that the Declarant shall be exempt from such assessments until such time as a Unit owned by the Declarant is occupied or one hundred eighty (180) days after there has been issued a certificate of occupancy, whichever shall occur first. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successor in title unless expressly assumed by them.

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Section 2. Purpose of Assessments.

The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the Common Area, and of the homes situated upon the Property.

Section 3. Maximum Annual Assessment.

Until January 1, 2006, the maximum annual assessment shall be One Thousand Eighty Dollars and No/100 (\$1,080.00) Dollars per Lot, which shall be paid monthly.

(a) From and after January 1, 2006, the maximum annual assessment may be increased each year not more than ten (10%) per cent above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1, 2006, the maximum annual assessment may be increased above ten (10%) per cent by a vote of fifty one percent (51%) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board may fix the annual assessment at an amount not in excess of the maximum.

(d) Notwithstanding the provisions contained herein with respect to the maximum annual assessment, a special assessment consisting of a working capital fund for the initial two (2) months of the Association's operation equal to a two (2) month's estimated assessment for each Lot shall be assessed. Each Lot's share of the working capital fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot and maintained in a segregated account for the use and benefit of the Association. Amounts paid into

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the working capital fund are not to be construed as advance payment of regular assessments. (The purpose of the fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable.)

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of fifty one (51%) per cent of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies to cast sixty (60%) per cent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The Board of Directors of the Association shall promptly advise each Lot Owner in writing of the estimated annual amount of the assessment for each Lot as so determined by the Board and shall furnish each homeowner with a copy of the budget on which such estimate is based and, upon request shall furnish a copy of such budget to the mortgagee of such Lot. If the said estimated amount proves inadequate for any such year for any reason, including nonpayment of any Lot Owner's assessments, the Board of Directors may, at any time or from time to time, levy special assessments to cover such inadequacy.

The assessments provided for herein shall be established on the assessment year basis unless and until the Board elects to establish a different or more frequent assessment period. The assessment obligation shall commence as to each Lot at such time of closing of the sale of each Lot or upon delivery of possession of the Lot to its purchaser, whichever shall occur first. The first year's assessment for each Lot shall be adjusted according to the number of days remaining in the assessment year after the date of such issuance and shall be paid by the Owner to the Association in equal monthly installments on the first day of each month. Assessments for unsold units shall commence one hundred eighty (180) days after issuance of a certificate of occupancy for each respective Unit.

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The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Non-payment of Assessments: Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall incur a fifteen dollar and no/100's (\$15.00) late penalty. The Association may bring an action at law against the Owner personally obligated to pay the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any deed to secure debt or mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a deed to secure debt or mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Any unpaid assessment chargeable to such Unit shall be deemed a common expense to be divided equally among and collectible from all other Unit Owners, including the new Owner of said property. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof. Nor shall any sale or transfer relieve any Owner from personal liability for any unpaid assessments.

ARTICLE V

EXTERIOR MAINTENANCE

In addition to the maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: building exteriors, roofs, trees, shrubs, grass, landscaping, and other exterior improvements including the fountain. Such exterior maintenance shall not include screens, glass surfaces, trees, shrubs, grass, landscaping within enclosed patio or deck areas, or driveways and walks located within the confines of each Lot.

In the event that maintenance or repair of a Lot or the improvements thereon is needed or required due to the willful or negligent acts of its Owner, or through the willful or negligent acts of the family, servants, guests, tenants, lessees, or invitees of the Owner, the cost of such exterior maintenance or repair shall be added to and become a part of the assessment to which such Lot is subject.

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ARTICLE VI

FENCE MAINTENANCE

The Association shall be responsible for the maintenance and repair of the six (6) foot high fence surrounding the property. The Association will indemnify and save harmless the City of Savannah from any damage, disruption, or interference to and with the sixty (60) foot drainage canal right-of-way which abuts the southeastern property line.

ARTICLE VII

ARCHITECTURAL CONTROL

No building, fence, wall, or other structure shall be commenced, erected or maintained upon the Property, other than those constructed by the Declarant, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

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ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Term. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless at the expiration of any twenty (20) year term or any ten year extension period the covenants and restrictions are expressly terminated by an instrument signed by not less than seventy-five (75%) percent of the Owners. A termination must be recorded.

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Section 4. Information. The Association is required to make available to Owners and lenders, and to holders, insurers or guarantors of any first mortgage, or deed to secure debt current copies of the Declaration, By-Laws, other rules concerning the Development and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. Any holder of a first mortgage or deed to secure debt is entitled, upon written request, to a financial statement for the preceding fiscal year of the Association.

Section 5. Contracts. The Association, prior to passage of control, shall not be bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any contract or lease without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days notice to the other party thereto; provided, however, that no contract shall be terminated prior to the end of its initial term, which initial term shall not exceed one (1) year.

Section 6. Emergency Repairs. The Association shall have a reasonable right of entry upon any Lot to make any emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Development.

Section 7. Permits. The Association shall have the right to grant permits, licenses and easements over the Common Area for utilities, road or other purposes reasonably necessary or useful for the proper maintenance or operation of the Development.

Section 8. Lender's Notice. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to a timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Development or any one Lot upon which there is a first mortgage or deed to secure debt held, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

(b) Any delinquency of assessments or charges owed by an owner subject to a first mortgage or deed to secure debt held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

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

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

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Section 9. Recreational Facilities. Any facilities constructed within the Common Area of the Development (should there be any constructed) submitted to this Declaration shall be owned by the Association and the Board of Directors shall have the right to promulgate Rules and Regulations of the use of such facilities by the Owners.

Section 10. Easement. Declarant hereby reserves for itself, its agents, assigns, invitees and designees, an easement of ingress and egress for pedestrian and vehicular access across the streets, roads, parking facilities and Common Areas of the Property and a blanket easement for the construction and repair of utilities upon the Property.

ARTICLE IX

RESTRICTIONS ON GENERAL USE

The use of the Lots shall be in accordance with the following provisions:

Section 1. Residential Use. Each Unit is hereby restricted to use by its Owner, the Owner's family, servants and guests, tenants or lessees, as a residence only and shall in no event be used at any time for any purpose other than residential purposes.

The Declarant and its duly authorized agents, representatives and employees shall have the right to maintain a sales office and one or more model units within the Development so long as Declarant owns any undeveloped property or any Lot for the purpose of sale.

Section 2. No Subdivision. No Lot may be divided or subdivided into a smaller Lot, nor any portion thereof separately sold, leased, rented or otherwise transferred. No structure of a temporary character, trailer, tent, shack, carport or other outbuilding shall be erected or used as a residence or for any other purpose on any portion of the Property at any time. Construction trailers and storage sheds used by developer during development phase will be permitted.

Section 3. Obstruction Of Common Area. There shall be no obstruction of Common Area, nor shall anything be stored in the Common Area without the prior written consent of the Board of Directors.

Section 4. No Hazardous Materials. Nothing shall be done or kept on any Lot or in the Common Area which will increase the rate of insurance on any portion thereof, without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept on his Lot or in the Common Area which will result in the cancellation of insurance on any portion thereof, or which would be in violation of any law. No waste will be permitted on the Common Area.

Section 5. Exterior Decorations. Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls, doors, patios, decks or balconies of any portion of the Property, and no sign, awning, canopy, shutter or radio

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or television antenna shall be affixed to or placed upon the exterior walls or doors, roof, decks, patios or balconies or any part thereof or exposed on or at any window without the prior written consent of the Board of Directors. All interior window treatments, blinds, shutters, shears, curtains, drapes, and coverings which are visible to the outside shall be of white, beige, off-white or opaque coloring, unless otherwise approved by the Board of Directors.

Section 6. Nuisances. No noxious or offensive activity shall be maintained or carried on in any Lot or in the Common Area, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to any other Owner or occupant. No Owner shall make or permit any disturbing noise on the Property, or any portion thereof, by himself, his family, servants, guests, tenants or lessees, nor do or permit anything by any of such persons that will interfere with the rights, comfort or convenience of other Owners. No clothes, sheets, blankets, laundry or any kind of other article shall be hung out of a building or exposed on a patio, deck or balcony or on any part of the Common Area. The Common Area and each Lot shall be kept free and clear of rubbish, debris and other unsightly materials, objects, or decorations.

Section 7. Animals and Pets. No animals, reptiles, birds, or other non-human living creatures shall be raised, bred, or kept on any part of the Property, except that a total of two dogs or cats weighing less than thirty-five (35) pounds each, and a reasonable number of birds, fish, or other usual and common household pets may be kept in a Unit, provided that such pets are not kept, bred, or maintained for any commercial purpose, do not endanger the health or unreasonably disturb the Owner or occupants of any other Units, and do not create a nuisance.

At all times when pets are outside a Unit, they must be kept on a leash or otherwise contained so as to be under the complete physical control of a responsible person. The keeping of pets and their ingress, egress, and travel upon the Common Areas shall be subject to such rules and regulations as the Board may promulgate. Failure to comply with these restrictions or such rules and regulations shall be grounds for the Board to bar the pet from use or travel upon the Common Areas. The Board may subject pet ingress, egress, use, or travel upon the Common Areas to a user fee, which may be a general fee for all similarly situated persons or a specific fee imposed for failure of an Owner or occupant to abide by the rules, regulations, and restrictions applicable to pets. In addition, any pet which endangers the health of any Owner or occupant of a Unit or which creates a nuisance or an unreasonable disturbance, as may be determined in the sole discretion of the Board, must be permanently removed from the Property upon seven (7) days written notice from the Board.

Section 8. Advertising Signs. All "For Sale", "For Rent", or "For Lease" signs placed by any Owner on any part of the Property or in any building therein will conform to such regulations which specify size, shape, color and placement as may be adopted by the Board of Directors, but in no event will any sign be larger than eighteen inches (18") by twenty-four inches (24"). No other window displays or advertising shall be maintained or permitted on any Lot; provided, however, that Declarant and his duly authorized agents, representatives and employees shall have the right to maintain advertising, office, model and for sale signs on the Property so long as Declarant owns any undeveloped property or Lot for the purpose of sale.

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Section 9. Garbage Containers. No garbage cans shall be placed in the Common Areas, except as may be of a design and at a location approved by the Board of Directors. The CART service provided by the City of Savannah will be used with a specifically identified container for each unit.

Section 10. Parking Areas. Except in designated areas, if any, parking areas located on the Common Area shall be used for no purpose other than to park the personal vehicles of Owners, their guests, tenants and lessees, specifically excluding commercial vehicles, trailers, campers, recreational vehicles, motor homes, boats, and disabled vehicles or vehicles under repair. This prohibition shall not apply to the temporary parking of service vehicles used for maintenance purposes or temporary parking of prohibited vehicles for loading and unloading purposes.

Section 11. Common Area Use. No planting or gardening shall be done and no fences, hedges or walls shall be erected or maintained within the Common Area except as the Board of Directors, in its sole discretion, may deem appropriate. No sidewalks, doorsteps, entrances and passageways shall be obstructed, encumbered or used other than for the ingress or egress to and from Units. These restrictions are for the mutual benefit, safety and protection of all Owners, residents and visitors.

Section 12. Leasing Restrictions. (a) Units may be leased only in their entirety, no fraction or portion consisting of less than the entire Unit may be leased. Limited Common Areas may not be leased separate from the Unit to which they are assigned. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. Leases must be for an initial term of not less than six months; provided, however, that the Board shall have the power to allow leases for an initial term of less than six months, on such terms and conditions as the Board may establish, upon a showing by the Owner that such a lease is required to avoid undue hardship to the Owner.

(b) Form. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board shall maintain in its files and, upon request, shall provide to any Owner, a form which it deems acceptable. Within seven (7) days after executing a lease agreement for the lease of a Unit, the Unit Owner shall provide the Board of Directors with a copy of the lease and the name of the lessee and all other people occupying the Unit.

(c) Compliance with the Rules. The Unit Owner must make available to the lessee copies of the Covenants, Bylaws, and the Association's rules and regulations. Every Owner shall cause all occupants of his or her Unit to comply with all rules and regulations as stated in the above documents, and shall be responsible for all violations and losses to the Common Areas caused by such Occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Covenants, Bylaws, and the Association rules.

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Section 13. Other Restrictions, Rules and Regulations. The Association, through its Board of Directors, shall have the authority to promulgate and publish such additional restrictions, rules and regulations governing the use of the Common Area, as deemed necessary to insure the protection and beneficial enjoyment thereof by all Owners. The Board of Directors shall be empowered to enforce compliance with the provisions of these Covenants, the Bylaws of the Association and any rules and regulations adopted by it.

ARTICLE X

CONDEMNATION, LOSS OR DESTRUCTION

Section 1. Condemnation. The Association shall represent the Owners in any condemnation proceeding or in negotiations, settlements and agreements with any condemning authority for acquisition of the Common Area, or any part thereof. For such purpose, the Owners hereby appoint the Association as attorney-in-fact. In the event of such a taking, the award or proceeds of settlement shall be payable to the Association for the use and benefit of the Owners and their mortgagees as their interest may appear.

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Section 2. Partial Loss or Destruction. The Association shall represent the Owners in any proceedings, claims or negotiations in connection with partial loss or destruction of the Common Area. For such purpose, the Association is named by the Owners as attorney-in-fact. In the event of any such partial loss or destruction, any award or proceeds of settlement shall be payable to the Association for the use and benefit of the Owners and their mortgagees as their interests may appear.

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ARTICLE XI

LENDERS RIGHTS

To the extent permitted by law, lender shall be afforded the following rights:

Section 1. Restoration or Repair. Any restoration or repair of damaged Lots, after partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Covenants and the original plans and specifications, unless other action is approved by lenders holding Deeds to Secure Debt on Lots which have at least fifty-one (51%) per cent of the votes of Lots subject to Deeds to Secure Debt.

Section 2. Election to Terminate. Any election to terminate the legal status of the Development after substantial destruction or a substantial taking in condemnation of the Development shall require the approval of the lenders holding Deeds to Secure Debt on Units which have fifty-one (51%) per cent of the votes of Units subject to Deeds to Secure Debt.

Section 3. Reallocation of Interest. Unless the formula for reallocation of interest in the Common Areas after a partial condemnation or partial destruction of the Development is fixed in advance by applicable law, no reallocation of interest in the Common

Area resulting from the partial condemnation or partial destruction of the Development may be effective without the prior approval of lenders holding Deeds to Secure Debt on all remaining Units whether existing in whole or in part, and which have at least fifty-one (51%) per cent of the votes of such remaining units subject to Deeds to Secure Debt.

Section 4. Professional Management. In the event professional management has been previously required by any lender or insurer or guarantor, any decision to establish self-management by the Association shall require the prior consent of Owners of Lots to which at least sixty-seven (67%) per cent of the votes in the Association are allocated and the approval of lenders holding Deeds to Secure Debt on Units which have at least fifty-one (51%) per cent of votes of Units subject to Deeds to Secure Debt.

ARTICLE XII

MODIFICATION

By recorded supplement, these Covenants may be modified:

(1) By Declarant until such time as Declarant shall have relinquished control of the Association as provided herein, except that any modification concerning termination of the legal status of the Development or adding or amending material provisions as described in paragraph (2) hereof shall require the requisite consent described in paragraph (2) hereof; and, thereafter;

(2) By the affirmative action of seventy-five (75%) per cent of the votes of the Association at a meeting called and held in the manner prescribed in the Bylaws for amendments thereof; provided, however, that the consent of Owners to which at least seventy-five (75%) per cent of the votes of the Association are allocated and the approval of the lenders holding Deeds to Secure Debt on Lots which have at least seventy-five (75%) per cent of the votes of Lots subject to Deeds to Secure Debt shall be required to terminate the legal status of the Development. Provided further, however, the consent of the Owners of Lots to which at least seventy-five (75%) per cent of votes in the Association are allocated and the approval of lenders holding Deeds to Secure Debt on Lots which have at least fifty-one (51%) per cent of the votes of Units subject to Deeds to Secure Debt shall be required to add or amend any material provisions to this Declaration which establish, provide for, govern or regulate any of the following:

- (a) Votes;
- (b) Assessments, assessment liens or subordination of such lien
- (c) Reserves for maintenance, repair and replacement of Common Area or Lots;
- (d) Insurance or fidelity bonds;

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- (e) Rights to use of the Common Area;
- (f) Responsibility for maintenance and repair;
- (g) Expansion or contraction of the Development or the addition, annexation or withdrawal of property to or from the Development, except as provided hereinbefore;
- (h) Boundaries of any Lot;
- (i) The interest of the general Common Area;
- (j) Convertability of Lots into Common Area or Common Area into Lots;
- (k) Leasing of Lots;
- (l) Imposition of any right of first refusal or similar restriction on the right of Lot Owners to sell, transfer or otherwise convey his or her Lot;
- (m) Any provisions which are for the express benefit of lenders, holders, insurers or guarantors of first deeds to secure debt.

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(3) Any addition or amendment to this Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any lender who receives a written request to approve additions or amendments and who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

ARTICLE XIII

EASEMENTS AND PARTY WALLS

Section 1. Easements for Encroachments. If any portion of the Common Area encroaches upon any Lot or any Unit encroaches upon any Common Area or another Lot as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists. This easement for encroachment includes, but is not limited to, eaves, decks, balconies, porches and overhangs.

Section 2. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the units upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property

damage due to negligence or willful acts or omissions shall apply thereto.

Section 3. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 4. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

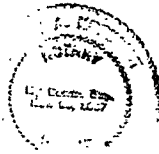
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and affixed his seal this 21st day of DECEMBER, 2005.

TIBET INVESTORS, LLC

By H. Ronald Freeman
H. Ronald Freeman, Manager

Executed in the presence of:

Witness [Signature]
Notary Public [Signature]



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EXHIBIT "A"
YORK PLACE TOWNHOMES A/K/A YORKTOWN PLACE SUBDIVISION
SUBMITTED PROPERTY DESCRIPTION

All that certain, lot, tract or parcel of land situate, lying and being in Savannah, Chatham County, Georgia, and being know as LOT B of a Subdivision of Lot Twenty-five (25) SHANGRI-LA SUBDIVISION more particularly described as follows: Beginning at a point which is the Northwest corner of the intersection of the Western right-of-way line of Leeds Gate Road and the Northern right-of-way line of Tibet Avenue; thence North 67 degrees 47' West, a distance of eight Hundred Ten and six Tenths (810.6) feet along the Northern right-of-way line of Tibet Avenue to a concrete monument which is the POINT OF BEGINNING of the property hereinafter conveyed: thence North 67 degrees 47' West, a distance of three hundred ten and three tenths (810.3) feet to an iron pin; thence North 16 degrees 59' East a distance of one hundred ninety-eight and eight-four (198.84) feet to an iron pin; thence North 67 degrees 47' West a distance of one hundred twenty (120) feet to an iron pin; thence North 14 degrees 8' East a distance of three hundred eighteen and two-tenths (318.2) feet to a concrete monument; thence South 67 degrees 47' East a distance of four hundred twenty-three (420.3) feet to a concrete monument; thence south 14 degrees 8' West a distance of five hundred eighteen and two-tenths (518.2) feet to the Point of Beginning; said property being bounded on the whole as follows: North by a Forty (40) foot drainage way easement and Leeds Gate Subdivision, Phase Two (2); East by Lot Twenty-three (23), Shangri-La Subdivision; South by Tibet Avenue; West by Lot Twenty-seven (27), Shangri-La Subdivision. For a more particular description of the above-described property express reference is made to a map prepared by Barrett & Exley, Inc. for the Southside Assembly of God, dated April, 1978, and recorded in Subdivision Map Book P, Folio 55, in the Office of the Clerk of the Superior Court of Chatham County, Georgia.

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SUBJECT, HOWEVER, to all valid restrictions, easements, and right-of-ways of record.