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Penalty:

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**DECLARATION OF CONDOMINIUM
OF
THE COTTON EXCHANGE,
a condominium
in Athens-Clarke County, Georgia**

**DECLARANT: ATHENS ARCHES, LLC,
a Georgia limited liability company**

**LOCATION: 269 NORTH HULL STREET,
ATHENS, GEORGIA**



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**DECLARATION OF CONDOMINIUM
OF
THE COTTON EXCHANGE,
a condominium
in Athens-Clarke County, Georgia**

THIS DECLARATION is made, executed and recorded to submit the property hereinafter described and the improvements thereon to the condominium form of ownership under the Georgia Condominium Act.

1. **SUBMISSION.** ATHENS ARCHES, LLC, as the owner of the property described as "Property" on Exhibit "A" hereto attached and made a part hereof by reference, does hereby submit such property and the improvements constructed thereon pursuant to the provisions of the Georgia Condominium Act, Act 463, Georgia Laws 1975, p. 609 as amended (the "Act"). From and after the date that this Declaration is recorded with the Clerk of the Superior Court of Athens-Clarke County, Georgia, such property and all of the improvements constructed thereon, shall be owned, held, transferred, sold, conveyed, used, occupied, mortgaged or otherwise encumbered subject to the terms and provisions of this Declaration and of the Act.

2. **DEFINITIONS.** Unless the context requires otherwise the terms defined in the Act shall have the same meanings for purposes of this Declaration as are ascribed to them by the Act. In addition, as used in this Declaration, the Articles of Incorporation, the Bylaws and the other condominium instruments, the following terms shall have the meanings indicated herein below, all of such definitions being cumulative of those contained elsewhere in this Declaration.

(a) "Act" shall mean the Georgia Condominium Act, Georgia Laws 1975, p. 609, as the same is or may be hereinafter amended.

(b) "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as the same may be hereinafter amended.

(c) "Association" shall mean The Cotton Exchange Condominium Association of Athens, Inc., a Georgia non-profit membership corporation formed for the purpose of exercising the powers of the Association under this Declaration, the Articles of Incorporation, the Bylaws, and the Act.



(d) "Board of Directors" or "Board" shall mean the Board of Directors of the Association, the members of which shall be appointed and elected from time to time as provided in this Declaration, the Articles of Incorporation, the By-Laws, and the Act. The Board of Directors shall be the governing body of the Association.

(e) "Building" shall mean all structures or structural improvements located on the Condominium Property and forming part of the Condominium.

(f) "By-Laws" shall mean the By-Laws of the Association, as the same may be hereafter amended.

(g) "Commercial Limited Common Elements" shall mean that portion of the Limited Common Elements reserved for the exclusive use of those entitled to occupy the Commercial Unit, as more particularly set out in the Declaration.

(h) "Commercial Unit" shall mean that space on the ground (first) floor of the Condominium designated as Commercial Unit as shown on the Plans for the Condominium recorded in the Office of the Clerk of the Superior Court of Athens-Clarke County, Georgia, as such Plans may be, from time to time, supplemented or amended and as the boundaries of such Commercial Unit may be altered pursuant to Section 6(c) of this Declaration, and being primarily designed for commercial uses but may be used for any other lawful purpose.

(i) "Common Element(s)" shall mean that portion of the property subject to this Declaration which is not included within the boundaries of a Unit, as more particularly described in this Declaration.

(j) "Common Expenses" shall mean expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

(k) "Condominium" or "Condominium Property" shall mean those tracts or parcels of land and all improvements thereon described in Exhibit "A" hereto attached and by reference incorporated herein, submitted to the provisions of the Act by this Declaration.

(l) "Condominium Instruments" shall mean this Declaration and all exhibits thereto, the By-Laws of the Association, the Articles of Incorporation of the Association, any Rules and Regulations promulgated by the Board of Directors of the Association, and the Condominium Plat and Plans (as defined below), all as may be supplemented or amended from time to time.

(m) "Declarant" shall mean Athens Arches, LLC, a Georgia limited liability company, its successors and assigns, specifically including, but not limited to, any mortgagee who, through foreclosure or deed in lieu of foreclosure or other transfer, comes to stand in the same relation to the condominium as the present Declarant. No successor or assignee of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in the instrument of succession or assignment, or unless such rights pass by operation of law.



(n) "First Lien Mortgage" shall mean a deed to secure debt or mortgage on a unit and its undivided interest in the common elements which gives to the holder thereof a first and superior lien and security title on and to such unit and undivided interest.

(o) "Limited Common Elements" shall mean that portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as more particularly set out in the Declaration.

(p) "Owner" or "Unit Owner" shall mean each record title holder of a Unit within the Condominium but shall not include a mortgagee.

(q) "Occupant" shall mean a person or persons in possession of a Unit, regardless of whether that person is the Unit Owner.

(r) "Parking Space" shall mean a designated space in the Parking Area in the underground level of the Condominium for the sole purpose and use as a location to park personal automobiles and similar sized vehicles.

(s) "Parking Area" shall mean the designated Parking Spaces located in the underground level on the Condominium Property designated for parking of personal automobiles and similar sized vehicles.

(t) "Person" shall mean any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

(u) "Residential Limited Common Elements" shall mean that portion of the Limited Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, of the Residential Units, as more particularly set out in the Declaration.

(v) "Residential Unit" shall mean all Units designated as "Residential Units" and being located on the second floor of the Condominium as shown on the Plans for the Condominium recorded in the Office of the Clerk of the Superior Court of Athens-Clarke County, Georgia to be occupied for residential and "home occupation" purposes (as defined below).

(w) "Rules and Regulations" shall mean the Rules and Regulations that may from time to time be approved by the Association or by the Board of Directors.

(x) "Unit" or "Units" shall mean collectively the Commercial Unit and the Residential Units and shall be further defined as that portion of the Condominium intended for individual ownership and use for which title has been conveyed by the Declarant to another party or for which a certificate of occupancy has been issued, as more particularly described in the Condominium Instruments.

3. NAME. The name of the Condominium is "The Cotton Exchange, a condominium".



4. **COUNTY.** The Condominium is located in Athens-Clarke County, Georgia.

5. **DEVELOPMENT PLAN.** The development plan for the Condominium Property shall consist of a total of seventeen (17) Residential Units located on the second floor of the Building, one (1) Commercial Unit (subject to subdivision pursuant to O.C.G.A. Section 44-3-92) located on the first (ground) floor of the Building and Common Elements or Limited Common Elements located on the each of the floors including the underground (basement) level of the Building, each including a certain parcel of land and the unit located thereon. The plat consisting of three pages is recorded at Plat Cabinet H, pages 27G, 27H and 27I, Athens-Clarke County, Georgia Records (the "Condominium Plat"), shows the location and dimensions of the property, the locations and dimensions of the vertical boundaries of each completed unit, the locations and dimensions of all completed structural improvements located on the property, to the extent feasible, the location of easements to which the property is subject, the identifying numbers of the Units located on the property, the location and dimension of any Limited Common Elements appurtenant to each Unit and the location and dimensions of Residential Limited Common Elements appurtenant to some or all of the Residential Units and the location and dimensions of the Commercial Limited Common Elements appurtenant to the Commercial Unit. The units on the property have been constructed substantially in accordance with the survey and the plans which have been filed simultaneously with the filing of this Declaration in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia.

6. **UNITS.** Each Unit, together with its undivided interest in the Common Elements shall for all purposes constitute a separate parcel of real property, which may be owned, held, transferred, sold, conveyed, used, occupied, mortgaged, or otherwise encumbered in the same manner as any other parcel of real property, subject to the provisions of this Declaration and the Act. Each Unit Owner shall be entitled to the exclusive ownership and possession of the Unit or Units owned by him, subject to the provisions of this Declaration and the Act. Each Unit shall include all of the space and improvements within the boundaries thereof.

(a) **Boundaries.** The lower horizontal boundaries of any Unit shall be the upper surfaces of the floor joists of the lowermost floor of such unit. The upper horizontal boundary of any Unit shall be the uppermost surface of the joists which are the ceiling joists for the uppermost floor of such unit. The vertical (lateral) boundary of each Unit shall be the unfinished interior surface of any exterior walls of the building and if a unit has a common wall, the centerline of the common wall. If applicable, all of the aforesaid boundaries shall be extended to the intersections with each other.

All exterior doors and exterior windows located within each Unit and all lathe, wallboard, plasterboard, plaster, paneling, molding, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces of such Unit shall be deemed a part of such Unit; all other portions of the walls, floors, or ceilings shall be deemed part of the Common Elements. Except as otherwise provided herein, all space, interior partitions, and other fixtures and improvements within the boundaries of a Unit shall be deemed part of the Unit.

Heating and air conditioning systems serving only a single Unit (including any part of such system located outside the boundaries of a Unit), all duct work for heating and air conditioning systems and



appliances and plumbing fixtures within a Unit, shall be part of the Unit. To the extent any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially inside of the designated boundaries of a Unit, any portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

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

(b) **Relocation of Boundaries Between Units.** The boundaries between adjoining units may be relocated from time to time, such relocation to be made in accordance with Section 27 of the Act.

(c) **Subdivision of the Commercial Unit.** The Commercial Unit may be subdivided into one or more units pursuant to O.C.G.A. Section 44-3-92.

7. **COMMON ELEMENTS.** The Common Elements consist of all portions of the Condominium not located within the boundaries of a Unit. Ownership of the Common Elements shall be by the Unit Owners as tenants-in-common. The ownership interest in the Common Elements shall be an undivided interest, and except as provided in the Act and this Declaration shall remain undivided. No Owner shall bring any action for partition or division of the Common Elements. The ownership interest in the Common Elements shall not be conveyed, transferred, encumbered or otherwise affected separate from the ownership of the Unit, and any agreement to the contrary shall be void. Except as provided for Limited Common Elements or as otherwise provided herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners. Each Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from the Unit over any portions of the Condominium designated for such purpose) and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an Easement of support for the benefit of the abutting Unit or Units.

8. **LIMITED COMMON ELEMENTS.** The Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of those persons who are entitled to the use of the Units to which such Limited Common Elements are assigned. The Limited Common Elements shall be assigned as follows:

(a) **Residential Units.** As to the Residential Units, all portions of the Common Elements designated as exclusive to the Residential Units including the elevator lobby area, the elevator, the mailboxes within the elevator lobby area, stairs and stairways serving only the second floor, any steps,

ramps, porches serving only a particular Residential Unit, any portion of the heating and air conditioning system serving a particular Residential Unit or Units, or Parking Spaces designated as exclusive to a Residential Unit pursuant to Section 15.03(a) herein shall be Residential Limited Common Elements, reserved for the exclusive use of those Persons who are entitled to use the Unit or Units which is or are served by such heating and air conditioning systems, entrance area, or Parking Spaces.

There is presently personal property of the Declarant located in the elevator lobby area to enhance the architectural aesthetics of the area including antique dollies and pullies. This personal property is not affixed to the real estate and shall remain the personal property of Declarant, subject to removal by Declarant at any time.

(b) **Commercial Unit.** As to the Commercial Unit, all portions of the Common Elements designated as exclusive to the Commercial Unit including any areas designated as Commercial Limited Common Elements on the Plans and Condominium Plat, the areas on the underground level of the Condominium designated as Commercial Limited Common Elements including but not limited to, the coolers and potential storage areas identified on the Plans, any entrances, steps, ramps, or any portion of the heating and air conditioning system serving the Commercial Unit or the Parking Spaces designated as exclusive to the Commercial Unit pursuant to Section 15.03(a) herein shall be Commercial Limited Common Elements, reserved for the exclusive use of those Persons who are entitled to use the Commercial Unit.

9. **ADDITIONAL LIMITED COMMON ELEMENTS.** The Board, without a membership vote, is hereby authorized to assign and to reassign Limited Common Elements, provided that any such assignment or reassignment shall be made in accordance with the provisions of Section 44-3-82 of the Act, as amended. A Common Element not previously assigned as a Limited Common Element may be so assigned and a Limited Common Element may be reassigned by the Board, without the need for a vote of the Association, upon written application to the Association by the Owner or Owners for whose exclusive use such Common Element is requested or whose use of the Limited Common Element previously assigned is directly affected. Upon such application, the Association shall prepare and execute an amendment to the Declaration assigning the Common Element as a Limited Common Element or reassigning the Limited Common Element, which amendment shall be executed by the Owner or Owners making such application. Such amendment shall be delivered and become effective as provided in Section 44-3-82 of the Act. For so long as Declarant owns a Unit, an amendment to assign a Common Element, not previously assigned as a Limited Common Element shall be executed by the officers of the Association, if the request is made by Declarant. The Board has the right to approve or disapprove any such request made by any Person other than Declarant.

10. **ALLOCATION OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS.** Each Residential Unit and the Commercial Unit shall be allocated an undivided interest in the Common Elements as shown on Exhibit B attached hereto. The percentage of undivided interest in the Common Elements attributable to the Residential Units and the Commercial Unit is determined by dividing the square footage of the Unit by the total square footage of the gross areas of the Residential Units and Commercial Units.



11. **ALLOCATION OF VOTES IN THE ASSOCIATION.** Each unit owner shall be allocated the number of votes in the Association as shown on Exhibit B attached hereto.

12. **ALLOCATION OF LIABILITY FOR COMMON EXPENSES.** It is the intention to assess Common Expenses in an equitable manner based upon the benefit received by each Unit from such expense. The Board of Directors shall have the power to assess specifically pursuant to this Section and to Section 44-3-80(b) of the Act, as amended, as in its discretion, it deems appropriate. It is the intention that Common Expenses benefiting less than all of the Units or significantly disproportionately benefiting all Units shall be specifically assessed equitably among all of the Units which are benefiting according to the benefit received. For example, the premium for the insurance policy required by Section 22(a)(i) is calculated as being disproportionately higher because of the Residential Units and the premium for such insurance will be allocated disproportionately by the Board in determining liability for Common Expenses. Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Occupant(s), licensees or invitees of any such Unit or Units may be specifically assessed against such Unit or Units. Nothing contained herein is intended as being violative of Section 44-3-80(b)(4) of the Act but rather is intended to equitably apportion the Common Expenses.

Unless otherwise allocated by the Board of Directors as delineated above, each Unit shall be allocated a share of the liability for Common Expenses as follows:

(a) **Residential Units.** The Residential Units shall be solely responsible for all Common Expenses relating to (i) all Common Elements located on the second floor of the Building containing the Residential Units, (ii) the elevator lobby and entryway thereto, the mailboxes in the elevator lobby, the elevator and the stairwells serving only the second floor of the Building, (iii) water is provided to all Residential Units from a single source with a single meter and two common hot water heaters; and (iv) a proportionate prorata share of all insurance obtained by the Association attributable to the Residential Units; and (v) any other expenses related to the Residential Limited Common Elements. The percentage of liability in the Residential Limited Common Expenses attributable to each Residential Unit is determined by dividing the square footage of the particular Residential Unit by the total square footage of all Residential Units.

In addition to the above, the Residential Units shall also be responsible for a prorata share of all Common Expenses relating to (i) exterior maintenance of Building and the roof, (ii) all exterior landscape maintenance, (iii) all exterior lighting and common utilities, (iv) management fees, if any, and expenses of administration of the Condominium, and (v) such other costs and expenses as may be determined from time to time by the Board including any reserves established by the Board (the "Joint Common Expenses").

(b) **Commercial Units.** The Commercial Unit(s) shall be solely responsible for all Common Expenses relating to (i) a proportionate prorata share of all insurance obtained by the Association attributable to the Commercial Unit(s); and (ii) any other expenses related to the Commercial Limited Common Elements. Should the existing Commercial Unit be subdivided into two or more units pursuant to



O.C.G.A. Section 44-3-92, the percentage of liability in the Commercial Limited Common Expenses attributable to each Commercial Unit shall be determined by dividing the square footage of the particular Commercial Unit by the total square footage of all Commercial Units.

In addition to the above, the Commercial Units shall also be responsible for a prorata share of all Joint Common Expense.

(c) **Percentage of Liability for Joint Common Expenses.** The percentage of liability in the Joint Common Expenses attributable solely to each Unit is determined by dividing the square footage of the Unit by the total square footage of all Units and is delineated for each Unit in Exhibit B attached hereto.

13. **POWERS OF THE ASSOCIATION AND BOARD OF DIRECTORS.** The powers of the Association and the Board of Directors shall be as set forth, and shall be subject to the limitations and restrictions set forth in the Act, the Georgia Nonprofit Corporation Act, this Declaration, the Articles of Incorporation and the Bylaws of the Association.

14. **PREPARER OF DECLARATION.** The name and address of the attorney who prepared this Declaration is Michael A. Morris of Blasingame, Burch, Garrard & Ashley, P.C., P.O. Box 832, Athens, Georgia 30603.

15. **USE AND RESTRICTIONS.**

15.01 **Residential Units.** For the purpose of assuring the maximum enjoyment of the Condominium by all of the Owners and Occupants thereof, the use of the Residential Units shall be only in accordance with the following provisions:

(a) **Residential Use.** All Units shall be restricted exclusively to residential use; provided, however, nothing contained herein shall prohibit a Residential Unit from being occupied and used for a "home occupation" as defined in Section 9.2.1 of the official Zoning Ordinance of Athens-Clarke County, Georgia. Except for a "home occupation", no Residential Unit or any Limited Common Element, or any portion thereof, shall at any time be used for any commercial, business or professional purpose; provided that the Declarant may conduct sales and promotional activities on the Property with respect to Units owned by it and may maintain such Units as model units; and provided further, that nothing contained in this Declaration shall be construed as prohibiting the use of Units for rental purposes. The Common Elements shall be used exclusively for the recreational and service purposes for which they are intended.

(b) **Pets.** Small dogs, cats, or other small domestic household pets, weighing not more than twenty five (25) pounds each, may be kept by the respective Unit Owners or Occupant in the respective Units; provided however, no more than two (2) pets shall be allowed per individual Residential Unit. Whether a pet meets such standards shall be in the reasonably exercised discretion of the Board of Directors. Animals or pets not meeting such standards or causing a nuisance must be promptly removed from the Property by a Unit Owner or Occupant of a Unit upon being instructed to do so by the Board of Directors. Every Unit Owner and Occupant shall be liable to the Association for a fine of \$25.00 per day



for each and every day such Unit Owner or Occupant shall fail to so remove his pet or animal after being instructed to do so by the Board of Directors.

No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. No structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Elements, including Limited Common Elements, without prior written Board approval. No pets are allowed on any portion of the Common Elements; provided, however, an Owner or Occupant may walk a pet across the Common Elements to enter or exit the Condominium property. Dogs must be kept on a leash and be under the physical control of a responsible person at all times while on the Common Elements, but excluding the Limited Common Elements. Feces left by pets upon the Common Elements must be removed promptly by the Owner of the pet or the person responsible for the pet.

No potbellied pigs, snakes, American Pit Bull Terriers, Rotweillers, Doberman Pinschers, monkeys, non-domesticated felines, or other animals determined in the Board's sole discretion to be dangerous may be brought onto or kept on the Condominium at any time. The Board may require that any pet which, in the Board's opinion, endangers the health of any Owner or Occupant or creates a nuisance or unreasonable disturbance, be permanently removed from the Condominium upon seven (7) days written notice. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet and/or obtain a court order requiring the Owner or Occupant to do so. Without prior notice to the pet's owner, the Board may remove any pet, which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any community member.

Any Owner or Occupant who keeps or maintains any pet upon the Condominium shall be deemed to have agreed to indemnify and hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

15.02 **Commercial Units.** For the purpose of assuring the maximum enjoyment of the Condominium by all of the Owners and Occupants thereof, the use of the Commercial Units shall be only in accordance with the following provisions:

(a) **Retail/Commercial Use.** The Commercial Unit may be used for any legal purposes permitted by applicable zoning ordinance and use restrictions, provided such use or activity does not constitute a nuisance or hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as may be determined in the reasonable discretion of the Board. An activity that is permitted under applicable zoning ordinances and this Declaration shall not constitute a public or private nuisance. The Commercial Unit must comply with all federal, state and local laws and ordinances related to the sale of alcoholic beverages. Except as otherwise specifically provided for herein, no tenant, employee, visitor, guest or invitee of a Commercial Unit shall have access, ingress, or egress to or through any portion of the Condominium except through said Commercial Unit or the stairwells from the underground level to the Commercial Unit. The Common Elements shall be used exclusively for the recreational and service purposes for which they are intended.

(b) **Prohibited Uses.** No Commercial Unit, or any portion thereof, may be used for (i) any nude or semi-nude dancing establishment; (ii) any so-called adult or X-rated book or X-rated video store; (iii) any so-called "head shop" selling or displaying illegal drug paraphernalia; (iv) any sexually explicit products; or (v) an abortion clinic.

15.03 **All Units.** For the purpose of assuring the maximum enjoyment of the Condominium by all of the Owners and Occupants thereof, the use of all Units shall be only in accordance with the following provisions:

(a) **Reserved Parking Spaces.** As part of the Condominium, Declarant is designating seventeen (17) parking spaces within the Parking Area on the underground level pursuant to the Plans and Condominium Plat as reserved for the exclusive use for parking a two or four wheeled vehicle of Owners or Occupants of the Residential Units, with the designated Parking Space for each Residential Unit being a Limited Common Element appurtenant to the particular Residential Unit. Each Residential Unit is being assigned one (1) parking space for the exclusive use of its Owner or an Occupant of the Residential Unit available to that Unit 24 hours per day, 365 days a year. Under no circumstance shall any Owner or Occupant of a Residential Unit charge a fee to allow anyone not occupying a Residential Unit to park in the Residential Unit's designated space. All Parking Spaces not designated for the exclusive use of the Residential Units as shown on the Plans and Condominium Plat shall be reserved for the exclusive use of the Owner or the designee of the Owner of the Commercial Unit(s) available to the Commercial Unit(s) 24 hours per day, 365 days a year. The parking spaces shall be used only for parking of two or four wheeled vehicles and for no other purpose. Under no circumstance, shall a parking space be used for storage purposes. Bicycles and/or motorcycles belonging to Owners or Occupants may also be parked in designated parking spaces shown on the Plat for such vehicles.

(b) **Size and Types of Permitted Vehicles in Parking Areas.** Only a passenger automobile or a pick-up truck in operating condition with a then current effective license tag may be parked upon or in designated automobile Parking Areas and Parking Spaces. The Board may cause property stored or parked in violation of the provisions of this paragraph to be removed at the expense of the Unit Owner who parked or stored the same or whose lessee, invitee, or lessee's invitee parked or stored the same, or at the expense of the Unit Owner on whose behalf of the same is parked or stored, or who caused or permitted such parking or storage. The cost of removal and further storage shall be assessed against the Unit Owner liable for such cost hereunder. Provided, however, that Declarant and its agents may park such trucks, vehicles or equipment in the Parking Area or Common Elements as are necessary to provide maintenance to any Unit, Common Element or Limited Common Element.

(c) **Motorcycles, Motorscooters.** In lieu of a passenger automobile or a pick-up truck, motorcycles (including motor bikes or minibikes), motor scooters, and similar vehicles may be utilized by Occupants and parked upon or in designated Parking Spaces but may be used only on the streets and the paved common elements, and then only for transportation to a Unit and to leave the Property, and not for recreation in itself or for joy riding.



(d) **Nuisances.** No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of the Property so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to the Owners or Occupants of any Units. No nuisance shall be permitted to exist or operate upon any portion of the Property. Without limiting the generality of any of the foregoing, no exterior speakers, horns, whistles, or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on the Property, or any portion thereof.

(e) **Compliance by Unit Owners, Occupants and Lessees.** Each Unit Owner shall cause his lessee, to comply with all of the restrictions set forth in this Article 15 and such other reasonable rules and regulations concerning the use of the Property as may be made and amended from time to time by the Board pursuant to Article 24 of this Declaration, notwithstanding the fact that such lessee is fully liable for any violation of such restrictions, rules and regulations. All agreements by which a Unit is leased shall provide that the terms of such lease shall be subject in all respects to all of the terms and provisions of the Declaration and the Bylaws, and that any failure by the lessee to comply with the terms of such documents shall be a default under such lease agreements.

(f) **Leasing of Units.** The leasing of Units shall be subject to the following:

(i) Residential Units may be leased only in their entirety; no fraction or portion may be Leased without prior written approval of the Board. All rentals must be for an initial term of not less than three (3) months. All leases shall be in writing. There shall be no subleasing of Residential Units or assignment of leases without the prior written approval of the Board.

(ii) Commercial Units may be leased for any period of time subject to the use restrictions contained herein.

(iii) Within seven (7) days after executing a lease agreement for the lease of a Residential Unit, the Unit Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Unit.

(iv) Within seven (7) days after executing a lease agreement for the lease of a Commercial Unit, the Unit Owner shall provide the Board with a memorandum of the lease specifying pertinent terms of the lease including the term of the lease, the name of the lessee, pertinent contact information of the lessee, and the nature and type of commercial enterprise being conducted at the Unit.

(v) Units may be leased by Unit Owners subject to the covenants and restrictions of this Declaration and subject to the rules and regulations governing leasing established by the Board of Directors.

(vi) Any lease agreement shall be required to provide that the lessee, sublessee, his invitees, employees and guests comply with the terms of the Declaration and that any failure by the lessee, sublessee, his invitees, employees or guest to comply with the terms of such documents shall be a default under the lease.

(g) **Sale by Mortgagee.** Should the holder of a first lien mortgage on any Unit become the fee simple owner of such Unit through foreclosure or any other means pursuant to the satisfaction (in whole or in part) of the indebtedness secured by such mortgage or desire to sell under the power of sale contained in its mortgage, the sale of such fee simple interest or any lease or disposition of any interest in the Unit by



such mortgagee pursuant to the satisfaction (in whole or in part) of the indebtedness secured thereby may be accomplished without regard to the restrictions contained in this Article 15; provided, however, that the purchaser or lessee of such Unit from such mortgagee shall take title to such unit subject to all of the provisions of this Article 15, this Declaration and the Act.

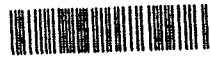
(h) **Prohibited Activities.** No noxious or offensive activity shall be carried on in any Unit, or upon any Limited Common Element or Common Element. Each Unit Owner or Occupant, his/her invitees and guests, shall refrain from any act or use of his Unit or Limited Common Elements or Common Elements, which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other owner or occupant of the Property.

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

(j) **Heating of Units in Colder Months.** In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Condominium, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five degrees (55) Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two degrees (32) Fahrenheit or below. Owners and Occupants of Units shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. At any time during the months specified above when the heating equipment is not working properly, the Owner or Occupant shall immediately inform the Association of this failure of the equipment and of the time needed to repair the equipment. The Board may fine any Owner or Occupant up to Five Hundred and No/Dollars (\$500.00) or may cause the water service to the violator's Unit to be discontinued for violation of this subparagraph, in addition to any other remedies of the Association.

(k) **Rubbish, Trash, and Garbage.** All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No rubbish, trash or garbage shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily or otherwise, and shall be moved to the Condominium trash facilities for collection or otherwise removed from the Condominium by an Owner or Occupant.

(l) **Unsightly or Unkempt Conditions.** The pursuit of hobbies or other activities, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit.



(m) **Garage Sales**. No garage sale, yard sale, flea market, or similar activity shall be conducted in any portion of the Condominium without prior written Board consent. If so permitted, any such activities shall be subject to all reasonable conditions that the Board may impose.

(n) **Window Treatments**. Unless otherwise approved in writing by the Board, all windows in Units shall have window treatments and any portion thereof visible from outside the Unit shall be white or off-white in color.

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

The following shall apply to all Unit Owners:

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

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

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

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

(p) **Abandoned Personal Property**. Personal property, other than vehicles as provided for in subparagraph 15(b) and (d), shall not be stored, kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements, other than on a Limited Common Element, without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Unit, if known, the Board may remove and either discard or store the personal property in a location which the Board or the agent of the Association may determine and shall have no obligation to return, replace or reimburse the owner of the property. The notice shall include the name and telephone number of the Person

which will remove the property and the name and telephone number of a Person to contact regarding the alleged violation.

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

Neither the Association nor any director, officer or agent thereof shall be liable to any Person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements.

(q) **Elevator**. The elevator may not be used for moving furniture in or out of the Condominium except during hours to be determined by the Board; provided however that an Owner or Occupant reserves a date and time with the Board to use the elevator for moving furniture in or out of a Residential Unit and provided that during such moving, the walls of the elevator shall be covered with padded blankets. Further, an Owner or Occupant shall be liable to the Association for any damages caused during moving in or out of a Residential Unit, including but not limited to damage to the floor or walls of the lobby, the elevator, or the hallways of the building.

(r) **Sale Period**. Notwithstanding any provisions contained in this Declaration to the contrary, during the period of the sale of the Units it shall be expressly permissible for Declarant, its contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Condominium as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the sale of the Units, including, but without limitation, business offices, signs, model Units and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the Units owned by Declarant as model Units and as offices for the sale of the Units and related activities.

15.04 **Use of Common Elements Including Amenities**. There shall be no obstruction of the Common Elements, nor shall anything be kept, parked, or stored on or removed from any part of the Common Elements without the prior written consent of the Board, except as specifically provided herein. With prior written Board approval, and subject to any restrictions imposed by the Board, Owner(s) and/or Occupant(s) may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner(s) and/or Occupant(s) who reserve a portion of the Common Elements as provided herein shall assume, on behalf of himself/herself/themselves and his/her/their Occupants, guests and family, all risks associated with the use of the Common Elements and all liability for any damage or injury to any Person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees. There shall be no use of the roof of the building by



the Owners, Occupants, their family members, guests, tenants, invitees, agents or contractors. The Association and its agents and contractors shall have access to the roof for performing its maintenance and repair responsibility. There shall be no gardening or landscaping on the Common Elements by Owners or Occupants without the prior written consent of the Board. This subparagraph shall not apply to Declarant, for so long as Declarant shall own a Unit for sale.

The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements.

15.05 **Use of Limited Common Elements**. Except as otherwise provided herein, the use of the Residential Limited Common Elements assigned to the Residential Units is restricted exclusively to the Owners of the Residential Unit to which such Residential Limited Common Elements are assigned, and said Owner's Occupants, guests, family members and invitees; provided however, noises or vibrations are prohibited in any Residential Unit between the hours of 11:00 p.m. and 7:30 a.m. which can be heard or felt by persons in another Unit that will, in the Board's sole discretion, unreasonably interfere with the rights, comfort or convenience of any other Owner, members of his or her family, guests, invitees, or Occupants of his or her Unit. No Owner or Occupant of a Commercial Unit may use or allow the use of the Unit or the Common Elements in any manner which creates noises or vibrations between the hours of 1:00 a.m. and 7:30 a.m. which can be heard or felt by persons in another Unit that will, in the Board's sole discretion, unreasonably interfere with the rights, comfort or convenience of any other Owner, members of his or her family, guests, invitees, or Occupants of his or her Unit. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

No Owner, Occupant or agent of such Owner or Occupant shall do any work which, in the reasonable opinion of the Board of Directors or its designee, would jeopardize the soundness or safety of the Condominium or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto, without in every such case the unanimous, prior written consent of all members of the Association and their Mortgagees.

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

16. **REPAIR AND MAINTENANCE**. The repair and maintenance of the Property shall be in accordance with the following terms and conditions:

(a) **Units**. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit and all improvements made by the Owner to the Limited Common Elements assigned to the Unit except any portion of a Unit which is expressly made the maintenance obligation of



the Association as set forth herein. This maintenance responsibility shall include, but not be limited to the following: all glass surfaces (excluding exterior cleaning), casings and locks; all doors, doorways, door frames, and hardware that are part of the entry system of the Unit (except for periodic painting, staining and/or cleaning of the exterior surface of entry doors and door frames facing the hallway of the Condominium); all portions of the heating and air conditioning system, including the air conditioning compressor and the fan coil serving the Unit; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or without a Unit's boundaries (including all electricity, water, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus serving only the Unit).

In addition, each Owner shall have the responsibility:

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

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

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

(iv) to pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, his or her family, tenants or guests, with the cost thereof to be added to and become part of the Owner's next chargeable assessment. The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other Person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, unless such injury or damage results directly and solely from the negligence or gross negligence of the Association, except for injuries or damages arising after the Owner of a Unit has put the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to any Owner, or any Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Paragraph where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. The Board of Directors, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work

involving portions of the Condominium which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage.

Mold and/or mildew can grow in any portion of the Condominium that is exposed to elevated levels of moisture. The Association and each Owner agree to: (i) regularly inspect the parts of the Condominium that they respectively maintain, and which are visible and accessible without having to first remove building components or conduct invasive testing, for the existence of mold, mildew, and/or water intrusion (except when the water intrusion is part of the normal functioning of improvements and appliances such as showers, sinks, dishwashers, and other similar appliances and improvements) and/or water damage; (ii) upon discovery, immediately repair in a good and workmanlike condition the source of any water intrusion in the parts of the Condominium that they respectively maintain; (iii) remediate or replace, in accordance with current industry accepted methods, any building material located in the parts of the Condominium that they respectively maintain that has absorbed water or moisture as a result of water intrusion; and (iv) promptly and regularly remediate in accordance with current industry- accepted methods all mold and/or mildew discovered in the parts of the Condominium that they respectively maintain. In addition, except for routine housekeeping items and other de minimis matters, the Association agrees to notify the Owners, and each Owner agrees to notify the Association of the discovery of mold, mildew, and/or water intrusion and/or damage in the parts of the Condominium that they respectively maintain. Each Owner further agrees not to block or cover any of the heating, ventilation or air-conditioning ducts located in the Unit.

If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors.

Unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be the personal obligation of the Owner and a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to another term of the Board. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Paragraph. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

(b) **Limited Common Elements.** Each Unit Owner shall be responsible for the maintenance, repair, renovation, restoration and replacement of all of the Limited Common Elements assigned to his Unit, except for the maintenance and repair of Reserved Parking Spaces which shall be the responsibility of the Association. All such maintenance, repair, renovation, restoration and replacement work to be performed by the Owner thereof shall be done in such a manner so as to cause as little disturbance to the occupants or tenants of the other Units as is reasonably possible.

(c) **Common Elements.** The Association shall be responsible for the maintenance, repair, renovation, restoration and replacement of the Common Elements, except for the Limited Common Elements for which the Unit Owners shall be responsible, as provided by Paragraph 16(b) above. In performing such responsibility, the Association shall do the following:

1. Provide maintenance and repair of driveways and parking areas.
2. Repair, replace and maintain all utility lines, pipes, wires and conduits serving the units (except for those forming a part of the heating and air conditioning and interior electrical and plumbing systems, for which the individual owners shall be responsible).
3. Provide maintenance of the Common Areas including landscaping and the Parking Areas.
4. Pay common area taxes and utilities.

(d) **Prohibited Changes.** No Unit Owner shall paint or otherwise change the exterior appearance of his Unit, or of any other portion of the Property, including any of the Limited Common Areas assigned to his Unit, without having first obtained the written consent of the Board. Additionally, the design, type, location, size, intensity and color or all exterior lights (including both those mounted as part of the original design of the Property and those mounted with the consent of the Board) shall be subject to the control of the Board.

(e) **Maintenance Required by Unit Owners.** In the event the Board of Directors shall determine that the need for maintenance or repairs by the Association as provided in Paragraph 16(c) above is caused through the willful or negligent act of a Unit Owner, his lessee, or their sublessees, assignees, guests or invitees, and not paid for insurance, the cost of performing such maintenance or repair shall be added to and become a part of the assessments to which such Unit Owner is subject.

Except as provided herein, no Owner may make any alteration within a Unit which involves connecting to Common Element pipes, lines, conduits and/or other apparatus for access to common utilities without prior written approval of the Board (including, but not limited to, modifying connection of washers and dryers). Except as provided herein, no Owner shall make any interior modifications to or place an excessive load on any structural or load bearing portions of a Unit without first obtaining the prior written approval of the Board. Such approval shall not be granted by the Board unless the Owner has presented to



the Board a report or drawing prepared by a licensed structural engineer showing that compensating measures will be taken to ensure the structural integrity of the Unit and the Condominium. All building code requirements must be complied with and necessary permits and approvals secured for any modifications.

Notwithstanding the above, if any Owner acquires an adjoining Unit, such Owner shall have the right (subject to the prior written approval of the Mortgagees of the Units involved) to remove all or any part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or part, be part of the Common Elements, so long as no portion of any structural or load bearing portions of the Unit(s) are materially weakened or removed and the Board has approved the plans described above and no portion of any Common Elements is damaged, destroyed or endangered, other than that partition and any chutes, flues, ducts, conduits, wires or other apparatus contained therein which shall be relocated by such Owner if such facilities serve any other part of the Condominium. Notwithstanding the above, Declarant shall not be required to obtain any approvals under this Paragraph. The alterations permitted in this Paragraph shall not be deemed an alteration or relocation of boundaries between adjoining Units as defined in O.C.G.A. §44-3-91.

17. **CONDOMINIUM PLAT AND PLANS.** The Condominium Plat of the Property is being filed simultaneously with this Declaration and is recorded as delineated in Section 5 above, with said survey being incorporated herein by reference.

Plans of the building consisting of four pages and conforming to the requirements set forth for the same in the Act, have been filed in the Office of the Clerk of Superior Court of Athens-Clarke County, Georgia, the same being File No. 318.

18. **CONTROL BY DECLARANT.** Notwithstanding anything contained elsewhere in this Declaration, or in the Articles of Incorporation or Bylaws, which may be construed to the contrary, the Declarant shall be authorized to appoint and remove any member or members of the Board and officer or officers of the Association. The Declarant's authority to so appoint and remove members of the Board and officers of the Association shall expire upon the first of the following to occur:

(a) The expiration of five (5) years after the date of recording of this Declaration;

(b) The date as of which Units to which three-fourths (3/4) of the undivided interests in the Common Elements appertained shall have been conveyed by the Declarant to Unit Owners other than the Declarant;

(c) The surrender by the Declarant of the authority to appoint and remove members of the Board of Directors and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant.

19. **ASSESSMENTS.** Assessments against the Unit Owners shall be made to raise funds to pay all common expenses of the Property, and shall be governed by the following provisions:



(a) **Liability.** Each Unit Owner shall be liable to the Association for all sums as are lawfully assessed by the Association against him or his Unit or Units in accordance with the terms and provisions of this Declaration and the Articles of Incorporation and Bylaws. In addition to exercising the remedies provided for in Paragraph 19(g) below, the Association may enforce such liability by an action at law to recover all amounts assessed against each Unit Owner in accordance with the provisions of this Article 19.

(b) **Purpose.** Assessments shall be levied against the Unit Owners and the Units to defray the common expenses of the Property. The common expenses of the Property shall be all of the expenditures which are made or incurred by or on behalf of the Association in connection with the exercise of its powers and responsibilities, and shall include the following:

(i) Management fee, if any, and expenses of administration of the Property;

(ii) common utility bills and charges for other common services, including but not limited to water and sewerage;

(iii) premiums for all insurance policies maintained by the Association;

(iv) the expenses of performing the maintenance, repair, renovation, restoration and replacement work which is the responsibility of the Association under Article 15 hereof;

(v) such other costs and expenses as may be determined from time to time by the Board to be common expenses; and

(vi) the creation and maintenance of such reserve funds as are required to be maintained by the Association under Paragraph 19(c) below, and such other reserve funds as the Board shall determine, including but not limited to a reserve for repairs and maintenance.

(c) **Budget, Payment Dates.** No less than thirty (30) days prior to the commencement of each fiscal year of the Association, the Board shall adopt a budget for the succeeding fiscal year, which budget (i) shall estimate the amount of common expenses which are anticipated to be incurred during such year, and (ii) shall make provision for an adequate reserve fund for maintenance, repair and replacement of those portions of the common elements that must be replaced on a periodic basis. Prior to the commencement of such fiscal year, the Board shall furnish a copy of such budget to each Unit Owner, together with a written statement of the amount of such common expenses which shall be assessed against such Unit Owner for such fiscal year. Unless otherwise determined by the Board, such assessment shall be due on January 1 of each year. The Board shall be authorized to prorate the annual assessment into twelve monthly or four quarterly installments. In addition, any fees, charges, and other amounts payable by any Unit Owner to the Association shall be added to and shall, unless paid at the time the same are incurred or at some other time determined by the Board of Directors, be due and payable as part of the installment of the assessment next coming due.



(d) **Special Assessments.** If for any reason, including nonpayment of any Unit Owner's assessments, an annual budget adopted by the Board for any fiscal year proves inadequate to defray the common expenses for such fiscal year, the Board may, at any time, levy a special assessment to raise the additional funds necessary to defray such common expenses, which special assessment shall be due and payable at such time and in such installments as the Board of Directors shall determine. Additionally, the Board shall be authorized to levy special assessments under the circumstances described in Paragraph 23(e) of this Declaration.

(e) **Special Assessments for Capital Improvements.** In addition to the assessments which shall be levied against the Unit Owners under Paragraphs 19(b) and (d) above, the Board of Directors shall be authorized, upon the affirmative vote the Owners of the Units to which three-fourths (3/4ths) of the undivided interest in the common elements is allocated, to levy a special assessment for the purpose of defraying, in whole or in part, the costs of any capital improvements to be made upon the common elements, or for the costs of making repairs or replacements which are not provided for in then current budget of the Association. Any such special assessments for the capital improvements and repairs shall be payable at such time and in such installments as the Board of Directors shall determine.

(f) **Collection.** In addition to all other remedies provided by law, the Association may enforce collection of the assessments for which a Unit Owner is liable, together with all other amounts as may be owed by such unit owner to the Association, as hereinafter provided.

(i) In the event that any Unit Owner shall fail to pay any installment of any assessment levied against him within ten (10) days after such installment shall be due and payable and within 5 days after written notice is mailed to the Unit Owner, the entire unpaid balance of such assessment for the remainder of the fiscal year may, at the option of the Board of Directors, be accelerated and be declared immediately due and payable in full, without notice to such Unit Owner.

(ii) In the event that any Unit Owner shall fail to pay within five (5) days after the same shall be due, any amounts due and payable to the Association, such Unit Owner shall be liable for the payment of, and shall pay, in addition to the amounts so due the Association:

(a) A late charge equal to the Ten (\$10.00) Dollars or ten (10%) percent of the amount so due, whichever is the greater;

(b) interest on the amount so due, and the aforesaid late charge appertaining thereto, from the date same were due and payable, at the rate of twelve (12%) percent per annum, until paid;

(c) the cost of collection, including court costs, the expenses of sale, any expenses required for the protection and preservation of the unit, and reasonable attorney's fees actually incurred; and



(d) in the event the Association shall seek to foreclose its lien on the Unit of such Owner, the fair rental value of the Unit from the time of the institution of suit until sale of the Unit at foreclosure (or until the judgment rendered in such suit is otherwise satisfied).

(iii) The lien for assessments in favor of the Association provided by Section 41 of the Act shall include all sums as may become payable by a Unit Owner to the Association pursuant to Paragraph 19(g)(i) and (g)(ii) above.

(iv) The rights of a Unit Owner and all persons entitled to occupy the Unit of such Owner to use the common elements shall be suspended for the period of time any amount due and owing to the Association in regard to any Unit owned by such Owner shall remain unpaid; provided, however, that no such suspension shall deny any Unit Owner, or the Occupants of any Unit, access to the Unit owned or occupied, nor cause any hazardous or unsanitary condition to exist.

(g) **Fee for Statements of Amounts Due.** The Association may require the payment of a fee, not to exceed Ten (\$10.00) Dollars, as a prerequisite to its issuance of any statement pursuant to Section 41(d) of the Act.

(h) **Reserves and Working Capital.** The Association shall establish an adequate reserve fund for the periodic maintenance, repair or replacement of the common elements, which fund shall be maintained out of regular assessments for common expenses. The Declarant shall establish a working capital fund for the initial months of the operations of the Condominium which shall equal at least two (2) months estimated common area charges for each Unit in the Condominium

20. **COMMON PROFITS.** Any surplus remaining after the application of the common profits to the payment of the common expenses and to any reserves established in accordance with this Declaration shall be either distributed to, or credited against the next assessments chargeable to the Unit Owners, as the Board of Directors shall determine.

21. **COMPLIANCE WITH CONDOMINIUM INSTRUMENTS.** Every Unit Owner and all of those persons entitled to occupy a Unit shall comply with all of the provisions of this Declaration, the Articles of Incorporation, the Bylaws, and all rules and regulations which shall be adopted by the Board in regard to the Property. In the event of any breach or violation of any such provisions, the Association shall have the right to proceed at law or in equity to compel compliance therewith. In the event any Unit Owner shall permit or suffer to exist any condition in his Unit or in the Limited Common Elements assigned to his Unit which is in violation of any of the foregoing provisions, the Association shall have the right to enter upon such Unit or Limited Common Element and remove the thing or condition causing such violation, and the Unit Owner who permitted or caused such violation to exist shall be fully liable to the Association for all costs and expenses it shall incur in connection therewith. All such costs and expenses shall be paid to the Association promptly upon demand. In no event shall the Association or its agents have any liability for so entering upon any portion of the Property and removing such thing or condition. In the event the Association shall employ legal counsel to enforce any of the foregoing, the Unit Owner permitting or suffering such condition to exist shall pay all reasonable attorneys fees so incurred by the Association.



In addition to the foregoing remedies of the Association, the Board of Directors shall have the power to impose and assess fines against any Unit Owner who permits or suffers any condition to exist in violation of any of the foregoing provisions. All such fines shall be in an amount determined by the Board; provided, however, that no such fine shall exceed the sum of \$25.00 for any one violation, but each day a violation is continued or repeated after the Board shall give the Unit Owner responsible for violation a written notice of the same shall be considered a separate violation. No delay, failure or admission on the part of the Association in exercising any right, power or remedy herein provided shall be deemed a waiver of the right to do so thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. In no event shall the Board, or any of its agents, be liable to anyone whomsoever on account of any failure to bring any action on account of any violation or breach by any unit owner of any of the foregoing provisions. Nothing contained herein shall prevent any aggrieved Unit Owner from having any right of action under Georgia law against any other Unit Owners for failure to comply with the provisions of this Declaration, the Articles of Incorporation, the By-Laws and all rules and regulations adopted by the Board in regards to the Property.

22. **INSURANCE** Insurance (other than title insurance) which shall be obtained by the Association shall be governed by the following provisions:

(a) **Types of Insurance.** The Association shall obtain and maintain the following insurance policies:

(i) A multi-peril casualty insurance policy covering the entire Property, providing as a minimum for and extended coverage, vandalism and malicious mischief on a replacement cost basis in an amount not less than 100% of the full replacement cost of all structures within the Condominium. The name of the insured under such casualty insurance policy shall be stated as follows: "The Cotton Exchange Condominium Association of Athens, Inc. for use and benefit of individual unit owners of The Cotton Exchange, a Condominium, Athens-Clarke County, Georgia". The amount of coverage of such casualty insurance shall be readjusted by reappraisal or revaluation of the insured property not less frequently than once every two years. Such casualty insurance policy shall contain the standard mortgagee clause which shall be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interests may appear. Any fixtures, equipment or other property within the Residential Units which are to be financed by a first lien mortgage to be purchased by FNMA or FHLMC (regardless of whether or not such property is a part of the common elements) must be covered under such multi-peril casualty insurance policy and must include an "Agreed Among Endorsement" and, if available, an "Inflation Guard Endorsement."

(ii) A comprehensive policy of public liability insurance covering all of the Common Elements. Such liability insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or other Unit Owners. Such liability insurance policy shall cover the Association, the Board of Directors, the officers of the Association, all agents and employees of the Association, and all Unit Owners and other persons entitled to occupy any unit or other portion of the Property, shall be for at



least \$500,000.00 for injury including death to a single person, \$1,000,000.00 for injury or injuries, including death, arising out of a single occurrence and \$50,000.00 for property damage, with a cross liability endorsement to cover the Unit Owners as a group and shall include protection for damage to the property of others.

(iii) A policy of fidelity coverage against dishonest acts on the part of the members of the Board of Directors, the manager of the Condominium, and any employees or volunteers of the Association responsible for handling funds belonging to or administered by the Association. Said policy of fidelity coverage insurance shall name the Association as the named insured and shall be written in an amount which shall in no event be less than one and one half times the Association's estimated annual common expenses and reserves.

(iv) Such other insurance policies as the Board shall deem desirable for the benefit of the Association, its Officers and Directors or the unit owners.

(b) **Minimum Qualifications of Insurance Carriers.** Each policy of insurance which the Association is required to maintain under the provisions of Paragraph 22(a) shall be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of Class A:VI or better and which is licensed to transact business within the State of Georgia.

(c) **Minimum Qualifications of Insurance Policies.** All policies of insurance which the Association is required to maintain under the provisions of Paragraph 22(a) shall (a) not allow contributions or assessments to be made against the Owner of any Unit, or the holder of any mortgage upon any Unit, (b) not allow loss payments to be contingent upon any action by the insurance carrier's board of directors, policyholders, or members, (c) not include any limiting clauses (other than insurance conditions) which could prevent any Unit Owner or the holder of any mortgage upon any Unit from collecting insurance proceeds, and (d) contain or have attached a mortgage clause which provides that the insurance carrier shall notify in writing all holders of first lien mortgages on any of the Units at least ten (10) days in advance of the effective date of any reduction in, cancellation, or nonrenewal of such policies.

(d) **Unit Owner's Policies.** The Unit Owners may carry at their own initiative and expense the following insurance policies:

(i) A building additions, betterments, and alterations endorsement to the master casualty insurance policy described in Paragraph 22(a) hereof for the exclusive benefit of the particular Unit Owner, such Unit Owner to be liable for (and the Association to be in no way liable for) the premium for such endorsement; and

(ii) A "tenant's or condominium owner's policy" covering the contents of his Unit, personal injury and property damage liability, burglary and the like.

In no event shall any recovery or payment under the insurance coverage obtained and maintained by the Association be affected or diminished by insurance purchased by individual Unit Owners



or mortgagees, and no Unit Owner shall be entitled to exercise his right to maintain the additional insurance coverage set forth in this Paragraph 22(d) in such a way as to decrease the amount which the Association may realize under any insurance policy which it may have in force on the Property at any particular time.

(e) **Proceeds on Account of Damage to Common Elements.** Insurance proceeds which shall be paid on account of damages to or destruction of any portion of the Common Elements which does not exclusively serve any Unit or Units shall be held by the Association in a construction fund, which shall be used for the purpose of repairing, reconstruction or rebuilding the portion of such Common Elements so damaged or destroyed, as provided in Paragraph 23 of this Declaration. If it shall be determined in accordance with the provisions of Paragraph 23(b) of this Declaration not to repair, reconstruct or rebuild the portion of the Common Elements so damaged or destroyed, then the insurance proceeds paid on account of the occurrence of such damage or destruction to such portion of Common Elements shall first be used to clean up and landscape the Common Elements as necessary in view of the fact that such part of the Common Elements is not to be repaired, reconstructed or rebuilt, and the remaining insurance proceeds shall be disbursed to the Unit Owners in proportion to their undivided interest in the Common Elements, such disbursement to be made payable jointly to the Unit Owners and their mortgagees. Notwithstanding anything contained in this Declaration, the Articles of Incorporation, the Bylaws, or the Act which may be construed to the contrary, in no event shall any insurance proceeds paid to the Association on account of the occurrence of any fire or other casualty be deemed to be common profits.

(f) **Proceeds on Account of Damage to Units and Common Elements Exclusively Serving Units.** In the event that any insurance proceeds shall be paid to the Association on account of any damage to or destruction of any Unit or Units and/or any portion of the Common Elements exclusively serving such Unit or Units, the Association shall be deemed to hold such insurance proceeds in a series of separate accounts, one such account for each unit which is so damaged or destroyed, or the Common Elements exclusively serving which Units are so damaged or destroyed. The amount of insurance proceeds which shall be deemed to be held by the Association in each such account shall be determined by multiplying the entire amount of insurance proceeds which shall be received by the Association as consequence of the damage or destruction to such Unit or Units and/or the Common Elements exclusively serving such Unit or Units by a fraction, the numerator of which shall be the total estimated cost of repairing, reconstruction, or rebuilding the Unit, and the Common Elements exclusively serving the Unit, on behalf of which such account is credited, and the denominator of which shall be the total estimated cost of repairing, reconstruction, or rebuilding all of the Units and Common Elements as a consequence of the damage to or destruction to which such insurance proceeds were paid. If it shall be determined in accordance with the provisions of Paragraph 23(c) of this Declaration not to repair, reconstruct or rebuild any Unit which is so damaged or destroyed, then the amount of insurance proceeds which shall be held by the Association in the account for such Unit shall be disbursed to the Owner of such Unit, such disbursement to be made jointly to the Unit Owner and his mortgagee. Such disbursement, however, shall be made only after the Board of Directors shall have entered into a financial arrangement satisfactory to the Board of Directors whereby such Unit Owner shall pay for the cost of cleaning up and landscaping the property on which such Unit was located. Notwithstanding anything contained in this Declaration, the Articles of Incorporation or Bylaws of the Association which may be construed to the contrary, in no event



shall any amounts as shall be held by the Association for the account of any Unit Owner pursuant to the provisions of this Paragraph 22(f) be deemed to be common profits.

For purposes of Paragraph 22(e) and Paragraph 22(f), Common Elements shall be deemed to exclusively serve a particular Unit only if they constitute all or a portion of the walls, roofs or a foundation enclosing such Unit.

(g) **Insurance Trustee.** Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Association, the Association's authorized representative, including any Trustee with whom such Association may enter into any Insurance Trust Agreement or any successor to such Trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and perform such other functions as are necessary to accomplish this purpose. Each Unit Owner appoints the Association or any Insurance Trustee or successor Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

23. **DAMAGE OR DESTRUCTION OF PROPERTY.** Repair, reconstruction or rebuilding of the Property, following damage to or destruction of all or any portion of the Property shall be governed by the following provisions:

(a) **Estimates of the cost of Repair.** As soon as practicable following the occurrence of any damage to or destruction of any portion of the Property, the Board shall obtain reliable and detailed estimates of the cost of repairing or restoring such portion of the Property so damaged or destroyed to substantially the same condition as such portion of the Property was in prior to the occurrence of such damage or destruction, and shall proceed with the filing and adjustment of all claims arising under insurance maintained by the Association as a result of such damage or destruction.

(b) **Determination to Repair, Reconstruct or Rebuild Common Elements.** Any damage to or destruction of the Common Elements will be repaired, reconstructed or rebuilt unless the Owners of the Units to which seventy-five (75%) percent of the votes in the Association are allocated shall determine, within forty-five (45) days after the occurrence of the casualty, not to repair, reconstruct or rebuild the same.

(c) **Determination to Repair, Reconstruct or Rebuild Units.** The determination to repair, reconstruct or rebuild any Unit which is damaged or destroyed by fire or any other casualty shall be made in the following manner:

(i) Any Unit which is damaged, but not rendered untenable, shall be repaired in all events.



(ii) In the event that any Unit is so damaged or destroyed that such Unit is thereby rendered untenable, such Unit shall be repaired, reconstructed or rebuilt unless, within forty-five (45) days after the occurrence of such casualty, (a) the Owner of the Unit which is so rendered untenable, together with (b) the Owners of the Units to which sixty-seven (67%) percent of the remaining votes in the Association (not including the vote of the Owner of the Unit which has been rendered untenable by such casualty), and (c) the holders of sixty-seven (67%) percent of the first mortgages on the Units within the Condominium (including the holder of any first mortgage on the Unit which has been so rendered untenable) shall all determine not to repair, reconstruct or rebuild such unit so rendered untenable.

(iii) For purposes of this Paragraph 23(c), a Unit shall be deemed to be untenable only if as a consequence of this occurrence of a fire or other casualty, such Unit is not fit for present habitation, and if the estimated costs of making repairs necessary to render such fit for present habitation shall exceed one-half (1/2) of the fair market value of such Unit prior to the occurrence of such casualty.

(d) **Manner of Repair, Reconstruction or Rebuilding.** All repairs, reconstruction, or rebuilding to be made as a result of damage by fire or other casualty shall be made in accordance with the following provisions:

(i) Common Elements. The damage shall be repaired, reconstructed or rebuilt substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such damage.

(ii) Units. If the damage to be repaired, reconstructed or rebuilt is to any unit, such repair, reconstruction or rebuilding shall be substantially in accordance with the plans and specifications for such damaged unit prior to the occurrence of such damage.

(iii) All of the work of repairing, reconstruction or rebuilding any portion of the Property, the damage to or destruction of which caused the payment of insurance benefits under insurance policies maintained by the Association, shall be performed under the supervision of the Board, which, in discharging such supervisory responsibilities, shall be authorized to employ such building supervisors and architects as the Board shall deem to be in the best interest of the Association. The fees which shall be payable to any such building supervisor or architect employed by the Board shall be a common expense of the Association.

(e) **Costs of Repair, Reconstruction or Rebuilding.**

(i) Common Elements. The cost of repairing, reconstructing or rebuilding any portion of the Common Elements which shall be damaged or destroyed and which does not exclusively serve any Unit or Units shall be paid with any insurance proceeds which shall be paid to the Association on account of such damage or destruction. If such insurance proceeds are not sufficient to defray such costs of repair, reconstruction or rebuilding, then the Board shall levy a special assessment against all of the Unit Owners and Units to raise the excess funds necessary to defray such costs.



(ii) Units and Common Elements Exclusively Serving Units. The cost of repairing, reconstructing or rebuilding each Unit which shall be damaged or destroyed, and any portion of the Common Elements exclusively serving such Unit which shall be damaged or destroyed, shall be paid with the insurance proceeds which shall be paid to the Association on account of such damage or destruction and held by the Association in the account for such Unit, as provided in Paragraph 22(f) of this Declaration. If the amounts which are held by the Association in the account for such Unit are not sufficient to defray such costs of repair, reconstruction or rebuilding, then the Board shall levy a special assessment against the Owner of the Unit on behalf of which such account was created to raise the excess funds necessary to defray such costs.

For the purposes of this Paragraph 23(e), Common Elements shall be deemed to exclusively serve a particular Unit only if they constitute all or a portion of the walls, roofs or a foundation enclosing such Unit.

24. ASSOCIATION RIGHTS AND RESTRICTIONS. In addition to and not in limitation of all other rights it may have, the Association, acting through its Board of Directors, shall have the right and authority:

(a) to enter into Units for maintenance, emergency, security, or life-safety purposes, which right may be exercised by the Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit. For the purposes of this Paragraph, an emergency justifying immediate entry into a Unit shall include, but not be limited to, the following situations: a water or other utility leak, fire, strong foul odor, obvious insect infestation or sounds indicating that a Person or animal might be injured or sick and require immediate medical attention. No one exercising the rights granted in this subparagraph shall be liable for trespass, damages, or in any other manner by virtue of exercising such rights, except as provided in the Act. The failure to exercise the rights herein or to exercise said rights in a timely manner shall not create liability to any of the above- referenced parties, it being agreed that no duty to enter a Unit shall exist;

(b) to make and to enforce reasonable rules and regulations governing the use of the Condominium, including the Units, Limited Common Elements, and Common Elements;

(c) to enforce use restrictions, other Declaration and Bylaws provisions, and rules and regulations by the imposition of reasonable monetary fines and suspension of use and voting privileges as provided in § 44-3-76 of the Act, as amended;

(d) to grant and accept permits, licenses, utility easements, leases, and other easements;

(e) to control, manage, operate, maintain, improve and replace all portions of the Common Area;



(f) to represent and act on behalf of the Owners in the event of damage or destruction as a result of casualty loss in accordance with the provisions of the Act and this Declaration;

(g) to represent and act on behalf of the Owners in the event of any loss resulting from condemnation or eminent domain in accordance with the provisions of the Act and this Declaration;

(h) to acquire, hold, and dispose of tangible and intangible personal property and real property;

(i) to collect security deposits in reasonable amounts, as determined by the Board of Directors in its sole discretion, to protect against any damage to the Condominium, including, without limitation, damage resulting from: moving in or out of a Unit; the transportation and use of construction materials in the Condominium; and the alteration, modification, or addition to a Unit and any Limited Common Element appurtenant thereto. Costs for repair of such damage may be deductible from the security deposit and any additional expenses may be specifically assessed against the Unit under subparagraph 8(b)(ii) above;

(j) to rent storage spaces located on the Common Elements located in the underground level of the building, with such rental income to be income to the Association. Neither Declarant nor the Association shall be held liable for any loss or damage arising from theft, vandalism, malicious mischief, or any loss or damage to any property placed or kept in any storage space in the Condominium. Each Owner or Occupant with use of a storage space who places or keeps any personal property in the storage space does so at his or her own risk;

(k) to approve contractors or subcontractors who have access to the Condominium for the purpose of making repairs or improvements to Units based on rules and regulations promulgated and adopted by the Board which may include, without limitation: financial stability of the contractors and/or subcontractors; history of compliance with the Condominium Instruments and rules and regulations of the Association; and other factors that may be reflective of quality and ability. The Board may also impose insurance requirements and collect other non-refundable fees for use of elevator and the trash receptacles;

(l) at the sole expense of the Association, without need for a membership vote, and without the consent of any affected Owner, to relocate any portion of the air conditioning, heating, plumbing, ventilating, exhaust or electrical system serving a particular Unit, provided that after such relocation, the system serving the Unit functions at least as well and at no greater cost to the Owner as existed prior to the relocation; and

(m) to close permanently or temporarily any portion of the Common Elements (excluding the Limited Common Elements, and any Common Elements the use of which is reasonably necessary for access to or from a Unit and any portion of the Common Elements over, on, upon or which Declarant or the Owner(s) of any Unit has an easement) with thirty (30) days prior notice to all Owners, except that, in emergency situations requiring a temporary closing, prior notice shall not be required so long as notice is given within three (3) days after the closing explaining the reason for the closing.



Notwithstanding the above, the Owners may re-open closed Common Elements by a majority vote of the Association, cast at a duly called special or annual meeting.

(n) to, but shall not be obligated to, dispense chemicals for the extermination of insects and pests within the Units and Common Elements. In the event the Association chooses to provide such pest control, the Association and its duly authorized contractors, representatives, and agents shall have an easement to enter Units for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Owners shall either provide a key to the Unit for purpose of such entry or have someone available at such times as are designated by the Board to allow entry into the Unit for this purpose. The Association shall not be liable for any illness, damage, or injury caused by the dispensing of these chemicals for this purpose.

An Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or by that of any member of his family, his lessees, or his or their guests, invitees, employees, or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire or casualty insurance rates occasioned by the use, misuse, occupancy or abandonment of a Unit or the Common Elements.

The failure of the Association to enforce any covenant, restriction or other provision of the Act, the Condominium Instruments, or any Rules and Regulations adopted pursuant thereto shall not constitute a waiver of the right to do so.

25. **EASEMENTS.** The following easements shall be applicable to the Property:

(a) **Ingress-Egress Easement.** There exists a twelve (12') foot alley at the western boundary of the Property which provides ingress and egress to and from West Washington Street and West Clayton Street to the basement level of the building. Each Owner and its tenants shall have a non-exclusive easement of ingress and egress over, across and through the twelve foot alley for both vehicular and pedestrian access to and from the building to these public rights of way.

(b) **Encroachments.** To the extent that any Unit or Common Element encroaches on any other Unit or any part of the Common Elements, whether by reason of a deviation from the survey or the plans in the construction, repair, renovation, restoration or rebuilding of any improvement, or by reason of any overhang or the settling or shifting of any land or improvement, a valid easement for said encroachment and for the maintenance of same, so long as it stands, shall exist.

(c) **Utility and Other Easements.** The Association and the Board of Directors shall have the irrevocable power as attorney-in-fact on behalf of all Unit Owners and their successors-in-title to accept easements benefiting the Condominium or any portion thereof and to grant easements benefiting the Property, or any portion thereof, whether or not a part of the Condominium upon, across, over and under all of the Property for ingress, egress, installation, replacing, and maintaining all utilities including, but not limited to, water, sewer, power, telephone, gas, electricity, cable television and a master television antenna

system. Such easements may grant to appropriate utility companies the right to erect and maintain the necessary poles and the necessary equipment on the Property and to affix and maintain utility wires, pipes, circuits and conduits on, above, across and under the Common Elements, the Units or the roofs and exterior walls of the improvements comprising part of any Unit.

Declarant grants to each Unit Owner a non-exclusive perpetual easement for the purpose of ingress and egress to and from his Unit over any entrances as shown on the Condominium Plat.

(c) **Access to Units and Common Elements.** Each Unit Owner shall afford to the other Unit Owners and to the Association, and to any directors, officers, agents or employees of either, such access through his Unit and any Limited Common Elements appurtenant thereto as may be reasonably necessary to enable them to exercise and discharge their respective powers and responsibilities in an emergency situation. To the extent that damage is inflicted on the Common Elements, including without limitation any Limited Common Elements, or any Unit through which access is taken, the Association or the Unit Owner occasioning such damage, whether by it or through agents, employees or others, shall be liable for prompt repair thereof. There is hereby (i) reserved in the Declarant, (ii) granted to all policemen, firemen, ambulance personnel and all similar emergency personnel, an easement to enter upon the property or any part thereof in an emergency situation in the proper performance of their respective duties. During the period that Declarant owns any Unit or owns any interest in the Property or any portion thereof, the Declarant shall have a transferable easement on, over, through, under and across the Common Elements for the purpose of making improvements contemplated by the Condominium Instruments on the Property, or any portion thereof, for the purpose of installing, replacing, repairing and maintaining all utilities serving the Property or any portion thereof, and for the purpose of doing all things reasonably necessary and proper in connection therewith. There is further reserved in the Declarant, and its successor-in-title a perpetual easement for the benefit of the Property for ingress and egress over and across any road or drive which may now or hereafter be located on the Property.

26. **SIGNAGE.**

(a) **Residential Units.** The Association shall provide a location sign on the façade of the Building which shall promote the development name and address only. An Owner/tenant directory shall be maintained by the Association. No signs shall be placed on the exterior of any Residential Unit without the prior written approval of the size, shape, color, design and materials by the Board of Directors, which consent may be withheld by the Board of Directors in its sole discretion.

(b) **Commercial Unit.** No signs shall be placed on the exterior, doors or plate glass of any portion of the Commercial Unit without the prior written approval of the size, shape, color, design and materials by the Board of Directors, which consent shall be conditioned upon compliance of the sign with signage guidelines established by the Board of Directors and compliance with the Sign Ordinance of Athens-Clarke County, Georgia as it may from time to time be amended.

Additionally, signage for Commercial Units shall be restricted as follows:



1. There shall be no flashing action or other mechanical animation allowed on signage.
2. All signs must be maintained by the Commercial Unit Owner, or its tenant, in good and clean condition.
3. All signs shall be mounted on the fascia panel of the Unit and shall conform to the following:
 - (a) All fasteners, screws, and bolts used in the fabrication or erection of the sign shall be rust proof. All sign supports must be concealed from view.
 - (b) Any penetrations in the structure for attachment of the sign shall be made so as to not adversely affect the building facade or structure. Penetrations shall be kept to a minimum and watertight.
4. All designs and contents of signs must be approved by the Board, said approval not to be unreasonably withheld provided the design and content generally comply with these signage requirements and reasonable regulations from time to time promulgated by the Board.
5. Should there be any conflict between the sign requirements above and the Sign Ordinance of Athens-Clarke County, Georgia, the Sign Ordinance of Athens-Clarke County, Georgia shall take precedent with the intention being to conform as closely as possible to the above requirements while conforming to any restriction contained within the aforesaid Sign Ordinance.

27. **CONTRACTS WITH DECLARANT.** The term of any agreement as may be entered into between the Association and the Declarant which provides for professional management of the Condominium, or pursuant to which the Declarant is to provide any the services to the Condominium, shall in no event exceed one (1) year. In addition, any such agreement shall be terminable by either party thereto without cause and without payment of a termination fee on no more than ninety (90) days written notice.

28. **SEVERABILITY** The invalidity or unenforceability of any covenant, restriction or other provision of this Declaration shall not affect the validity or enforceability of any other covenant, restriction or provision of this Declaration.

29. **CAPTIONS.** The captions of all sections of this Declaration are inserted for convenience only and are not intended to define, limit, restrict, extend or modify any of the provisions of the sections to which such captions relate.

30. **MORTGAGEE'S RIGHTS.** Notwithstanding any of the provisions of this Declaration or the Articles of Incorporation or By-Laws of the Association, the following provisions are hereby adopted for the protection of the mortgagees of Units within the Condominium, and to the extent they conflict with any of the provisions in the Declaration, the Articles of Incorporation or By-Laws of the Association, the following shall control:

- (a) The Association shall not take the following actions without the prior written approval of Unit Owners to which 80% of the votes in the Association appertain and all mortgagees of such Units:
 - (i) Seek to abandon or terminate the Condominium by act or omission.
 - (ii) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction in the event of



substantial loss to the Units and/or Common Elements (in the event the determination is made to so repair, reconstruct or rebuild in accordance with Paragraph 22(b) and (c)).

(b) Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage, by taking deed in lieu of foreclosure, or foreclosure of the mortgage on a Unit shall not be liable for the unpaid dues or charges attributable to such Unit which have accrued prior to the acquisition of title to such Unit by the first mortgagee. However, such mortgagee shall be responsible for unpaid dues or charges accruing after such acquisition.

(c) Nothing in this Declaration, nor any provision of the Articles of Incorporation or Bylaws of the Association shall entitle a Unit Owner, Declarant, or any the party, to priority over any rights of the first mortgagees of Units with regard to a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or the taking of Units or Common Elements.

(d) The Association shall give written notice to any first mortgagees of individual Units of any loss to, or taking of the Common Elements if such loss or taking exceeds \$10,000.00 or damage to a Unit encumbered by such mortgagee exceeds \$1,000.00.

(e) Any first mortgagee of individual Units shall have the right to examine the books and records of the Association upon reasonable notice and during business hours.

(f) Any holder of a mortgage upon any Unit, upon its request, shall be entitled to a written notice from the Board of Directors of any default in the performance by the Owner of the Unit upon which such mortgagee holds such first lien mortgage of any obligation under this Declaration, the Bylaws or the Condominium Instruments which is not cured within sixty (60) days.

(g) A holder, insurer or guarantor of a first lien mortgage, upon written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the unit number) will be entitled to timely written notice of:

(i) Any proposed Amendment of the Condominium instruments affecting a change in:

[A] the boundaries of any Unit or the exclusive easement rights appertaining thereto;

[B] the interest in the Common Elements or Limited Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto;

[C] the number of votes in the Association appertaining to any Unit; or

[D] the purpose to which any Unit or the Common Elements are restricted;

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



(iii) Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Paragraph 22.

(h) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first lien mortgages on Units to which at least fifty-one (51%) of the votes of Units subject to mortgages held by such holder or holders are allocated, is obtained.

(i) No relocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Property may be effective without the approval of the eligible holders of first lien mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such first lien holders are allocated.

31. FINANCIAL BOOKS AND RECORDS.

(a) The Association shall make available to Unit Owners, holders of any first lien mortgage on any Unit and other lenders secured by any Unit, current copies of the Declaration, By-Laws and other rules governing the Condominium and any other books, records and financial statements of the Association.

(b) The Association shall make available to prospective purchasers current copies of the Declaration, By-Laws, other rules governing the Condominium and the most recent annual audited financial statement, if such is prepared.

(c) Upon written request from any agency, entity, corporation or individual which has an interest or prospective interest in the Condominium, the Association shall prepare and furnish within a reasonable period of time an audited financial statement of the Association for the immediately preceding fiscal year.

32. FIDELITY BONDS. The Association may, in its discretion, maintain fidelity bonds for all officers, directors and employees of the Association and any other persons handling or responsible for funds or funds administered by the Association; provided however, the Association shall maintain such fidelity bonds if such bonds are a necessary requirement for Owners of the Residential Units to obtain financing for the purpose of purchasing such Units. Such fidelity bonds shall name the Association as obligee and shall not be less than the estimated maximum of funds, including reserve funds, held by the Association, at any given time during the term of each bond. However, in no event may the aggregate amount of any such bonds be less than a sum equal to three months aggregate assessments on all units plus reserve funds. All such bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The premiums on all bonds required herein, except those maintained by any management agent, shall be paid by the Association as a common expense. The bonds shall provide that they may not



be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association, any Insurance Trustee and the FNMA Servicer of any FNMA mortgages on Units.

33. **CONDEMNATION**. The Association shall represent the Unit Owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for the acquisition of the Common Elements, or part thereof, by the condemning authority. Unit Owners hereby appoint the Association as attorney-in-fact for such purposes. In the event of a taking or condemnation of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, to be held in trust for Unit Owners and their first mortgage holders as their interests may appear. The repair, reconstruction or rebuilding of the Property as a result of total or partial loss or destruction due to condemnation shall be governed by the provisions of paragraph 23.

34. **AMENDMENT**. Any amendment to the Declaration shall be as provided in O.C.G.A. § 44-3-93 of the Act.

35. **DISCLOSURES**. Each Owner and Occupant acknowledges the following:

- (a) The Condominium is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.
- (b) The natural light available to and views from an Owner's Unit may change over time due to, among other circumstances, additional development and the removal or addition of landscaping.
- (c) No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.
- (d) No representations are made regarding the schools that currently or may in the future serve the Unit.
- (e) Since in every community, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Condominium that an Owner or Occupant may find objectionable and that it shall be the sole responsibility of the Owners and Occupants to become acquainted with community conditions that could affect the Unit.
- (f) The Plans and the dimensions and square footage calculations shown thereon are only approximations. Any Owner who is concerned about any representations regarding the Plans should do his/her own investigation as to the dimensions, measurements and square footage of his/her Unit.
- (g) Exposed concrete surfaces in portions of the Condominium which are not heated and cooled are subject to cracking due to (A) water penetration, (B) expansion and contraction of the concrete with temperature changes, and (C) building settlement.



(h) Concrete surfaces in heated and cooled portions of the Condominium are subject to cracking due to building settlement.

(i) Concrete and hardwood surfaces and other uncovered surfaces within a Unit may transmit noise, and such noise shall not constitute a use of the Unit that interferes with or causes disruption to the use and enjoyment of another Unit by its respective Owner and/or Occupant.

(j) No representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one Unit to another or from the Common Elements (including, but not limited to, any amenity areas) to a Unit. Sound transmission between Units and Common Elements is inherent in multi-family situations and is not a warrantable condition.

(k) A Unit may trap humidity created by every day living (cooking, bathing, laundering etc.). As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not properly maintained by Owners and Occupants, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold.

(l) The Condominium is located in a downtown area which contains many bars and restaurants. Declarant makes no representations as to the noise levels that may be generated by such conditions.

36. **SECURITY.** THE ASSOCIATION OR DECLARANT MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SECURITY ON THE CONDOMINIUM; HOWEVER, EACH OWNER, FOR HIM OR HERSELF AND HIS OR HER TENANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT NEITHER THE ASSOCIATION NOR DECLARANT IS A PROVIDER OF SECURITY AND NEITHER PARTY SHALL HAVE A DUTY TO PROVIDE SECURITY ON THE CONDOMINIUM. FURTHERMORE, THE ASSOCIATION DOES NOT GUARANTEE THAT NON-OWNERS AND NON-OCCUPANTS WILL NOT GAIN ACCESS TO THE CONDOMINIUM AND COMMIT CRIMINAL ACTS ON THE CONDOMINIUM NOR DOES THE ASSOCIATION GUARANTEE THAT CRIMINAL ACTS ON THE CONDOMINIUM WILL NOT BE COMMITTED BY OTHER OWNERS OR OCCUPANTS. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER TO PROTECT HIS OR HER PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH OWNER. NEITHER DECLARANT NOR THE ASSOCIATION SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF MEASURES UNDERTAKEN.

37. **DISPUTE RESOLUTION.** Prior to filing a lawsuit against the Association, the Board, or any officer, director, or property manager of the Association, an Owner or Occupant must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the property manager, if any, of the Association. The



Owner or Occupant shall, in such request and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the Person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) or more than twenty-one (21) days from the date of receipt of the request.

IN WITNESS WHEREOF, the duly authorized members of Declarant have set their hands and affixed their seals this 25th day of April, 2013.

ATHENS ARCHES, LLC,
a Georgia limited liability company
acting by and through its members,

By: [Signature] (Seal)
Name: Gregory Garcia
Title: Managing Member

By: [Signature] (Seal)
Name: Melissa Clegg
Title: Managing Member

Signed, sealed and delivered
this 25th day of April,
2013, in the presence of:

[Signature]
Witness

[Signature]
Notary Public

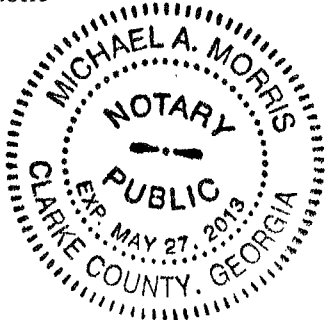




Exhibit A
Property Legal Description

ALL that tract or parcel of land, together with all improvements situated thereon, being in the 216th G.M.D., Clarke County, Georgia and being more particularly described as follows:

Begin at a point situated at the intersection of the northern right of way of West Clayton Street and the western right of way of North Hull Street; run thence along the northern right of way of West Clayton Street South 77 degrees 49 minutes 36 seconds West 92.10 feet to an iron pin situated on the western side of an alley; thence leaving said right of way run North 12 degrees 03 minutes 15 seconds West 226.17 feet to a point situated on the southern right of way of West Washington Street; run thence along said southern right of way of West Washington Street North 79 degrees 19 minutes 33 seconds East 92.10 feet to a point situated at the intersection of the southern right of way of West Washington Street and the western right of way of North Hull Street; and run thence along said western right of way of North Hull Street South 12 degrees 03 minutes 39 seconds East 223.76 feet to the point of beginning situated at the intersection of the western right of way of North Hull Street and the northern right of way of West Clayton Street.

EXHIBIT B

THE COTTON EXCHANGE, A CONDOMINIUM

UNIT	SQUARE FEET IN UNIT	NUMBER OF VOTES	PERCENTAGE OF LIABILITY
Residential Unit 201	849	849	2.85%
Residential Unit 202	634	634	2.13%
Residential Unit 203	927	927	3.11%
Residential Unit 204	881	881	2.96%
Residential Unit 205	607	607	2.04%
Residential Unit 206	863	863	2.90%
Residential Unit 207	867	867	2.91%
Residential Unit 208	785	785	2.63%
Residential Unit 209	759	759	2.55%
Residential Unit 210	843	843	2.83%
Residential Unit 211	872	872	2.93%
Residential Unit 212	900	900	3.02%
Residential Unit 213	874	874	2.93%
Residential Unit 214	899	899	3.02%
Residential Unit 215	915	915	3.07%
Residential Unit 216	904	904	3.03%
Residential Unit 217	905	905	3.03%
Commercial Unit	15,514	15,514	52.06%
TOTAL	29,798	29,798	100.00%



EXHIBIT C

THE COTTON EXCHANGE, A CONDOMINIUM
RESIDENTIAL LIMITED COMMON ELEMENTS ONLY

UNIT	SQUARE FEET	PERCENT
Residential Unit 201	849	5.94%
Residential Unit 202	634	4.44%
Residential Unit 203	927	6.49%
Residential Unit 204	881	6.17%
Residential Unit 205	607	4.25%
Residential Unit 206	863	6.04%
Residential Unit 207	867	6.07%
Residential Unit 208	785	5.50%
Residential Unit 209	759	5.31%
Residential Unit 210	843	5.90%
Residential Unit 211	872	6.10%
Residential Unit 212	900	6.30%
Residential Unit 213	874	6.12%
Residential Unit 214	899	6.29%
Residential Unit 215	915	6.41%
Residential Unit 216	904	6.33%
Residential Unit 217	905	6.34%
TOTAL RESIDENTIAL	14,284	100.00%



EXHIBIT D

STATE OF GEORGIA
COUNTY OF CLARKE

THIS INSTRUMENT WAS PREPARED BY AND SHOULD BE RETURNED TO:
MICHAEL A. MORRIS, ESQUIRE
BLASINGAME, BURCH, GARRARD & ASHLEY P.C.
440 COLLEGE AVENUE NORTH
P.O. BOX 832
ATHENS, GA 30603
(706) 354-4000


**CONSENT AND ACKNOWLEDGEMENT OF
DECLARATION OF CONDOMINIUM OF THE COTTON EXCHANGE**

This Consent and Acknowledgement of Declaration of Condominium of the Cotton Exchange is executed as of the 25th day of April, 2013 by **Branch Banking and Trust Company**, successor to Main Street Bank (“BB&T”) and **Athens Arches, LLC**, a Georgia limited liability company (“Borrower”).

WHEREAS, Borrower is the owner of fee simple title of that certain parcel of land and the improvements situated thereon being a commercial building known as 269 North Hull Street according to the present system of numbering buildings in Athens-Clarke County, Georgia, and being more particularly described in Exhibit A attached hereto and incorporated herein (the “Property”); and

WHEREAS, Borrower has executed the following deeds to secure debt in favor of BB&T:

- (1) a Deed to Secure Debt with Power of Sale from Athens Arches, LLC to Main Street Bank, recorded at Deed Book 2276, page 386;
- (2) a Modification of Deed to Secure Debt by and between Athens Arches, LLC and Main Street Bank, dated April 12, 2005, recorded at Deed Book 2855, page 392;
- (3) a Modification of Deed to Secure Debt by and between Athens Arches, LLC and Main Street Bank, dated December 22, 2005, recorded at Deed Book 3015, page 69;
- (4) a Modification of Deed to Secure Debt by and between Athens Arches, LLC and Main Street Bank, dated April 12, 2005, recorded at Deed Book 3037, page 410;
- (5) a Modification of Deed to Secure Debt by and between Athens Arches, LLC and Main Street Bank, dated May 24, 2006, recorded at Deed Book 3106, page 35;
- (6) a Modification Agreement to Georgia Security Deed and Security Agreement by and between Athens Arches, LLC and Branch Banking and Trust Company, dated December 1, 2006, recorded at Deed Book 3232, page 488;

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- (7) a Modification Agreement to Georgia Security Deed and Security Agreement by and between Athens Arches, LLC and Branch Banking and Trust Company, dated December 17, 2007, recorded at Deed Book 3437, page 334;
 - (8) a Modification Agreement to Georgia Security Deed and Security Agreement by and between Athens Arches, LLC and Branch Banking and Trust Company, dated August 7, 2008, recorded at Deed Book 3534, page 454;
 - (9) a Modification Agreement to Georgia Security Deed and Security Agreement by and between Athens Arches, LLC and Branch Banking and Trust Company, dated June 1, 2009, recorded at Deed Book 3624, page 314;
 - (10) an Affidavit relative to payment of intangible tax recorded at Deed Book 3624, page 317;
 - (11) a Georgia Security Deed and Security Agreement from Athens Arches, LLC to Branch Banking and Trust Company, dated June 1, 2009, recorded at Deed Book 3624, page 318; and
 - (12) a Georgia Security Deed and Security Agreement from Athens Arches, LLC to Branch Banking and Trust Company, dated July 27, 2009, recorded at Deed Book 3667, page 254, all Athens-Clarke County, Georgia Records (collectively the "Security Deeds"); and

WHEREAS, Borrower is desirous of converting the Property to the condominium form of ownership by execution and recordation of a Declaration of Condominium of The Cotton Exchange, a condominium in Athens-Clarke County, Georgia (the "Declaration") and accompanying condominium plat and plans therefore (the "Plat and Plans", with the Declaration and the Plat and Plans being collectively referred to herein as the "Condominium Documents"); and

WHEREAS, BB&T has agreed to consent to the conversion of the Property to the condominium form of ownership pursuant to the execution and recordation of the Condominium Documents by the Borrower and BB&T has agreed to subordinate the lien of the Security Deeds to the Condominium Documents.

THEREFORE, for and in consideration of one dollar and other good and valuable consideration, BB&T as holder of the Security Deeds does hereby acknowledge and agree that the Property (i) shall be converted to the condominium form of ownership, (ii) shall be subject to the Condominium Documents for all purposes, and (iii) hereby subordinates the lien of the Security Deeds thereto.

Notwithstanding any provision contained herein to the contrary, BB&T's subordination of the lien of the Security Deeds to the Condominium Documents shall not affect the priority of the lien of the Security Deeds in relation to any liens of the Association (as defined in the Condominium Documents). Nothing contained herein shall be construed as BB&T releasing any of the Property from the lien of the Security Deeds. The purpose of this consent is to acknowledge the conversion of the Property to the condominium form of ownership by recording of the Condominium Documents and the subordination of the Security Deeds to the Condominium Documents.

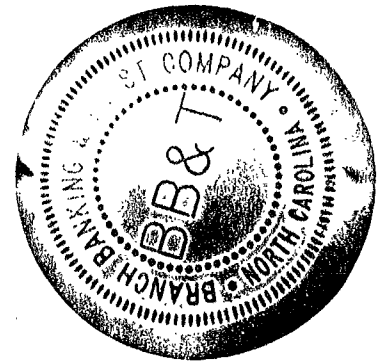


IN WITNESS WHEREOF, the duly authorized representatives of the parties have hereunto set their hands, affixed their respective seals and delivered these presents as of the date and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: *Lisa Rawls* (Seal)
 Name: *Lisa Rawls*
 Title: *Sr Vice Pres.*
 Attest: *Adam Knight* (Seal)
 Name: *Adam Knight*
 Title: *Assistant Vice President*

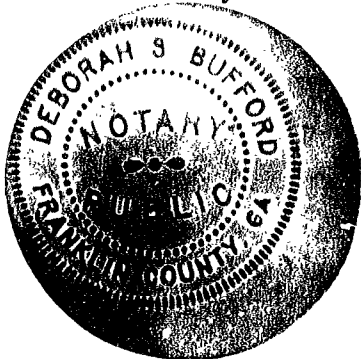
(Bank Seal)



Signed, sealed and delivered in the presence of:

Melanie L. Deever
Witness

Deborah S. Bufford
Notary Public



ATHENS ARCHES, LLC

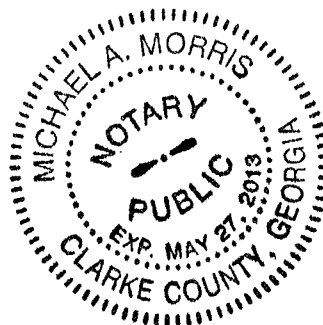
By: *Gregory Garcia* (Seal)
 Name: *Gregory Garcia*
 Title: *Managing Member*

By: _____ (Seal)
 Name: _____
 Title: _____

Signed, sealed and delivered in the presence of:

Paul A. Wilson
Witness

Michael A. Morris
Notary Public



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EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

ALL that tract or parcel of land, together with all improvements situated thereon, being in the 216th G.M.D., Clarke County, Georgia and being more particularly described as follows:

Begin at a point situated at the intersection of the northern right of way of West Clayton Street and the western right of way of North Hull Street; run thence along the northern right of way of West Clayton Street South 77 degrees 49 minutes 36 seconds West 92.10 feet to an iron pin situated on the western side of an alley; thence leaving said right of way run North 12 degrees 03 minutes 15 seconds West 226.17 feet to a point situated on the southern right of way of West Washington Street; run thence along said southern right of way of West Washington Street North 79 degrees 19 minutes 33 seconds East 92.10 feet to a point situated at the intersection of the southern right of way of West Washington Street and the western right of way of North Hull Street; and run thence along said western right of way of North Hull Street South 12 degrees 03 minutes 39 seconds East 223.76 feet to the point of beginning situated at the intersection of the western right of way of North Hull Street and the northern right of way of West Clayton Street.



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EXHIBIT E
ARCHITECT'S CERTIFICATION

BETA DESIGN GROUP, P.C.

Architecture

E. Michael Shackley, A.I.A.

W. Jarrell Brumbley, P.E., retired

ARCHITECT'S CERTIFICATION

**The Cotton Exchange
A Condominium in Athens-Clarke County, Georgia
269 N. Hull Street
Athens, GA 30601**

I, E. Michael Shackley, a Georgia registered architect, hereby certify that I have visited the site and viewed the property and that, to the best of my knowledge, information and belief:

- (A) The exterior walls and roof of each structure are in place as shown on the plans, and
- (B) Such walls, partitions, floors and ceilings, to the extent shown on said plans, as constitute the horizontal boundaries, if any, and the vertical boundaries of each unit, including convertible space have been sufficiently constructed so as to establish clearly the physical boundaries of such unit.

This Certificate is given the 15th day of March, 2013.

Beta Design Group, P.C.

By: E. Michael Shackley, A.I.A.
President

