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Susan D. Frouse, Clerk
Superior Court of Chatham County
Chatham County, Georgia

Prepared by and after recording return to:
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**NEIGHBORHOOD DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR STONELAKE TOWNHOMES**

THIS NEIGHBORHOOD DECLARATION (this "Neighborhood Declaration"), is hereby made this 22 day of November, 2002, by GENESIS DESIGNER HOMES, LLC a Georgia limited liability company (the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of that certain tract, parcel, or lots of real located in Chatham County, Georgia, and known as Stonelake Townhomes, and being more particularly described on that certain Exhibit "A" attached hereto and by reference made a part hereof (the "Property"); and

WHEREAS, the Property is a portion of the overall development known and designated as "BERWICK PLANTATION."

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NOW, THEREFORE, Declarant hereby declares that the Property, together with any additions made thereto as hereinafter provided in Article I, shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens set forth in the "Declaration of Covenants, Conditions, and Restrictions for Berwick Plantation," dated May 14, 2002, and, recorded in Record Book 235-P, Folio 676, Chatham County, Georgia records, including any and all amendments thereto (collectively, the "Master Declaration"), and subject to the covenants, restrictions, easements, charges and liens set forth in this Neighborhood Declaration.

ARTICLE I

PROPERTY SUBJECT TO THIS NEIGHBORHOOD DECLARATION

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Neighborhood Declaration is located in Chatham County, Georgia, and is more particularly described in Exhibit "A" attached hereto (the "Property"). The Property is located in a Neighborhood known as Stonelake Townhomes at Berwick Plantation.

Section 2. Additions to Existing Property. Additional property may become subject to this Neighborhood Declaration by the Declarant's filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property or by making any conveyance subject to this Neighborhood Declaration.

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ARTICLE II

DEFINITIONS

Except as specifically modified below, the definitions contained in the Master Declaration are hereby specifically incorporated herein by reference. Some of those terms are included in the following list of words and terms, which, when used in this Neighborhood Declaration, or any supplemental declaration, shall have the following meanings:

Section 1. "Association" shall mean and refer to Berwick Plantation Property Owners Association, Inc., a Georgia non-profit corporation, its successors and assigns.

Section 2. "Board of Directors" shall mean the board of directors, from time to time, of the Neighborhood Association.

Section 3. "Dwelling" shall mean any building located on a lot and intended for use as residential housing.

Section 4. "Living Unit" shall mean and refer to any portion of a multi-family structure situate upon the Properties designed and intended for use and occupancy as a residence by a single family.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties, together with the improvements thereon, with the exception of Common Area, and areas lying within road rights-of-way.

Section 6. "Master Declaration" shall mean the "Declaration of Covenants, Conditions, and Restrictions for Berwick Plantation," dated May 14, 2002, and, recorded in Record Book 235-P, Folio 676, Chatham County, Georgia records, including any and all amendments thereto.

Section 7. "Member" shall mean and refer to every person who is a member of the Neighborhood Association.

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Section 8. "Neighborhood Assessments" shall mean assessments for common expenses provided for herein or by any subsequent amendment hereto which shall be used for the purposes of promoting the recreation, welfare, common benefit and enjoyment of the Owners and occupants of the Living Units in the Neighborhood, all as may be specifically authorized from time to time by the Board of Directors.

Section 9. "Neighborhood Association" shall mean Stonelake Townhomes Property Owners Association, Inc., a Georgia nonprofit corporation, which has been formed to care for the Neighborhood Common Area and/or facilities which are used exclusively by the members of the Neighborhood Association.

Section 10. "Neighborhood Common Area" shall mean and refer to all real property, including the improvements thereon, owned by the Declarant, or as may hereafter be conveyed to the Neighborhood Association (as hereinafter defined), for the common and exclusive use and enjoyment of the Owners and others entitled to the use thereof. The Neighborhood Common Area shall not include real property conveyed to the Association, if any.

Section 11. "Owner" shall mean and refer to the record owner, whether it be one or more persons or entities, of a fee simple title to any Lot or Living Unit which is a part of the Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 12. "Property" or "Properties" shall mean and refer to that real property described in Article I, Section 1 hereof, and to such additions thereto as may be made subject to this Neighborhood Declaration, and hereinafter brought within the jurisdiction of the Neighborhood Association.

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Section 13. "Single Family" shall mean and refer to one or more persons, each related to the other by blood, marriage or adoption, or a group of not more than three (3) persons not all so related, together with his or their domestic servants, maintaining a common household.

Section 14. "Structure" shall mean anything erected or constructed, temporarily or permanently located in or upon the ground of any Lot.

ARTICLE III

NEIGHBORHOOD ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. The undersigned, for each Lot and Living Unit owned within the Properties, hereby covenants, and each Owner of any Lot or Living Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree, for himself, his heirs, representatives, successors and assigns, to pay to the Neighborhood Association:

- (a) annual assessments or charges; and
- (b) special assessments for capital improvements.

All such assessments shall be fixed, established and collected as hereinafter provided. The annual and special assessments, together with late charges, interest, costs and attorney's fees, shall be a charge and continuing lien upon the Lot or Living Unit against which such assessment is made. Each such assessment, together with late charges, interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due. The personal obligation of an Owner for delinquent assessments shall not pass to his successors in title, unless expressly assumed by them.

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Section 2. Annual Assessments or Charges. The annual assessments or charges levied by the Neighborhood Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents of the Properties, and in particular for the purpose of:

(a) Improvement, maintenance and operation of the Neighborhood Common Areas of the Property and exterior maintenance in accordance with the provisions of this Neighborhood Declaration;

(b) Providing exterior maintenance upon each Living Unit which is subject to Neighborhood Assessments hereunder, as follows: paint, repair, replacement and care of roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, walks, exterior pest control, and other exterior improvements. Such exterior maintenance shall not include glass surfaces, doors or lighting fixtures.

(c) Collection and payment of Assessments levied by the Association pursuant to the Master Declaration, and the fulfillment of any other duties and obligations under the Master Declaration.

(d) The discharge of any other obligations of the Neighborhood Association as imposed by this Declaration, or as reasonably necessary for carrying out the purposes and intent hereof.

(e) In the event that the need for maintenance or repair of a Living Unit, or the improvements thereon, is caused by the willful or negligent acts of the family, guests, or invitees of the Owner of the Living Unit needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the Neighborhood Assessment to which such Living Unit is subject.

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Section 3. Amount of Annual Assessments. The annual assessment for each Lot or Living

Unit in the Properties shall be payable annually, in advance, and the maximum amount thereof shall be determined as follows:

- (a) The maximum annual assessment for the calendar year beginning January 1 of the year after annual assessments commence, and for each calendar year thereafter, shall be established by the Board of Directors, and may be increased by the Board of Directors without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year; provided that this limitation shall not apply to increases resulting from corresponding increases in the assessments charged by the Association;
- (b) The maximum annual assessment may be increased without limit by the affirmative vote of two-thirds (2/3) of each class of the Members who are voting in person or by proxy, at a meeting duly called for this purpose; and
- (c) The Board of Directors may fix the annual assessments at an amount not in excess of the maximum. When the Board of Directors fixes the annual assessments for each calendar year, the Board shall, at the same time and in connection therewith, prepare, or cause to be prepared, an annual budget showing the services provided by the Neighborhood Association and the costs thereof per Lot or Living Unit.

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Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Neighborhood Association may levy, in any calendar 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 or Living Unit, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots or Living Units, and may be collected on a monthly basis.

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 30 days nor more than 60 days in advance of the meeting. At the first meeting called, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) 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 60 days following the day set for the preceding meeting.

Section 6. Uniform Rate of Assessments. Both annual and special assessments shall be fixed at a uniform rate for all Lots and Living Units, and shall be collected on a monthly basis, or any other basis approved by the Board of Directors.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall not apply to any vacant Lot or to any Living Unit owned by Declarant for the purpose of resale or for utilization as a sales office or model unit. The annual assessments provided for herein shall commence as to any Lot upon which a dwelling has been constructed, or a Living Unit, on the first day of the month following substantial completion of such

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Living Unit, or the dwelling erected upon such Lot. "Substantial completion" shall be deemed to mean that stage of construction at which the dwelling or Living Unit shall be reasonably suitable for human occupancy. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year, and shall become due and payable on the day fixed for commencement. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment and give each Owner subject thereto written notice of each assessment. The due date shall be established by the Board of Directors. The Neighborhood Association, upon demand and payment of a service fee of not more than Fifteen and no/100 Dollars (\$15.00) shall furnish a certificate in writing signed by an officer of the Neighborhood Association setting forth whether the assessment on a specified Lot or Living Unit has been paid. A properly executed certificate of the Neighborhood Association as to the status of assessments on a Lot or a Living Unit shall be binding upon the Neighborhood Association as of the date of its issuance.

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~~Section 8. Effect of Nonpayment of Assessments: Remedies of the Neighborhood Association.~~ Any monthly assessment not paid within thirty (30) days after the due date shall bear interest from the due date at that rate which is equal to the rate of interest chargeable by law in the State of Georgia on money judgments, or fifteen percent (15%) per annum, whichever is lower, and such amount, together with interest and the costs of collection thereof as provided hereinafter, shall thereupon become a continuing lien upon the property against which such assessment was made, and shall bind such property in the hands of the then-Owner, his heirs, devisees, personal representatives and assigns. The Neighborhood Association may bring an action at law against the person personally obligated to pay the same, or foreclose the lien against the property in like manner as a deed to secure

debt and, in either event, interest, costs and attorney's fees in the amount of fifteen percent (15%) shall be added to the amount of such assessment. Upon exercise of its right to foreclose, the Neighborhood Association may elect to declare the entire remaining amount of the annual assessment due and payable and collect the same as provided above. In the event of any such foreclosure, the Owner shall be required to pay reasonable rental for the Lot or Living Unit after commencement of the foreclosure action; the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Neighborhood Common Area or abandonment of his Lot or Living Unit.

Section 9. Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or deed to secure debt now or hereafter placed upon the property subject to assessment, and the lien of any ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot or Living Unit pursuant to a mortgage foreclosure, or any proceeding in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No such sale or transfer shall release such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from assessments, charges and liens described in this Article:

- (a) property dedicated and accepted by local public authority and devoted to public use;
- (b) properties which are or become parts of the Neighborhood Common Area;
- (c) any exempt from taxation by the laws of the State of Georgia, upon the

terms and to the same extent of such leave of exemption. Notwithstanding any provisions herein to the contrary, no Lots or Living Units devoted to dwelling use shall be exempt from such assessments, charges and liens, except as provided above.

- (d) any Lots owned by Declarant for the purpose of resale, or for use as a sales office or model Living Unit

ARTICLE IV

INSURANCE COVERAGE

Section 1. Association Coverage. The Association shall obtain and maintain in full force and effect at all times, the following insurance coverages:

- (a) Directors and Officers Liability Insurance *
- (b) Neighborhood Common Area Premises Liability Insurance *
- (c) Such other types and amounts of insurance as may from time to time be deemed necessary, desirable, or proper, and be authorized by the

Neighborhood Association by action of the Board of Directors.

Section 2. Owner Coverage. The record Owner of each Living Unit shall obtain and maintain in full force and effect, at all times, (the "Effective Date"), the following insurance coverages:

- (a) Fire and hazard insurance covering all of the insurable improvements on the Lot containing the Living Unit against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Living Units, in an

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amount equal to the maximum insurable replacement value thereof, as determined periodically by the Neighborhood Association;

- (b) If the Lot is in a flood zone, Federal Flood Insurance covering all of the insurable improvements on the Lot containing the Living Unit against loss or damage by rising water in an amount equal to the maximum insurable replacement value thereof, as determined annually by the Neighborhood Association.

Section 3. Failure to Insure. Individual Living Unit Owners shall be responsible for acquiring said fire, hazard and flood insurance and the payment of premiums directly or through their financing agencies, and shall provide the Neighborhood Association with a copy of their policy and all renewals thereof at least thirty (30) days prior to the Effective Date or the expiration thereof. If any Living Unit Owner fails to provide said proof of insurance by the required date, the Neighborhood Association shall, after ten (10) days notice to the Living Unit Owner, purchase said insurance on the Living Unit Owner's behalf at whatever rates are available through its insurance agent and assess said Living Unit Owner for the cost thereof, plus interest thereon at the rate of 13% per annum.

Section 4. Insurance Requirements.

- (a) All policies shall be written with a company licensed to do business in the State of Georgia;
- (b) All policies shall be for the benefit of the Neighborhood Association, Living Unit Owners and their mortgagees as their interest may appear.
- (c) All policies shall contain a standard mortgagee loss payee clause in favor of each said mortgagee which shall provide that the loss, if any, thereunder shall

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be payable to the Neighborhood Association and to such mortgagee as its interest may appear, subject, however to the loss payment provisions in favor of the Neighborhood Association.

- (d). All policies shall contain a standard provision providing that such policies may not be altered, substantially modified or canceled without at least thirty (30) days prior written notice to all of the insureds, including the Neighborhood Association and the mortgagee;
- (e) A copy of all policies and endorsements thereto shall be deposited with and maintained by the Neighborhood Association at its principal office;
- (f) Exclusive authority to adjust losses under the policies hereafter in force with respect to the submitted property shall be vested in the Board of Directors of the Neighborhood Association and said mortgagees;
- (g) The Living Unit Owners and/ or the Neighborhood Association shall make every reasonable effort to secure insurance policies that will provide for the following: (1) a waiver of subrogation by the insurer as to any claims against the Neighborhood Association and its officers, directors, employees and agents, the Living Unit Owners and their respective servants, agents and guests; (2) a waiver by the insurer of its right to repair and reconstruct instead of paying cash; and (3) that no policy on the submitted property can be canceled, invalidated or suspended on account of the conduct of any director, officer, agent or employee of the Neighborhood Association without a prior demand in writing delivered to the Board of Directors to cure the defect and

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the allowance of a reasonable time thereafter within which the defect may be cured.

Section 5. Insurance Review. The Board of Directors shall conduct an insurance review at least every second year which shall include a replacement cost evaluation of each Living Unit. Each Living Unit Owner will then be notified of the necessary amount of coverage needed for replacement. Each individual Living Unit Owner shall be responsible for having the amount of coverage deemed necessary by the Board of Directors.

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ARTICLE V

REPAIR, RESTORATION AND REBUILDING

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Section 1. Repair, Restoration and Rebuilding. In the event any Dwelling or Living Unit shall be damaged or destroyed by fire, other casualty or any other cause or event whatsoever, the Owner of the property so damaged or destroyed shall cause it to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good a condition as existed immediately prior to such damage or destruction, subject only to the right of the Neighborhood Association (which right is hereby granted to the Neighborhood Association) to authorize and direct such different action as shall be recommended by the Board of Directors and approved by affirmative vote of not less than two-thirds (2/3) of the members, which majority shall include the affirmative vote of all the Owners whose Living Units shall have been damaged or destroyed.

Section 2. Board of Directors to Supervise. All repair, restoration or rebuilding pursuant to the provision of this Article V shall be carried out under such supervision and direction as the Board of Directors of the Neighborhood Association shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the Owner of any Living Unit which

has been damaged or destroyed shall fully cooperate with, and abide by all instructions and directions of the Neighborhood Association in connection therewith.

Section 3. Rights of Neighborhood Association. The Neighborhood Association is hereby given and shall have the right reasonably to approve the architects, contractors and subcontractors to be employed in connection with such repair, restoration or rebuilding, to select a contractor, or contractors, to perform all or various parts of the work to be done upon the various Dwellings which shall have been damaged or destroyed by such casualty or other happening; to coordinate the progress of the work among such various Dwellings; and to hold the proceeds of any insurance which may be payable on account of such casualty or other happening and to control the disbursement thereof in such manner as to assure the sufficiency of funds for the completion of said work or for any other proper purpose.

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Section 4. Lien Rights of Neighborhood Association. In any case in which the Owner of the Dwelling concerned shall fail to carry out and see to the repair, restoration or rebuilding required by the provisions of this Article V, or shall request the Neighborhood Association to carry out and see to such repair, restoration or rebuilding, the Neighborhood Association may carry out and see to the repair, restoration or rebuilding required by the provisions of this Article V, provided, however, that to the extent the insurance proceeds are insufficient as to any Dwelling, the particular Owner shall be responsible to the Neighborhood Association for such deficiency, and the Neighborhood Association shall have, and is hereby given, a continuing lien on the Lot or Living Unit for which any such repairs or rebuilding are furnished by the Neighborhood Association in the aggregate amount of (a) the cost thereof, (b) interest at the rate of interest permitted by law on money judgments in Georgia from the date of the Neighborhood Association's payment of such costs, and (c) reasonable

attorneys' fees and any court or other costs incurred by the Neighborhood Association in connection therewith, which lien shall encumber such Lot in the hands of such Owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such Owner does not forthwith fully repay the Neighborhood Association therefore, as aforesaid, such lien may be foreclosed against the Lot by the Neighborhood Association, in the same manner as hereinafter provided in connection with unpaid assessments. The Neighborhood Association's lien in this Section 4 provided shall be subordinate to the lien of any first mortgage, now or hereafter placed upon the Lot.

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Section 5. Insurance Insufficient. In any case in which insurance proceeds shall not be paid or payable on account of any damage to, or destruction of, any Dwelling or Living Unit, or shall be inadequate to fully cover the cost of repair, restoration or rebuilding which the Neighborhood Association is by the provisions of this Article V permitted to carry out, the cost of such repair, restoration or rebuilding in excess of the amount of insurance proceeds available may be borne and paid for by the Neighborhood Association, but without diminishing or in any way affecting any rights of recovery thereof which the Neighborhood Association may have by law against any person or persons who shall be directly or indirectly responsible for such damage or destruction by reason of any negligent or wrongful act or omission, or against any Owner for his failure to maintain insurance coverage.

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Section 6. Obligation of Neighborhood Association. Notwithstanding anything to the contrary herein contained, the obligations of the Neighborhood Association under the provisions of this Article V shall be limited to the repair, restoration and rebuilding of the Common Area, and the Neighborhood Association shall not be responsible for repair, restoration or replacement of any personal property of the Owners or others.



Section 7. Debris. In the event a Dwelling is damaged or destroyed, and the Owner does not begin repair or reconstruction within thirty (30) days following damage or destruction, he shall remove or cause to be removed, at his expense, all debris from the Lot, so that it shall be placed in a neat, clean and safe condition; if he fails to so remove the debris, the Neighborhood Association may cause it to be removed, and the cost of such removal shall constitute a lien upon the Lot until paid by the Owner, unless the Lot is thereafter acquired by the Neighborhood Association.

Section 8. Application of Declaration and Bylaws. Any Dwelling or Living Unit which has been destroyed, in whole or in part, by fire or other casualty, and subsequently restored or reconstructed, shall be subject to the provisions of this Declaration and to the Bylaws of the Neighborhood Association.

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ARTICLE VI

PROTECTIVE COVENANTS

Section 1. General. It is to the interest, benefit and advantage of the Owners and to each and every person who shall hereafter purchase any Living Unit that certain protective covenants governing and regulating the use and occupancy of the same be established, set forth and declared to be covenants running with the land.

Section 2. Enactment. The protective covenants set forth below are hereby established, promulgated and declared to be the protective covenants for the Living Units. All Living Units in the Property shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth, and these covenants shall become effective immediately and run with the land.

Section 3. Land Use. All Living Units contemplated in the Property shall be, and the same hereby are, restricted exclusively for residential use. No Structure of a temporary character, boat trailer, camper, basement, tent, shack, carport, garage, barn, or other outbuilding shall be allowed on any portion of the Property at any time either temporarily or permanently. Notwithstanding the foregoing, Declarant may use Living Units for a sales office or model Living Unit.

Section 4. Freehold Estate. Each Living Unit shall be conveyed as a separately designated and legally described fee simple estate subject to the terms, conditions and revisions hereof and of the Bylaws of the Neighborhood Association.

Section 5. Construction and Sale Period. Notwithstanding any provisions contained herein to the contrary, it shall be permissible for the builder of Living Units to maintain during the period of construction and sale of said Living Units, upon such portion of the Property as the builder reasonably requires, subject to the approval of the Declarant, such construction offices, sales offices and business offices as are convenient or incidental to the construction or sale of said Living Units.

Section 6. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any part of the Property, except that dogs, cats, or other household pets may be kept by the respective Owners in their respective Living Units, provided that they are not kept, bred, or maintained for any commercial purpose and do not endanger the health of or, in the sole discretion of the Board of Directors, unreasonably disturb the Owner of any Living Unit or any resident thereof. No chained animals, kennels, fences, or invisible fences for animals are allowed.

Section 7. Signs and Business Activities. No advertising, signs, billboards, unsightly objects, or nuisance shall be erected, placed, or permitted to remain on the Property which may endanger the health of or unreasonably disturb the Owner of any Living Unit or any resident thereof. No business

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activities of any kind whatever shall be conducted in any building or on any portion of the Property; provided, however, the foregoing covenants shall not apply to the business activities, signs, or billboards of the builder, his agents, or assigns during the construction and sale period, which have been approved by the Declarant.

Section 8. Garbage Cans, Etc. No garbage cans, service yards, wood piles or storage piles shall be allowed. All trash and garbage shall be regularly removed from the premises and deposited in a dumpster provided by the Neighborhood Association.

Section 9. Patios and Neighborhood Common Area. No planting or gardening shall be done, no fences, hedges or walls shall be erected or maintained upon the Property except such as are installed in accordance with the initial construction of the buildings located thereon or approved by the Board of Directors or their designated representatives, and no exterior clothesline shall be permitted upon the Property or any Parcel. In addition to the right of ingress and egress, the Owners of the Living Units shall enjoy the use of all of such property outside their respective residences as shall be determined by the Board of Directors or as expressly provided for herein. It is expressly acknowledged by all parties concerned that this paragraph is for the mutual benefit of all Owners in the Property and is necessary for the protection of said Owners.

Section 10. Exterior Antennas. Without prior written approval and authorization of the Board of Directors, no exterior television, radio antennas or satellite dishes of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Property or upon any structure situated upon the Property.

*Amended
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Section 11. Leasing of Residences. Entire residences may be rented provided the occupancy is not for less than twelve (12) months and such occupancy is only by the lessee and his immediate

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family, or as may be approved or otherwise provided for by the Declarant or the Board of Directors. No room may be rented and no transient tenant accommodated.

Section 12. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No immoral, improper, offensive or unlawful use shall be made of any portion of the property, and all valid laws, ordinances and regulations of all governmental agencies having jurisdiction shall be observed. Nothing shall be kept and no activity shall be carried on in any building or residence, or on any of the Common Area which will increase the rate of insurance applicable to other residential units. No Owner shall do or keep anything or cause or allow anything to be done or kept in his dwelling or on the Common Area which would result in the cancellation of insurance on any portion of the Properties, or any contents thereof. No waste shall be committed on any portion of the Common Area or facilities situate thereon.

Section 13. Home Occupations. No home occupation, industry, business, trade or profession of any kind, whether commercial or otherwise, shall be conducted, maintained or permitted on any part of the Properties, except to the extent permitted by applicable zoning ordinances, and except that Declarant and other authorized persons may use any unsold residence for sale or display purposes. The use for habitual parking for commercial vehicles in any parking area or portion of the Common Area is prohibited. The term "commercial vehicle" includes all trucks and vehicular equipment of a commercial nature that are larger than a standard passenger vehicle.

Section 14. Resubdivision. No Lot shall be resubdivided, recombined or reduced in size without the written consent of the Board of Directors.

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Section 15. Parking. All vehicles shall be parked in designated parking areas. Each Lot shall be assigned at least one parking space by the Board of Directors and no other Lot Owner shall utilize said assigned space. The habitual parking of commercial vehicles, trucks, boats, buses, trailers, camping trailers, motor homes or other recreational vehicles is prohibited. No disabled vehicle shall be parked on the Lots for more than 24 hours.

Section 16. Plants and Trees. Plants and trees now or hereafter located on the Neighborhood Common Area shall be maintained by the Neighborhood Association, and may not be removed except by permission of the Board of Directors. No additional plants, trees or shrubs may be planted upon the Neighborhood Common Area without written approval of the Board of Directors. After the required clearing for the construction of dwelling units and driveways, no tree having a diameter greater than two (2) inches, five (5) feet above grade may be cut or moved without the prior written approval of the Board of Directors.

Section 17. Mailboxes. All Lots shall utilize centrally located mailboxes. No mailboxes or receptacles for the delivery of newspapers or mail shall be allowed on a Lot.

Section 18. Drainage Ditches. No change shall be made in the level or courses of any drainage ditch in the Properties without the prior written approval of the Board of Directors. The Owner of any Lot which adjoins a drainage ditch or swale shall keep that portion of such drainage ditch or swale lying within or contiguous to his Lot in a clean and orderly condition, and shall maintain the proper depth and grade of such drainage ditch or swale.

Section 19. Ponds and Lagoons. No swimming or boating shall be allowed in ponds or lagoons located in the Neighborhood Common Area.

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ARTICLE VII**EASEMENTS**

Section 1. Utility Easement. There is hereby created a blanket easement upon, across, over, through and under the Property for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and systems, including but not limited to water, sewers, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement it shall be expressly permissible for the Declarant, the Neighborhood Association or the providing utility or service company to install and maintain facilities and equipment on said Property, to excavate for such purposes and to affix and maintain wires, circuits, and conduits on, in and under all Lots and the roofs and exterior walls of all residences and buildings, provided all disturbed areas are restored to the condition in which they were found. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utility service lines or facilities for such utilities may be installed or relocated on the Property except as planned and approved by the Declarant prior to the conveyance of the first Living Unit to an Owner or by the Board of Directors thereafter. This easement shall in no way affect any other easements on said Property which may be created by a separately recorded instrument or subdivision or other plat.

Section 2. Maintenance Easement. There is hereby created a blanket easement upon, across, over, through and under the Property and each Lot for ingress, egress, improvement, replacement, and repair as necessary for the exterior maintenance of each Living Unit and the maintenance of the Neighborhood Common Area, including that for exterior paint and building surfaces, roofs, gutters, down spouts, trees shrubs, grass, walks and other exterior improvements. By virtue of this easement it shall be expressly permissible for the Declarant, the Neighborhood Association or the providing

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service company to install and maintain facilities and equipment on said Property and each Parcel, in and under all lots and the roofs and exterior walls of all residences and buildings, provided all disturbed areas are restored to the condition in which they were found. This easement shall in no way affect any other easements on said Property which may be created by a separately recorded instrument or subdivision or other plat.

Section 3. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Neighborhood Common Area, which shall be appurtenant to and shall pass with the title of every Living Unit, subject to the following provisions:

(a) the right of the Neighborhood Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Neighborhood Common Area; and

(b) the right of the Neighborhood Association to suspend the voting rights and right to use the recreational facilities by an Owner as provided herein.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Neighborhood Common Area and facilities to the members of his family or his tenants, who reside on the Property.

ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1. Architectural Control. No landscaping, building, fence, wall or other structure shall be commenced, erected or maintained upon any Lot, 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 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

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Board of Directors. In the event the Board of Directors fails to approve or disapprove said plans and specifications within forty-five (45) days after submission, such approval will not be required and the submitting party will be deemed to have fully complied with this Article. Nothing herein is intended to apply to the original construction by the builder in accordance with the original plan of development of the properties.

Section 2. Destruction of Dwelling. In the event that any Dwelling is destroyed, the Dwelling will be re-constructed as based on the original plan of development as provided in Article V above, unless the Board of Directors agrees otherwise.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the Dwellings upon the Property and placed on the dividing line between the Lots or Living Units 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 2. 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 Owner thereafter makes 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 Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

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Section 3. 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 4. Right to Contribution Runs With the 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 5. 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.

Section 6. Encroachments. The Common Area, the individual Lots and the Living Units built thereon shall be subject to an easement for encroachments created by construction, settling and overhangs as designed or constructed by the builder. A valid easement for said encroachments and for the maintenance of same, so long as they stand, shall and does exist.

ARTICLE X

MORTGAGEE PROVISIONS

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

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Neighborhood Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Living Unit

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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 Living 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 Living 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 this Neighborhood Declaration relating to such Living Unit or the Owner which is not cured within 60 days;

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

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

Section 2. No Priority. No provision of this Neighborhood 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 Living Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Neighborhood Common Area.

Section 3. Notice to Neighborhood Association. Upon request, each Owner shall be obligated to furnish to the Neighborhood Association the name and address of the holder of any Mortgage encumbering such Owner's Living Unit.

Section 4. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board of Directors to respond to or consent to any action shall be deemed to have approved

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such action if the Neighborhood Association does not receive a written response from the Mortgagee within 30 days of the date of the Neighborhood Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Section 5. 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 Living Unit: merger, consolidation, or dissolution of the Neighborhood Association; dedication, conveyance, or mortgaging of the Neighborhood Common Area; or material amendment of this Neighborhood Declaration or the By-Laws. The granting of easements for utilities or other similar purposes consistent with the intended use of the Neighborhood Common Area shall not be deemed a conveyance within the meaning of this Section.

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ARTICLE XI

NEIGHBORHOOD ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Administration of the Property shall be vested in the Neighborhood Association as provided herein. Every person who is the record owner of a fee or undivided fee interest in any residence which is subject by covenants of record to assessment by the Neighborhood Association shall be a member of the Neighborhood Association. Included as a member of the Neighborhood Association is Declarant so long as it is a record owner as herein provided. The foregoing is not intended to include persons who hold interest merely as security for the performance of an obligation. No Owner, whether one or more persons, shall have more than one membership

vote per Living Unit. Membership shall be appurtenant to and may not be separated from ownership of any Living Unit. Ownership of a Living Unit shall be the sole qualification for membership in the Neighborhood Association and each Owner shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Neighborhood Association, together with his undivided interest in the funds and assets of the Neighborhood Association shall automatically cease.

Section 2. Voting Rights. The Neighborhood Association shall have two (2) classes of voting membership:

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(a) Class A. Class A members shall be all Owners, with the exception of the Declarant. Each Owner shall be entitled to one (1) vote for each Living Unit owned. If more than one person owns an interest in any Living Unit, all such persons shall be members, and the vote for each such Living Unit shall be exercised as they may determine among themselves, but in no event shall more than one vote be cast with respect to any Living Unit.

(b) Class B. The Class B member shall be the Declarant, and any successor of Declarant who takes title for the purpose of development and sale, and who is designated as such in a recorded instrument executed by the Declarant. The Class B member shall be a voting member and shall be entitled to cast the number of votes which are contained in the total of all Class A members, plus one vote, until such time when the Class B membership terminates and is converted to Class A

membership. Class B membership shall terminate and be converted to Class A membership upon the happening of the earlier of the following:

(i) When the Declarant shall no longer own any portion of the Property, or have any rights to develop or acquire title to any portion of the real property described in Section 2 of Article I of this Neighborhood Declaration;

(ii) On December 31, 2011; or

(iii) When, at its sole discretion, the Declarant so determines.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member. At such time, the Declarant shall call a meeting, as provided in the Bylaws of the Neighborhood Association for special meetings, to advise the membership of the termination of Class B membership and to elect any remaining members of the Board of Directors.

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Section 3. Application of Declaration, Bylaws and Association. All present and future Owners, tenants and occupants of each Living Unit shall be subject to and shall comply with the provisions of this Neighborhood Declaration, the Bylaws, and the rules and regulations adopted pursuant thereto, as these instruments now exist or as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into a lease, or the entering into occupancy of any Living Unit shall constitute an acceptance by such Owner, tenant or occupant of the provisions of

such instruments, as they now exist or as they may be amended from time to time. The provisions contained in such instruments shall be covenants running with the land and shall bind any person who, at any time has any interest or estate in such Living Unit, as though such provisions were recited and fully stipulated in each deed, conveyance or lease thereof. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or for injunctive relief to be maintained by the Board of Directors on behalf of the Neighborhood Association or, in the proper case, an aggrieved Owner himself.

ARTICLE XII
GENERAL PROVISIONS

*Amended
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Section 1. Enforcement. The Declarant, Neighborhood 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 Neighborhood Declaration. Failure by the Neighborhood Association or by any 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 way affect any of the other provisions set forth herein which shall remain in full force or effect.

Section 3. Term and Extensions. The covenants and restrictions of this Neighborhood Declaration shall run with the land, bind the land and shall inure to the benefit of and be enforceable

by the Neighborhood Association, the Declarant, or any Owner, their respective legal representatives, heirs successors and assigns, for a period of twenty (20) years from the date this Neighborhood Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by the then-Owners of not less than ninety percent (90%) of the Lots and Living Units has been recorded, terminating said covenants and restrictions; provided, however, that no such termination shall be effective unless made and recorded at least six (6) months in advance of the effective date of such change, and unless written notice of the proposed termination is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 4. Amendment. Except as herein provided, the Neighborhood Association shall have the power to amend this Neighborhood Declaration, by a vote of two-thirds (2/3) of the number of the total members of the Association, and the Declarant. For so long as it is a class B Member, the Declarant may unilaterally amend the Declaration for the purpose of facilitating the general plan of development for the Property, so long as it does not adversely affect the title of an Living Unit without the consent of the Owner and mortgagee of said Living Unit.

Section 5. Modification. By a recorded supplemental declaration, the Declarant or the Board of Directors may amend this Neighborhood Declaration without the consent of the Owners to correct any obvious errors or inconsistencies in drafting, typing or reproduction, provided that said

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modification does not adversely affect the title to any Living Unit without the consent of the Owner and mortgagee of said Living Unit.

Section 6. Inspection of Books and Records. Any first mortgagee or any Owner shall have the right to examine the books and records of the Association within normal business hours.

[SIGNATURES CONTINUED ON THE NEXT PAGE]

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IN WITNESS WHEREOF, the Declarant has caused this Neighborhood Declaration to be duly executed by its authorized officers, this 22nd day of November, 2002.

Signed, sealed and delivered in the presence of:

Genesis Designer Homes, LLC, a limited liability company

[Signature]
Unofficial Witness

By: [Signature]
Richard A. Fitzer II, as Manager

[Signature]
Notary Public

ROBERT B. BRANNEN, JR.
Notary Public, Chatham County, Georgia
My Commission Expires March 18, 2005

My Commission Expires: _____



[NOTARIAL SEAL]

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EXHIBIT A

ALL that certain lot, tract or parcel of land situate, lying and being in Chatham County, Georgia, known as **Stonelake Townhomes, Phase 1**, being known and designated upon that certain map or plat entitled "Stonelake Townhomes, Phase 1, Lot 1-4, 6-88, Being a portion of Tract B of the C \$ S Tract known as Berwick Plantation, 7th G.M.D., Chatham County, Georgia", prepared by Boyce L. Young, G.R.L.S. No. 2282, dated November 13, 2002, and recorded in Subdivision Map Book 27-S, Page 8A through 8E, in the Office of the Clerk of the Superior Court of Chatham County, Georgia. Express reference is hereby made to said map or plat for better determining the metes, bounds and dimensions of the property herein conveyed.

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RECEIVED MAY 02 2006

Clock#: 794091

FILED FOR RECORD

4/21/2006 02:47pm

PAID: 28.00

Daniel W. Massey, Clerk

Superior Court of Chatham County

Chatham County, Georgia

SPACE ABOVE RESERVED FOR RECORDING DATA

After Recording, Please Return To:

Weissman, Nowack, Curry & Wilco, P.C.
One Alliance Center, 4th Floor
3500 Lenox Road
Atlanta, Georgia 30326
Attn: MMR

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STATE OF GEORGIA

Cross Reference: Deed Book 246-A

COUNTY OF CHATHAM

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AMENDMENT TO THE NEIGHBORHOOD DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTION FOR STONELAKE TOWNHOMES

WHEREAS, Genesis Designer Homes, L.L.C., a Georgia limited liability corporation ("Declarant") filed that certain Neighborhood Declaration of Covenants, Conditions and Restrictions for Stonelake Townhomes ("Declaration") dated November 22, 2003 in Deed Book 246-A, Page 549 of the Chatham County, Georgia land records, as supplemented; and

WHEREAS, Article XII, Section 4 of the Declaration provides that, for so long as the Declarant is a Class B Member of the Stonelake Townhomes Property Owners Association, Inc. ("Association"), it shall have the authority to unilaterally amend the Declaration for the purpose of facilitating the general plan of development for the Stonelake community, so long as it does not adversely affect the title of a Living Unit without the consent of the Owner and the mortgagee of said Living Unit; and

WHEREAS, the Declarant is still a Class B Member and wishes to amend the Declaration for the purpose of submitting the Association and the Property to the Georgia Property Owners Association Act as well as to restrict the leasing of Living Units within the community so as to preserve the character of the community as a predominantly owner-occupied community; and

WHEREAS, these amendments do not adversely affect the title of a Living Unit.

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

1.

Article II, Section 5 of the Declaration is hereby amended by adding the following language to the end thereto:

THIS AMENDMENT SUBMITS THE PROPERTY TO THE PROVISIONS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. SECTION 44-3-220, ET SEQ.

CLOSING ATTORNEYS SHOULD CONTACT THE ASSOCIATION FOR ESTOPPEL CERTIFICATES REGARDING ASSESSMENTS/CHARGES DUE ON UNITS.

Each Lot shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration and the Georgia Property Owners' Association Act, O.C.G.A., Section 44-3-220, et seq., may be conveyed, transferred and encumbered the same as any other real property.

2.

Article II, Section 12 of the Declaration is hereby amended by adding the following language to the end thereto:

The property subjected to this Declaration constitutes a residential property owners development which hereby submits to the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, et seq. (Michie, 1982), as such act may be amended from time to time.

3.

Article II of the Declaration is hereby amended by adding the following new Section 15 to the end thereto:

Section 15. "Act" shall mean the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, et seq. (Michie 1982), as such act may be amended from time to time.

4.

Article III, Section 1 of the Declaration is hereby deleted in its entirety and the following new Article III, Section 1 is substituted therefor:

Section 1. Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Lot and Living Unit, 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 Neighborhood Association: (i) annual assessments or charges; (ii) special assessments; and (iii) specific special assessments as authorized by Section 44-3-225(a) of the Act, including but not limited to, reasonable fines imposed in accordance with the terms of this Declaration.

All such assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred (including post-judgment attorney fees, costs and expenses), and if the Board so elects, rents, in the maximum amount permitted under the Act, shall be a charge on the Lot and Living Unit and shall be a continuing lien upon the Lot and Living Unit against which each assessment is made. Such amounts shall also be the personal obligation of the Person who was the Owner of such Lot and Living at the time when the assessment fell due. Each Owner and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. The Neighborhood Association, in the Board's discretion, may, but shall not be obligated to, record a notice of such lien in the Chatham County, Georgia records evidencing the lien created under the Act and this Declaration.

No Owner may exempt himself or herself from liability, or otherwise withhold payment of assessments, for any reason whatsoever, including, but not limited to, nonuse of the Neighborhood

THIS AMENDMENT SUBMITS THE PROPERTY TO THE PROVISIONS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. SECTION 44-3-220, ET SEQ.

CLOSING ATTORNEYS SHOULD CONTACT THE ASSOCIATION FOR ESTOPPEL CERTIFICATES REGARDING ASSESSMENTS/CHARGES DUE ON UNITS .

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Common Area, the Neighborhood Association's failure to provide services or perform its obligations required hereunder, or inconvenience or discomfort arising from the Neighborhood Association's performance of its duties.

The lien provided for herein shall have priority as provided in the Act.

5.

Article III, Sections 3 through 10 of the Declaration are hereby deleted in their entirety and the following new Sections 3 through 8 are substituted therefor:

Section 3. Computation of Operating Budget and Assessment. Prior to the beginning of each fiscal year, the Board shall prepare a budget covering the estimated costs of operating the Neighborhood Association during the coming year, and the Board shall establish the annual assessment or installments for the coming year. The Board shall cause the budget and notice of the assessment(s) to be delivered to each member at least thirty (30) days prior to the due date for such assessment, or the first installment thereof. The budget and the assessment shall become effective unless disapproved at a duly called Neighborhood Association meeting by a vote of a majority of the total Neighborhood Association membership; provided, however, if a quorum is not obtained at the annual meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at this meeting.

If the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then, until a budget is determined as provided herein, the budget in effect for the current year shall continue for the succeeding year. However, the Board may propose a new or adjusted budget at any time during the year by causing the proposed budget and assessment to be delivered to the members at least thirty (30) days prior to the proposed effective date thereof. Unless a special meeting is requested by the members, as provided in the Bylaws for special meetings, the new or adjusted budget and assessment shall take effect without a meeting of the members.

The budget shall not operate as a limitation on expenditures by the Board, but, rather, the budget is merely an estimate of common expenses on which the Board may base the annual assessments.

Both annual and special assessments shall be fixed at a uniform rate for all Lots and Living Units and shall be collected on a monthly basis, or any other basis approved by the Board of Directors.

Section 4. Special Assessments. In addition to the annual assessment provided for in section 3 above, the Board may, at any time, and in addition to any other rights it may have, levy a special assessment against all Owners, notice of which shall be sent to all Owners. In order to be effective, any special assessment (except any specific special assessments imposed in accordance with the Act and this Declaration) which would cause the average total of special assessments levied in one (1) fiscal year to exceed Two Hundred and No/100 Dollars (\$200.00) per Lot or such higher amount as may be authorized by the Act, must first be approved by at least two-thirds (2/3) of those Owners either voting by ballot or written consent pursuant to the Bylaws, or at least two-thirds (2/3) of those Owners present or represented by proxy at a duly called meeting of the members, notice of which shall specify the purpose of such meeting.

Section 5. Capital Budget and Contribution. The Board of Directors may, but shall not be obligated to, annually prepare a capital reserve budget that shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may, but shall not be obligated to, set the required capital reserve contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital reserve

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budget, with respect both to amount and timing by equal annual assessments over the period of the budget. The annual capital reserve contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section 3 of this Article. A copy of the capital reserve budget shall be distributed to each member in the same manner as the operating budget.

Section 6. Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against such Lot. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, not exceeding Ten and No/100 Dollars (\$10.00) or such higher amount as may be authorized under the Act, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein.

Section 7. Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

If the annual assessment, any part or installment thereof or any other fine, special assessment or charge is not paid in full within ten (10) days of the due date, or such later date as may be provided by the Board:

(a) a late charge equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner;

(b) interest at the rate of ten percent (10%) per annum, or such higher rate as may be authorized by the Act, shall accrue from the due date; and

(c) upon thirty (30) days written notice to the Owner, the Board may accelerate and declare immediately due all of that Owner's unpaid installments. Upon acceleration, that Owner shall thereby lose the privilege of paying any and all assessments and charges in installments for that fiscal year, unless such privilege is otherwise reinstated in the Board's sole discretion.

If assessments, fines or other charges, or any part thereof, remain unpaid more than thirty (30) days after the assessment payments first become delinquent, the Owner's and Occupant's rights to vote and use the Neighborhood Common Areas shall be automatically suspended until all amounts owed are paid in full (provided, however, the Board may not deny ingress or egress to or from a Lot of Living Unit) and the Neighborhood Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the Bylaws, the Act and Georgia law, including reasonable attorney's fees actually incurred. Enforcement under this subsection is not dependent upon or related to other restrictions and/or other actions.

If any assessment, fine or other charge is delinquent for thirty (30) days or more, in addition to all other rights provided herein and in the Act, the Neighborhood Association shall have the right upon thirty (30) days written notice, and in compliance with any requirements set forth in the Act, to suspend any utility services paid for as a common expense, including, but not limited to, water, electricity, heat, air conditioning and cable television, to that Lot or Living Unit until such time as the delinquent assessments and all costs incurred by the Neighborhood Association pursuant to this Article, including reasonable attorney's fees, are paid in full. Any costs incurred by the Neighborhood Association in discontinuing

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and/or reconnecting any utility or other service, including reasonable attorney's fees, shall be an assessment against the Lot or Living Unit.

If part payment of assessments or other charges is made, the amount received may be applied first to post-judgment attorney's fees, costs and expense, then to costs and attorney's fees not reduced to a judgment, then to interest, then to late charges, then to delinquent assessments and then to current assessments. Late charges may be assessed on delinquencies which are created by the application of current payments to outstanding delinquent assessments or charges.

Section 8. Surplus Funds and Common Profits. Common profits from whatever source shall be applied to the payment of common expenses. Any surplus funds remaining after the application of such common profits to the payment of common expenses shall, at the option of the Board of Directors, be: (1) distributed to the Owners; (2) credited to the next assessment chargeable to the Owners; or (3) added to the Neighborhood Association's capital reserve account as set forth in Section 5 above.

6.

Article VI, Section 11 of the Declaration is hereby deleted in its entirety and the following new Section 11 of the Declaration is substituted therefor:

Section 11. Leasing of Lots and Living Units. In order to protect the equity of the individual Lot and Living Unit Owners at Stonelake Townhomes and to carry out the purpose for which the community was formed by preserving the character of the community as a homogenous residential community of predominantly owner-occupied homes, leasing of Lots and Living Units shall be governed by the restrictions imposed by this Section. Except as provided herein, leasing of Lots and Living Units is prohibited.

(a) Definitions.

(i) "Grandfathered Owner" means an Owner of a Lot or Living Unit who is lawfully leasing his or her Lot or Living Unit on the date of the recording of the Amendment in the Chatham County, Georgia land records ("Effective Date"). Grandfathering shall apply only to the Lot or Living Unit owned by that Grandfathered Owner on the Effective Date. Grandfathering hereunder shall continue only until the date the Grandfathered Owner conveys title to the Grandfathered Lot or Living Unit to any other person (other than the Owner's spouse). Upon the happening of such event, the Lot or Living Unit shall automatically lose grandfathering hereunder.

(ii) "Grandfathered Lot or Living Unit" means the Lot and/or Living Unit owned by a Grandfathered Owner on the Effective Date hereof.

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

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

(c) Hardship Leasing Permits. If the failure to lease will result in a hardship, the Owner may seek to lease on a hardship basis by applying to the Board of Directors for a hardship leasing permit. The Board shall have the authority to issue or deny requests for hardship leasing permits in its discretion after

considering the following factors: (1) the nature, degree, and likely duration of the hardship, (2) the harm, if any, which will result to the community if the permit is approved, (3) the number of hardship leasing permits which have been issued to other Owners, (4) the Owner's ability to cure the hardship, and (5) whether previous hardship leasing permits have been issued to the Owner.

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

Hardship leasing permits shall be valid only as to a specific Owner and his or her Lot and Living Unit and shall not be transferable to other Lots, Living Units or Owners (including a subsequent Owner of a Lot and Living Unit where a permit was issued to the Owner's predecessor-in-title). Hardship leasing permits shall be valid for a term approved by the Board, not to exceed one (1) year. Owners may apply for additional hardship leasing permits at the expiration of a hardship leasing permit, if the circumstances warrant.

Hardship leasing permits shall be automatically revoked upon the happening of any of the following events: (1) the sale or transfer of the Lot and Living Unit to a third party (excluding sales or transfers to an Owner's spouse); (2) the failure of an Owner to lease his or her Lot and Living Unit within ninety (90) days of the permit having been issued; or (3) the failure of an Owner to have his or her Lot and Living Unit leased for any consecutive ninety (90) day period thereafter.

(d) Leasing Provisions. Leasing which is authorized hereunder shall be governed by the following provisions:

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

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

(iii) Liability for Assessments; Compliance. Each Owner covenants and agrees that any lease of a Lot or Living Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of

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this covenant, and the lessee, by occupancy of the Lot or Living Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

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

If a Lot is leased or occupied in violation of this Section or if the Owner, lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation, the Neighborhood Association's Board of Directors shall be authorized, in addition to all other available remedies, to levy fines against the lessee and/or the Owner and to suspend all voting and/or Neighborhood Common Area use privileges of the Owner, occupants and unauthorized tenant(s).

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

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

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

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(e) Applicability of this Section. Notwithstanding the above, this Section shall not apply to any leasing transaction entered into by the Neighborhood Association, or by any first mortgagee who becomes the Owner of a Lot or Living Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage. Such parties shall be permitted to lease a Lot and/or Living Unit without first obtaining a permit in accordance with this Section.

7.

Article XII, Section 1 of the Declaration is hereby deleted in its entirety and the following new Section 1 is substituted therefor:

Section 1. Enforcement. The community shall be used only for those uses and purposes set out in this Declaration. Every Owner and occupant shall comply with this Declaration, the Bylaws and rules and regulations of the Neighborhood Association, and any lack of compliance therewith shall entitle the Neighborhood Association and, in an appropriate case, one or more aggrieved Owners, to take action to enforce the terms of the Declaration, Bylaws or rules and regulations. In addition to any rights the Neighborhood Association may have against an Owner's family, guests, tenants or occupants, as a result of such person's violation of this Declaration, the Bylaws and rules and regulations of the Neighborhood Association, the Neighborhood Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or occupants.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot and/or Living Unit, and to suspend an Owner's right to vote and/or to use the Neighborhood Common Areas for violation of any duty imposed under this Declaration, Bylaws or Neighborhood Association rules. However, nothing herein shall authorize the Neighborhood Association or the Board of Directors to deny ingress and egress to or from a Lot or Living Unit. If any occupant of a Lot or Living Unit violates this Declaration, Bylaws or Neighborhood Association rules, a fine may be imposed against the Owner and/or occupant, as set forth below. The failure of the Board to enforce any provision of this Declaration, Bylaws or Neighborhood Association rules shall not be deemed a waiver of the right of the Board to do so thereafter.

In any enforcement action taken by the Neighborhood Association under this Section, to the maximum extent permissible, all costs incurred by the Association in abating a violation or otherwise taking action to enforce the Declaration, Bylaws or Neighborhood Association rules, including reasonable attorney's fees actually incurred, may be assessed against the violating Owner and/or occupant pursuant to Article III.

(a) Fining and Suspension Procedure. The Board shall not impose a fine, suspend the right to vote or suspend the right to use the Neighborhood Common Areas, unless and until the Neighborhood Association has sent or delivered written notice to the violator as provided in subsection (i) below. However, compliance with this Section shall not be required for the following: (i) late charges on delinquent assessments; (ii) suspension of voting rights if an Owner is shown on the Neighborhood Association's records to be more than thirty (30) days delinquent in any payment due the Neighborhood Association, in which case suspension of the right to vote shall be automatic; (iii) suspension of the right to use the Neighborhood Common Areas if an Owner is shown on the Neighborhood Association's records to be more than thirty (30) days delinquent in any payment due the Neighborhood Association, in which case suspension of the right to use the Neighborhood Common Areas shall be automatic

(i) Notice. If any provision of this Declaration or Bylaws or any Neighborhood Association rule is violated, the Board shall send the violator written notice identifying the violation and fine(s) and/or suspension(s) being imposed and advising the violator of the right to request a hearing

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

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

(b) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of this Declaration, the Bylaws, or the Neighborhood Association rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking regulations) and/or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity for compliance with the procedure set forth in subparagraph (a) above. Additionally, the Neighborhood Association shall have the authority to record in the Chatham County land records a notice of violation identifying any uncured violation of this Declaration, Bylaws or Neighborhood Association rules and regulations regarding the Lot and Living Unit.

(c) Failure to Enforce. Notwithstanding the above, no right of action shall exist against the Neighborhood Association for failure of enforcement where: (i) the Board determines that the Neighborhood Association's position is not strong enough to justify taking enforcement action; (ii) a particular violation is not of such a material nature as to be objectionable to a reasonable person or justify the expense and resources to pursue; or (iii) the Owner or party asserting a failure of enforcement possesses an independent right to bring an enforcement action therefore at law or in equity and has failed to do so.

8.

Article XII, Sections 3 and 4 of the Declaration are hereby deleted in their entirety and the following new Sections 3 and 4 are substituted therefor:

Section 3. Duration. The covenants and restrictions of this Neighborhood Declaration shall run with and bind the real property in the community perpetually to the extent provided in the Act.

Section 4. Amendment. Except where a higher vote is required for action under any other provisions of this Declaration, in which case such higher vote shall be necessary to amend such provision, this Declaration may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Neighborhood Association holding sixty-six and two-thirds (66-2/3%) percent of the total eligible vote thereof. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and filed in the Chatham County, Georgia land records.

If legal action is not instituted to challenge the validity of any amendment hereto within one (1) year of the recording thereof in the Chatham County, Georgia land records, then such amendment or document shall be presumed to be validly adopted.

9.

Article XII, Section 6 of the Declaration is hereby amended by adding "To the extent provided in O.C.G.A. Section 14-3-1602," to the beginning of the Section.

IN WITNESS WHEREOF, the Declarant has caused this amendment to be executed this _____ day of _____, 2006.

Sworn to and subscribed before me this 20th day of March 2006.

DECLARANT: GENESIS DESIGNER HOMES, LLC., a Georgia limited liability corporation

[Signature]
Witness
[Signature]
Notary Public

By: [Signature]
Title: CEO
Attest: [Signature]
Title: CFO



[Notary Seal]

[Corporate Seal]



Notary Public Chatham County
My Commission Expires
January 26, 2007

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The Bosley Group
P.O. Box 727
Pooler, GA 31322

RECEIVED MAY 02 2006

Clock#: 794089
FILED FOR RECORD
4/21/2006 02:46pm
PAID: 14.00
Superior Court of Chatham County
Chatham County, Georgia

AMENDMENT TO THE BYLAWS OF THE STONELAKE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC.

WHEREAS, Article 7, Section 5 of the By-Laws of the Stonelake Townhomes Proeprty Owners Association, Inc. ("By-Laws"), provides for amendment of the By-laws by the Declarant for so long as it is a Class A member of the Stonelake Townhomes Property Owners Association, Inc. ("Association"); and

WHEREAS, the Declarant is currently a Class A member of the Association and desires to amend the By-Laws for the purpose of submitting the Association and the community to the Georgia Property Owners Association Act as well as for amending certain other portions of the By-Laws.

NOW, THEREFORE, the By-Laws are amended as follows:

1.

Article II, Section 5 of the By-Laws is hereby deleted in its entirety and the following new Section 5 is substituted therefor:

Section 5. Notice of Meetings. The Secretary shall mail or deliver to each Owner of Lots and Living Units of record or to the Lots and Living Units a notice of each annual or special meeting of the Neighborhood Association at least 21 days prior to each annual meeting and at least seven days prior to each special meeting. The notice shall state the purpose of any special meeting, as well as the time and place where it is to be held. The notice of an annual meeting shall state the time and place of the meeting. If any Owner wishes notice to be given at an address other than his or her Lot or Living Unit, the Owner shall designate such other address by written notice to the Secretary. The mailing or delivering of a meeting notice as provided in this Section or in these By-Laws or the Declaration shall constitute proper service of notice.

2.

Article II, Section 7 of the By-Laws is hereby deleted in its entirety and the following new Section 7 is substituted therefor.

Section 7. The presence, in person or by proxy at the beginning of the meeting, of Owners entitled to cast 10% of the eligible vote of the Neighborhood Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. In establishing the total number of eligible votes for a quorum, if a Lot or Living Unit is shown on the Neighborhood Association's books and records to be more than 30 days past due in any assessment or charge, or if the voting rights for a Lot or Living Unit have been suspended, that Lot or Living Unit shall not be counted as an eligible vote.

3.

Article II, Section 11 of the By-Laws is hereby deleted in its entirety and the following new Section 11 is substituted therefor:

Section 11. Action Taken Without A Meeting. In the Board's discretion, any action that may be taken by the Owners at any annual or special membership meeting may be taken without a meeting by written ballot or written consent as provided below.

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(a) Written Ballot.

A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the vote cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the vote of approval equals or exceeds that which would be required to approve the matter at a meeting at which the total vote cast was the same as the vote cast by ballot.

All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter, other than election of Directors; and (c) specify the time by which such ballot must be received by the Board of Directors in order to be counted. A ballot may not be revoked. The Neighborhood Association shall maintain such ballots in its file for at least three years.

Except for amendments to recorded Declaration that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written ballot shall be effective upon the receipt of the affirmative vote necessary to take such action.

(b) Written Consent.

Approval by written consent shall be valid only when the affirmative written consents received equals or exceeds the vote that would be required to approve the matter at a meeting. Consents shall be filed with the minutes of the membership meetings. Except for amendments to the Declaration that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written consent shall be effective 10 days after sending the notice of approval described below.

(c) Notice to Members of Approval.

If an action of the Association membership is approved by written ballot or written consent, the Board of Directors shall issue notice of such approval to all Owners.

3.

Article 3, Section 1 of the By-Laws is hereby deleted in its entirety and the following new Section 1 is substituted therefor:

Section 1. Eligibility, Number and Term.

(a) Eligibility and Number. A Board of Directors composed of five persons shall govern the affairs of the Association. The Directors must be over the age of eighteen and must be Owners who reside in the Property. No Owner and his or her spouse or co-Owner may serve on the Board at the same time. If an Owner is a corporate or institutional owner, one of its principal officers may serve as a Director, so long as the principal officer resides in the Property. If, at the time of an election, a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for a Lot have been suspended, no person representing such Lot shall be eligible for election to the Board. Upon the sale of a director's Lot(s), that director must resign his or her position on the Board of Directors within thirty (30) days of said sale.

(b) Term. Those Directors serving on the date of the execution of this Amendment shall remain in office until the terms for which they were elected expire. Successor Directors shall be elected as provided herein. At the first annual membership meeting following the date of execution of this Amendment, the terms of successor Directors shall be staggered on a one- and two-year basis. Each of the three nominees receiving the highest number of votes shall be elected for a two-year term. Each of the two nominees receiving the next highest number of votes shall be elected for a one-year term. At the expiration of the term of office of each member of the Board of Directors a successor shall be elected to serve for a term of two years, commencing on the date of the election and expiring at the second annual membership meeting after such election. A member of the Board shall hold office until his or her respective successor is elected, he or she is removed, or he or she resigns. At the expiration of a Director's term of office, if a successor cannot be elected for any reason, the existing Director shall continue to hold office and begin serving another term until his or her successor is elected to fill the remainder of such new term, or he or she resigns.

4.

Article 4, Section 8 of the By-Laws is hereby amended by deleting the words "all directors or Members" therefrom and inserting the words "a majority of directors or Members" therefor.

IN WITNESS WHEREOF, the Declarant has caused this amendment to be executed this ____ day of _____, 2006.

(SIGNATURES CONTAINED ON FOLLOWING PAGE)

Sworn to and subscribed before me this 20th day of March, 2006.

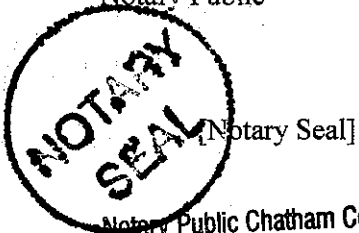
DECLARANT: GENESIS DESIGNER HOMES, LLC., a Georgia limited liability corporation

[Signature]
Witness

By: [Signature]
Title: CEO

[Signature]
Notary Public

Attest: [Signature]
Title: CFO



Notary Seal]
Notary Public Chatham County
My Commission Expires
January 26, 2007

[Corporate Seal]





Swimming Pool Rules

Due to numerous requests from homeowners in our Stonelake community, the Board of Directors has voted to clarify and create rules governing the swimming pool area in order to allow all community members to enjoy their amenities. Please review the familiarize yourself and your family with the rules before your next visit to the swimming pool.

General Rules

1. No lifeguard on duty. All persons using the pool will do so at their own risk. The Association assumes no responsibility for accidents or injury in connection with such use, of/or the loss of damage to personal property.
2. All residents are required to familiarize themselves, their children and their guests with all pool rules and regulations. Members are responsible for their children and guests at all times.
3. The swimming pool is for Stonelake residents and their guests (6 or less).
4. An assigned key is required for admittance to the pool. Only members in good standing will be issued a key. A \$15.00 fee will be charged for replacement of a lost key.
5. Pool capacity is 20 persons in pool at one time.
6. No solo swimming is allowed.
7. A telephone will be provided for emergency use only.
8. Residents 16 years or older may use the pool at their own risk.
9. Members under 16 years of age may not be at the pool without adult supervision.
10. Please remember that all infants and toddlers must have diapers designed for swimming on at all times.
11. Pool gate must remain closed fully at all times.
12. Upon leaving the pool area, please:
 - o Put umbrellas down
 - o Pick up after yourself – trash, toys, etc.

Safety

1. In the event of an emergency or accident dial 911 immediately. A life ring with rope is provided at the side of the swimming pool.
2. No solo swimming is allowed.
3. No running in pool area or diving into the pool.
4. All dangerous games are prohibited.
5. Glass containers and other breakables are prohibited in the pool area.
6. Small toys, balloons and paper are prohibited in the pool area. They pass through the skimmers and damage the pool pumps and filters. Only toys designed for pool use will be allowed.
7. Unruly or intoxicated persons will not be allowed in the pool area.
8. No pets, skateboards, bicycles or other vehicles are allowed in the pool clubhouse area.
9. In the event of thunder or lighting, the pool area and pool area will be cleared promptly for your own safety. Swimming activities may resume after a reasonable period of time.
10. Flotation equipment and ball playing will normally be allowed. Individuals should exercise good judgment when using flotation equipment or playing games in the pool and should take into consideration the number of people using the pool. If there are more than 12 people in the pool, large flotation devices should be removed.
11. Misbehavior, use of abusive or foul language, or apparent intoxication may result in expulsion from the pool area.
12. No one under 21 years of age may possess or consume alcoholic beverages.
13. Please instruct children to refrain from playing with the drain grills/ covers and skimmer flaps / covers.
14. No POA property or furnishing (tables, chairs, chaise lounges, etc.) shall be removed from the pool area.



Health

1. Persons with communicable diseases open sores or infectious eyes will not be allowed to use the pool.
2. Gum chewing is prohibited in the pool area.
3. Suntan oil must be washed off before entering the pool. Waterproof lotions are permitted and recommended.
4. No food is allowed while in the pool, but may be consumed at the tables located away from the pool
5. Trash receptacles are provided. Please dispose of all trash properly. Help keep the pool and pool/clubhouse areas safe and clean.

Other

1. When using radios, CD players, etc., please be considerate of other residents. If the volume of your radio or CD player disturbs another party, you must turn the volume down immediately upon request.
2. Chaise lounges are at a premium. If you or your family member are not actively sitting in the lounge chair, please allow other homeowners and residents the first option to use the chaise lounges.
3. Pets may not be brought into the pool, left outside loose or tied to the fence, trees or other objects.
4. Homeowners and residents causing property damage will be held financially responsible. The resident will also be responsible for damages caused by member of their household or their guests.
5. Each homeowner and resident is encouraged to assist in preserving the appearance, cleanliness and safety of the pool area.

Guest Privileges

1. Guests of homeowners and residents are welcome, however, each Living Unit is limited to six (6) guests at one time. Having more than six guests constitutes a party which must be booked in advance.
2. The homeowner or resident member must accompany guests at all times

Parties

1. Residents and homeowners of Living Units may host parties at the swimming pool provided that they are booked and paid for in advance. A party is considered seven or more non-Stonelake resident guests.
2. During a scheduled party, homeowners and residents may access the pool for personal use.
3. Parties are not permitted during holidays and or holiday weekends during the swimming season.
4. Parties must end by 10:00 p.m. Authorities may be called if party exceeds 10:00 p.m.
5. Clubhouse and pool area must be cleaned prior to responsible party leaving including returning all furniture to its original location and removing all trash and placing it in the community dumpster.
6. Everyone must pay for a party. No exceptions unless it is a party hosted by the Stonelake POA for POA members.
7. Reservation form must be completed and returned 48 hours prior to scheduled party. The reservation form can be found at www.stonelaketownhomes.com.
8. Parties held without advance reservations will be subject to the regular fee plus a \$50 penalty fee.
9. Parties are to be used for social purposes only not for any activity which would yield personal monetary gain.
10. The fee for a party is \$100 throughout the swimming season for 3-hour time slot (\$50 for each additional hour) and \$50 off season. A refundable cleaning deposit of \$100 is also required. The deposit will be refunded provided that the pool is returned to its original condition and all trash is removed and placed in the community dumpster (not the pool garbage cans).

Stonelake Property Owners Association, Inc.

Rule Enforcement Resolution No. 1

WHEREAS, Article 3 of the Stonelake Property Owners Association Inc. Bylaws grant the Board of Directors with the power to conduct Association business; and,

WHEREAS, there is a need to adopt specific rules regarding the enforcement of the covenants; and,

WHEREAS, it is the intent that this Resolution will apply to all owners, guests, tenants, invitees, or any other person with access to the Community and will remain in effect until otherwise rescinded, modified or amended by a majority of the Board of Directors,

NOW, THEREFORE, LET IT BE RESOLVED THAT the following rules for non-compliance with the covenants are hereby adopted by the Board of Directors:

1. The Board of Directors (or the Property Manager) is authorized to enforce the rules of the Association.
2. Rule violations are to be reported to the Board of Directors (or Property Manager) in writing and signed by the complainant. The complaint will be investigated as soon as possible.
3. If the reported violation is accurate, written notice will be sent to the alleged violator describing the nature of the violation, the proposed sanction to be imposed, the period in which to cure and the right to request a hearing.

4. If the violation is not corrected within ten (10) days a fine of \$100.00 plus \$25.00 per day will be levied, per violation against the Violator until the violation is corrected.
5. All fines are subject to the attached collection policy if unpaid.
6. Any Owner receiving a rules violation notice that believes no violation occurred, may submit a written explanation to the Board of Directors within ten (10) days of Notice of Violation. The owner will be provided an opportunity for a hearing and no enforcement fee will be imposed until after the hearing.
7. Notwithstanding anything to the contrary in this Resolution the Board of Directors may elect to enforce any provision of the Governing Documents by any and all other remedies that may be available to the Association.

APPROVED:

DATE: 4-21, 2005



President - Board of Directors

Recorded in the Book of Minutes: April, 2005