



DECLARATION OF COVENANTS
RESTRICTIONS AND EASEMENTS FOR
STERLING WOODS

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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR:**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR STERLING WOODS, is made this _____ day of _____, _____ by Sterling Woods Builders, LLC, a Georgia Corporation (hereinafter referred to as "Declarant").

BACKGROUND STATEMENT

Declarant is the owner of certain real property located in Clarke County, Georgia, which is more particularly described in Exhibit "A" attached hereto and made a part hereof. Declarant intends to develop on the real property described above a development to be known as Sterling Woods (hereinafter referred to as the "Development"). Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within Sterling Woods by the recording of this Declaration and amendments thereto. Declarant desires to provide flexible and reasonable procedures for the overall development of Sterling Woods. Declarant also desires to establish a method for the administration of the property that is now or hereafter subjected to this Declaration.

DECLARATION

The Declarant hereby declares that all of the real property described above shall be held, sold, and conveyed subject to this Declaration of Covenants, Restrictions, and Easements (the "Declaration"), which is for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property (as hereinafter defined). The Covenants, Restrictions, and Easements set forth herein shall run with the Property, and shall be binding on all parties having or acquiring any right, title, or interest in the Property, or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, distributees, successors, and assigns.

ARTICLE I

DEFINITIONS

The following words, when used in this Declaration of Covenants, Restrictions, and Easements, shall have the following meanings:

1.01 Builder

"Builder" shall mean any individual, corporation, partnership, or other entity engaged principally in the business of constructing for sale to homeowners single-family dwellings to whom the Declarant sells or has sold one or more Lots for the purpose of constructing thereon a Residence.

1.02 Declarant

"Declarant" means Sterling Woods Builders, LLC, a Georgia Corporation, and its successors-in-title and assigns, provided that the in the instrument of conveyance to any such successor-in-title

or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor shall be the "Declarant" hereunder at the time of such conveyance; provided, further, upon such designation of a successor Declarant, all rights and obligations of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the property described in Exhibit "A" attached hereto, and which is now or hereafter subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

1.03 Lot

"Lot" means any parcel of land shown upon a subdivision plat recorded in the office of the Clerk of the Superior Court of Clarke County, Georgia, covering any portion of the Property.

1.04 Occupant

"Occupant" shall mean any person occupying all of any portion of a Residence located within the Development for any period of time, regardless of whether such person is a tenant or the Owner of such property.

1.05 Owner

"Owner" means the record owner (including Declarant), whether one or more persons or entities of a fee simple title to any Lot; provided, however, that where fee simple title has been transferred and is being held merely as security for the repayment of a loan, the person or entity who would own the Lot if such loan were paid in full shall be considered the Owner.

1.06 Property

"Property" means that certain real property described in Exhibit "A" attached hereto and made a part hereof which Property is hereby made subject to the covenants and restrictions herein set forth.

1.07 Residence

"Residence" shall mean a structure situated upon a Lot intended for independent use and occupancy as a residence for a single family. A structure and the land owned as a part thereof (the Lot) shall not become a Residence until a certificate of occupancy shall have been issued by the appropriate governmental authorities as a prerequisite to the occupancy of such a Residence and until the Lot and structure located thereon shall have been conveyed to a third party other than the Builder thereof.

1.08 Restrictions

"Restrictions" means all covenants, restrictions, easements, charges, liens, and other obligations created or imposed by this declaration.

1.09 Structure

"Structure" means:

(a) Any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse or bathhouse, coop, or cage, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, tree, shrub (and all other forms of landscaping) sign, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Lot.

(b) Any excavation, grading, fill, ditch, diversion dam, or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash, or drainage channel from, upon, or across any Lot.

(c) Any change in the grade at any point on a Lot of more than six (6) inches, whether or not subsection (b) of this Section 1.09 applies to such change.

1.10 Survey

"Survey" means that certain boundary survey of the Property prepared for Sterling Woods Builders, LLC., a Georgia corporation, as recorded in Plat Book 95, Pages 60 & 61, in the Office of the Clerk of the Superior Court of Clarke County, Georgia, also including all acreage in Exhibit "A-1" which includes all proposed future units for Sterling Woods.

1.11 Association

"Association" means Sterling Woods Homeowners Association, Inc. (A nonprofit corporation organized under the Georgia nonprofit Corporation Code), its successors, and assigns.

1.12 Board

"Board" means the Board of Directors of the Association.

1.13 By-laws

"By-laws" means the By-laws of the Association

1.14 Member

"Member" means any member of the Association.

ARTICLE II ARCHITECTURAL CONTROL

2.01 Architectural Control Committee – Creation and Composition

The Architectural Control Committee (the "ACC") shall be appointed by the Declarant.

2.02 Purpose, Powers, and Duties of the ACC

The Purpose of the ACC is to assure that any installation, construction, or alteration of any

Structure on any Lot shall be submitted to the ACC for approval (i) as to whether the proposed installation, construction, or alteration is in conformity with and harmony of external design and general quality with the existing standards of the neighborhood and with the standards of the Development, and (ii) as to the location of the Structures. To the extent necessary to carry such purpose, the ACC shall have all of the powers and duties to do each and every thing necessary, suitable, convenient, or proper for, or in connection with, or incidental to the accomplishment of such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation construction or alteration of any Structure on any Lot.

2.03 Operations of the ACC

(a) Meetings

The ACC shall hold meetings as needed.

(b) Activities

The ACC shall adopt and promulgate the Design Standards as described in Exhibit "B" hereof and shall, as required, make findings, determinations, rulings, and orders which respect to the conformity with said Design Standards of plans and specifications to be submitted for approval to the ACC pursuant to the provisions of this Declaration. The ACC shall, as required, issue permits, authorizations, or approvals, which may include specified requirements or conditions, pursuant to the provisions of this Declaration.

2.04 Design Standards

The ACC shall from time to time adopt, promulgate, amend, revoke, and enforce guidelines (the "Design Standards") for the purpose of:

- (i) Governing the form, content, and procedure for submission of plans and specifications to be submitted to the ACC for approval pursuant to the provisions of this Declaration.
- (ii) Establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details or construction, location, and size of Structures, and all other matters that require approval by the ACC pursuant to this Declaration; and
- (iii) Assuring the conformity and harmony of external design and general quality of the Development.

2.05 Submission of Plans and Specifications

No structure shall be commenced, erected, placed, moved onto, or permitted to remain on any Lot, nor shall any existing Structure upon any Lot be altered in any way which materially changes the exterior appearance of the Structure of Lot, unless plans and specifications, therefore shall have been submitted and approved in writing by the ACC.

2.06 Approval of Plans and Specifications

Approval of any such plans and specifications relating to any Lot or Structure shall be final as to that Lot or Structure, and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to such approval.

2.07 Disapproval of Plans and Specifications

The ACC shall have the right to disapprove of any plans and specifications submitted pursuant to this Declaration because of any of the following:

- (a) The failure to include information in such plans and specifications as may have been reasonably requested.
- (b) The failure of such plans or specifications to comply with this Declaration or the Design Standards.
- (c) Any other matter which, in the judgment of the ACC, would be likely to cause the proposed installation, construction, or alteration of a Structure (i) to fail to be in conformity and harmony of external design and general quality with the standards for Sterling Woods as set forth in the Design Standards, or (ii) as to location to be incompatible with topography, finished ground elevation and surrounding Structures. In any case in which the ACC shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case, the ACC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

2.08 Obligation to Act

The ACC shall take action on any plans and specifications submitted as herein provided within thirty (30) days after receipt thereof. Failure by the ACC to take action within thirty (30) days of receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications.

2.09 Inspection Rights

The ACC may, after reasonable notice, at any reasonable time enter upon any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any structure or the use of any lot or structure is compliance with the provisions of this Declaration.

2.10 Violations

If any Structure shall be erected, placed, maintained, or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the ACC pursuant to the provisions of this Article, such erection, replacement, maintenance, or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If, in the opinion of

the ACC, such violation shall have occurred, the ACC shall provide written notice to the Owner, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within thirty (30) days after the delivery of the aforesaid notice of violation, then the Declarant shall have the Right of Abatement as provided in Section 5.02 hereof.

2.11 Fees

The ACC may impose and collect a reasonable and appropriate fee to cover the cost review of plans and of inspections. The fee shall be established from time to time by the ACC and published in the Design Standards.

2.12 Non-discrimination by the ACC

The ACC shall not discriminate against any applicant requesting its approval of plans and specifications because of the applicant's race, color, sex, religion, age, or national origin. Further, the ACC, in the exercise of its powers granted pursuant to this Declaration, shall not take any action the intent of effect of which is to discriminate against persons or a particular race, color, sex, religion, age or national origin.

2.13 Disclaimer as to ACC Approval

Plans and specifications are not reviewed for engineering or structural design or quality of materials, and by approving such plans and specifications, the ACC does not assume liability or responsibility, therefore, nor for any defect in any structure constructed from such plans and specifications. Neither Declarant, ACC, or agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by these Restrictions by reason of a mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove of any such plans or specifications. Every person who submits plans or specifications and every Owner agrees that he will not bring any action or suit against Declarant, the ACC, and agents or any of them to recover any such damages and hereby releases, remises, quit-claims, and covenants not to sue for all claims, demands, and causes of action arising out of or in connection with any judgment, negligence, or nonfeasance and hereby waive the provisions of any law which provides that a general release does not extend to claims, demands, and causes of action not known at the time the release is given.

ARTICLE III GENERAL COVENANTS AND RESTRICTION

3.01 Application

The covenants and restrictions contained in Article III shall pertain and apply to all Lots and to all Structures erected or placed thereon.

3.02 Restriction of Use

Lots may be used for single-family residences only and for no other purpose, provided that the Declarant may operate a sales office and/or model home on a Lot or Lots designated by Declarant.

No business, fraternal, civic, historic, or religious institution or organization may establish headquarters or hold regular meetings on a Lot. No more than one family shall reside on a Lot.

3.03 Resubdivision of Property

No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise. Notwithstanding the foregoing, nothing herein shall prevent the Owner of any Lot from combining two or more Lots into one Lot for construction of a single Residence thereon; provided, however, that such combined Lot may not be subdivided thereafter; and, provided further, that the Owner of the Residence on such a Lot be responsible for annual and special assessments based upon the number of Lots combined into one Lot.

3.04 Erosion Control

No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written permission of the ACC of plans and specifications for the prevention and control of such erosion or siltation. Guidelines for the prevention and control of erosion and siltation may be included in the Design Standards of the ACC.

3.05 Landscaping

All front yards of all Lots shall be sodded with Bermuda sod (or and equivalent substitute sod).

3.06 Trees

Guidelines relating to the preservation of trees and other natural resources upon the Property may be included in the Design Standards of the ACC.

3.07 Temporary Buildings

No temporary buildings, trailers, garages, or buildings under construction shall be used, temporary or permanently as a Residence of any Lot. Only one (1) Residence shall be permitted to be placed on a Lot.

3.08 Signs

No signs whatsoever (including but not limited to commercial and similar signs) shall, without the ACC's prior written approval, be installed or maintained on any Lot, or on any portion of a Structure visible from the exterior thereof, except:

- (i) such signs as may be required by legal proceedings;
- (ii) not more than one "For Sale" sign, such sign having a maximum face area of four square feet provided that such sign may only be displayed in the front yard of a Lot; and, provided, further, that if, at the time of any desired use of such sign, the Development is making "For Sale" signs available for the use of Owners, the signs made available must be used;
- (iii) Directional signs for vehicular or pedestrian safety in accordance with plans and specifications

approved by the ACC.

(iv) The ACC or the Declarant can impose a fine of \$100.00 per day for an unauthorized sign, especially a sign of a derogatory nature toward any builder or the developer. Any disputes are to be handled by arbitration or in court and never posted in the Subdivision.

3.09 Setbacks

In approving plans and specifications for any proposed structure, the ACC may establish setback requirements for the location of such Structure. Guidelines for setbacks may be included in the Design Standards of the ACC. No structure shall be erected or placed on any Lot unless its location is consistent with such setbacks.

3.10 Construction of Residence

The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk storage, and basement) of one-story Residence shall contain not less than 1,000 square feet. The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk storage, and basement) of all two-story or split-level Residence shall contain no less than 1,000 square feet. No Residence shall be constructed exceeding three stories in height on any Lot. No window air conditioning unit may be located in any part of a Residence, and all exterior compressor units shall be ground mounted. No exposed above-ground tanks for the storage of fuel or water or any other substance shall be located on any Lot. Concrete or cinder block shall not be used as a building material for the exposed exterior surface of any Residence.

3.11 Fences

No fence or wall of any kind shall be erected, maintained, or altered on any lot without the prior written approval of the ACC of plans and specifications for such fences and walls. Guidelines relating to the design, location, and uses of fences may be included in the Design Standards of the ACC. All fences shall be approved by the ACC.

3.12 Roads and Driveways

No road or driveway shall be constructed or altered on any Lot without the prior written approval of the ACC of plans and specifications for such roads and driveways. Guidelines relating to the design and location of roads and driveways may be included in the Design Standards.

3.13 Antennae, Etc.

No exterior television or radio antennae or satellite dish or receiver or solar equipment of any sort shall be placed, allowed, or maintained upon any portion of a Lot or Structure without prior written consent of the ACC.

3.14 Clotheslines, Garbage Cans, Etc.

All clotheslines, equipment, garbage cans, and woodpiles shall be kept screened by adequate planting or fencing so as to conceal them from view by neighboring Lots and streets, and may be

maintained only in the rear yard of a Lot.

3.15 Mailboxes

Only one (1) mailbox shall be located on any Lot. All mailboxes will be the same design.

3.16 Maintenance

Each Owner shall keep and maintain each Lot and Structure owned by him, as well as all landscaping located thereon, in good condition and repair, including, but not limited to (i) the repairing and painting of all Structures; (ii) the seeding, watering and mowing of all lawns; and (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of street traffic. If, in the opinion of the ACC, any Owner shall fail to perform the duties imposed by this Section, the ACC shall give written notice to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner shall fail to take reasonable steps to remedy such condition within thirty (30) days after the mailing of said written notice, then the ACC shall have the Right of Abatement as provided in Section 5.02 hereof. Guidelines relating to the maintenance of Structures and landscaping may be included in the Design Standards of the ACC.

3.17 Commercial and Recreational Vehicles and Trailers

No commercial vehicles, bus, house trailer, mobile home, motor home, recreational vehicle, camper, truck with camper top, jet ski, boat or boat trailer, or like equipment shall be permitted on any Lot on a permanent basis, but shall be allowed on a temporary basis not to exceed twenty-four (24) consecutive hours once per month. Notwithstanding the foregoing, any such vehicles or equipment may be stored on a Lot, provided that such vehicle or equipment is kept in an enclosed space and is concealed from view by neighboring residences and streets. No motorized vehicle of any nature shall be permitted on pathways or unpaved Common Property except for public safety vehicles and vehicles authorized by the Board. No commercial vehicle, bus, house trailer, mobile home, motor home, recreational vehicle, camper, truck with camper top, jet ski, boat, or boat trailer or like equipment on the streets in the subdivision except for the limited purpose of pickup or delivery. The following parking limitations shall not apply to trucks, cars, and related vehicles involved in the construction of any residence on a lot.

3.18 Recreational Equipment

Recreational and playground equipment shall be placed or installed only upon the rear of a Lot as approved by the ACC. Basketball goals may be placed adjacent to a driveway, but shall be painted to match the house.

3.19 Non-Discrimination

No owner or person authorized to act for an Owner shall refuse to sell or rent, after receiving a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any Lot to any persons because of race, color, religion, or national origin. Anything to the contrary notwithstanding, this covenant shall run with the land and shall remain in effect without any limitation in time.

3.20 Animals

No agricultural animals may be kept on any Lot and no animals may be kept on any Lot unless kept thereon solely as household pets and not for commercial purposes. No animal shall be allowed to become a nuisance. No Structure for the care, housing, or confinement of any animal shall be constructed, placed, or altered on any Lot unless approved by the ACC.

3.21 Solid Waste

No person shall dump rubbish, garbage, or any other form of solid waste on any Lot;

(b) Except during approved construction as approved by the appropriate governmental authority, no person shall burn, rubbish, garbage, or any other form of solid waste on any Lot.

(c) No lumber, metals, bulk materials, or solid waste of any kind shall be kept, stored, or allowed to accumulate on any Lot unless screened or otherwise handled in a manner set forth in the Design Standards.

(d) If rubbish, garbage, or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open on any day that a pickup is made in order to provide access to persons making such pickup. At all other times, such containers shall be screened or enclosed in a manner set forth in the Design Standards. Guidelines relating to the type of containers permitted, the manner of storage, and the place of pickup may also be included in the Design Standards.

3.22 Nuisances

No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereof which may be or may become any annoyance or nuisance to the community. No abandoned, inoperable, or unlicensed vehicles shall be parked on any streets within the Development or in the front, rear, or side yards of any Lot.

3.23 Marketing

Declarant shall have the right to appoint the real estate marketing firm to handle the marketing and sale of all new Lots and Residences located within the Development.

ARTICLE IV EASEMENTS, ZONING AND OTHER RESTRICTIONS

4.01 Easements

(a) Declarant hereby expressly reserves to the Declarant, Clarke County, or such other municipality or political subdivision as may have jurisdiction thereof, and for utility companies as may from time to time serve the Development, their respective successors and assigns forever, the right to create perpetual easements in, on, over and under any part of the Property owned by the Declarant for any purpose which Declarant deems necessary, including, by way of example, and not limitation, the following:

(i) the erection, installation, construction, and maintenance of wires, lines, conduits, and poles and the necessary or proper attachments in connection with the transmission of electricity, telephone, cable television cables, and other utilities and similar utilities.

(ii) the erection, installation, construction, and maintenance of storm-water drains, driveways, public gas, water, and heat, and for any other public quasi-public facility, service, or function;

(iii) slope control purposes, including the right to grade and plant slopes and prevent the doing of any activity which might interfere with slopes or which might create erosion sliding problems or which might change, obstruct or retard drainage flow; and

(iv) The planting or replanting of hedges, shrubbery, bushes, trees, flowers, and plants of any nature.

(b) No Owner shall have any right to use any easement created by the Declarant in, on, or over any portion of the Property unless such easement has been expressly assigned by the Declarant.

(c) The easement restrictions set forth herein shall not be considered an obligation of Declarant to provide or maintain any such utilities, drainage facilities, or services.

4.02 Easement Area

The words "Easement Area," as used herein, shall mean those areas on any Lot or any other portion of the Property with respect to which easements are shown on a recorded deed, easement agreement, this Declaration, on the Survey or on any other recorded map or plat relating thereto.

4.03 Entry

The Declarant and its employees, agents, successors, and assigns shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved without being deemed to have committed a trespass, provided the same is done in accordance with the provisions of this Section. The Declarant and its employees, agents, successors, and assigns shall be responsible for leaving each Lot in good condition and repair following any work or activity undertaken in an Easement Area pursuant to the provisions of Section 4.01.

4.04 Zoning and Private Restrictions

None of the covenants, restrictions, or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, rules, or regulations of any governmental body. In the event of any conflict between such laws, rules, or regulations and the covenants, restrictions, and easements created or imposed by the Declaration, the most restrictive provisions shall govern and control.

ARTICLE V ENFORCEMENT

5.01 Right of Enforcement

This Declaration and the Restrictions contained herein shall inure to the benefit of and shall be enforceable by (i) the Declarant so long as it is an owner, (ii) each Owner, his legal representatives, heirs, successors, and assigns.

5.02 Right of Abatement

(a) In the event of a violation or breach of any Restriction contained in this Declaration, Declarant or Owners shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of said written notice, then the Declarant or Owners shall have the Right of Abatement.

(b) The Right of Abatement, as used in this Section, means the right of the Declarant and Owners, through its agents and employees, to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section, and with the cost thereof, including the costs of collection including reasonable attorneys' fees, together with interest thereon at the lower of the highest rate permitted by law or 18%, to be a binding personal obligation of such Owner enforceable in law, as well as a lien on such owner's Lot enforceable in law. Such lien shall be superior to any and all charges, liens, or encumbrances which may in any manner arise or be imposed upon the Lot after such entry, whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior and (ii) all deeds to secure debt given to secure a loan the proceeds of which are used (1) to purchase a Lot or Lots (together with any and all Structures which may from time to time be placed or located thereon) and (2) to finance the construction, repair or alteration of Structures. (c) Any sign violation shall be remedied within twenty-four (24) hours of notification (regular mail, certified mail, or personal notification), or the ACC shall have the right to fine the violator \$100.00 per day. The ACC shall have the right to file a lien for these fines plus attorney fees.

5.03 Specific Performance

Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, or any Owner, to enforce the Restrictions by appropriate judicial proceedings or to recover damages. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors, or assigns, by reason of a violation of, or failure to perform any of the obligations provided by this Declaration; and therefore any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

5.04 Enforcement of Lien

(a) If any interest, cost, or other charge is not paid as required by this Declaration, the Declarant or

Owners may bring either an action at law against the Owner personally obligated to pay the same, or an action to foreclose any lien created by this Declaration against the Lot or Lots subject to the lien, or both, for the purpose of collecting such cost or charge, plus any interest thereon and costs of collection, including reasonable attorney's fee.

(b) WAIVER. EACH OWNER, BY ACCEPTANCE OF A DEED CONVEYING A LOT SUBJECT TO THIS DECLARATION, WAIVES ANY RIGHT WHICH OWNER MAY HAVE UNDER THE CONSTITUTION OR THE LAWS OF THE STATE OF GEORGIA OR THE CONSTITUTION OR THE LAWS OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS DECLARATION, AND OWNER WAIVES OWNER'S RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THIS DECLARATION ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING. ALL WAIVERS BY OWNER IN THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY, AND KNOWINGLY, AFTER OWNER HAS FIRST BEEN ALLOWED THE OPPORTUNITY TO CONSULT LEGAL COUNSEL WITH RESPECT TO OWNER'S POSSIBLE RIGHTS.

5.05 No Waiver

The failure of the Declarant or the Owner of any Lot, his or its respective legal representatives, heirs, successors, and assigns, to enforce any restrictions herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

ARTICLE VI DURATION AND AMENDMENT

6.01 Duration

This Declaration and the Restrictions contained herein shall run with and bind the Property for a period of twenty (20) years from and after the date when this Declaration is filed for the record with the Clerk of the Superior Court of Clarke County, Georgia, after which time this Declaration and the Restrictions shall be automatically renewed for successive periods of ten (10) years provided, however, that after the said twenty (20) year period and during any ten (10) year renewal period (but only during such a renewal period), this Declaration and Restrictions contained herein may be terminated by an instrument executed by the majority of the homeowners and recorded in the office of the Clerk of the Superior Court of Clarke County, Georgia, or in such place of recording as may be appropriate at the time of the execution of such instrument, pursuant to a resolution approved such termination which is approved by a two-thirds vote of the Homeowners.

6.02 Amendments by Declarant

Declarant may amend this Declaration by an instrument in writing filed in the office of the Clerk of the Superior Court of Clarke County, Georgia, without the approval of any Owner or Mortgagee; provided, however, that (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such. Owner's Lot, or if such amendment adversely affects the title to any Lot, such amendment shall be valid only upon the written consent thereto by two-thirds (2/3) of the then existing Owners affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security title and interest of any mortgage,

such amendment shall be valid only upon the written consent thereto of any such mortgagees so affected. Any amendment made pursuant to this Section 7.01 shall be certified by Declarant as having been duly approved by Declarant, and such Owners and mortgagees if required and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section 7.01, and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Development (i) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration, (iii) if such amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot subject to this Declaration, (iv) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration or (v) if such amendment is necessary to correct a scrivener' error in the drafting of this Declaration.

6.03 Amendments by Association

Amendments to this Declaration, other than those authorized by Section 6.02 hereof, shall be proposed and adopted in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such a proposed amendment is to be considered and shall be delivered to each Member of the Association.

(b) At such meeting, a resolution adopted a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least two-thirds (2/3) of the total votes in the Association, provided however (i) that any amendment which materially and adversely affects the security title and interest of any mortgagee must be approved by such mortgagee and (ii) during any period in which Declarant has the right to approve and remove officers and directors of the Association, such amendment must be approved by Declarant.

(c) The agreement of the required percentage of the Owners, and, where required, the Declarant and any mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice-President or the Secretary of the Association attached incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the Agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded such later date as may be specified in the Amendment itself.

ARTICLE VII MISCELLANEOUS

7.01 No Reverter

No Restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

7.02 Severability

Whenever possible, each provision of this Declaration shall be interpreted in such a manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

7.03 Headings

The headings of the Articles and Sections hereof are for the convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

7.04 Gender

Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

7.05 Notices

All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures, or consent of any kind made pursuant to this Declaration, whether made by the Declarant, the Owner, or any other person, shall be in writing. All such writings shall be sufficient only if deposited in the United States Mail, with sufficient postage, and sent to the following addresses:

(a) Declarant: Sterling Woods Builders, LLC
P. O. Box 720613
Atlanta, Georgia 30358

(b) Owner: Each owner's address by Deed of Record.

7.06 No Liability

Declarant has, using best efforts and all due diligence, prepared this Declaration so that each and every Owner shall have the right and power to enforce the terms and provisions of this Declaration against every other Owner. However, in the event that this Declaration is, for any reason whatsoever, unenforceable by an Owner (or any other person) in a court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owner, by acceptance of a deed conveying a Lot, acknowledges that Declarant shall have no such liability.

ARTICLE VIII COMMON PROPERTY

8.01 Conveyance of Common Property

(a) The Declarant may, from time to time, cause to be conveyed to the Association certain improved or unimproved real property, personal property, or grants of easements for the common use and enjoyment of the Owners, and such real and personal property shall thereafter be Common Property to be maintained by the Association for the benefit of all or part of its Members. In addition, the Declarant may, from time to time, cause the conveyance of certain real property or grants of easements to the general public as may be required by governing authorities in accordance with this Declaration. The Association hereby covenants and agrees to accept all such conveyances of Common Property.

(b) The Declarant may convey to the Association Common Property for scenic and natural area preservation. The Declarant may, at Declarant's sole discretion, modify, alter, increase, reduce, and otherwise change the Common Property contemplated to be conveyed to the Association in accordance with this subsection (b) of this Section 8.01 at any time prior to conveyance of such Common Property to the Association.

(c) In addition to the property described in subsection (b) of this Section 8.01, the Declarant may convey to the Association, in accordance with this Section 8.01, such other real and personal property as the Declarant may determine may be necessary or proper for the completion of the Development.

(d) Notwithstanding any legal presumption to the contrary, the fee title to, and all rights in, any portion of the Property owned by the Declarant and designated as Common Property or designated for public use shall be reserved to the Declarant until such time as the same shall be conveyed to the Association or to any municipality or other governmental body, agency or authority.

8.02 Right of Enjoyment

Every Owner shall have a right and easement to use and enjoy the common Property, which right shall be appurtenant to and shall pass with the title to every Lot upon transfer; provided, however, that no Owner shall do any act which interferes with the free use and enjoyment of the Common Property by all other Owners. The right and easement of enjoyment granted or permitted by this Section 8.02 is subject to those items set forth in Section 8.03, which include suspension by the Association as provided in Sections 8.03 (c) and 9.05.

8.03 Rights of the Association

The rights and privileges conferred in Section 8.02 hereof shall be subject to the right of the Association acting through the Board to:

(a) promulgate rules and regulations relating to the use, operation, and maintenance of the Common Property;

(b) charge reasonable fees in connection with the admission to and use of facilities or services; provided that in setting any such fee, the Board may establish reasonable classifications which

shall be uniform within each such class but need not be uniform between such classes;

(c) suspend the voting rights of any Member, pursuant to Section 9.05, and the right of enjoyment granted or permitted by Section 8.02 for any period during which any assessment against such Owner's Lot which is herein provided for remains unpaid, and for a reasonable period of time for any infraction of the Declaration, By-laws or rules and regulations;

(d) grant easements or rights of way over Common Property to any municipality or other governmental body, agency, or authority, to any quasi-public agency or to any utility company or cable television system;

(e) enforce all applicable provisions of valid agreements of the Association relating to the Common Property or any part thereof;

(f) borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping, and maintenance of Common Property, and in aid, therefore, to encumber by deed to secure debt, mortgage, or other security interest, any or all of the Association's property, including Common Property and revenues from assessments user fees and other sources;

(g) dedicate or transfer all or a part of the Common Property or interests therein to any municipality or other governmental body, agency, or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the Association and such grantee, including a provision that such property or interest shall cease to be subject to this Declaration or all or any part of the Restrictions while held by any such municipality or other governmental body, agency or authority:

(h) to sell, lease, or otherwise convey all or a part of its properties and interest therein; provided, however, that the Association shall not sell, encumber by security interest, convey, dedicate, or transfer any Common Property or interest therein without the approval of two-thirds (2/3) of each class of Members.

8.04. Types of Common Property

At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as Common Property, the Declarant shall designate in the deed of conveyance or easement that such real property is to be Common Property, and further may designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real property is to be Common Property, and further may designate in the deed of conveyance or easement to the specific purpose or purposes for which real property or any portion thereof may be used, and in such event, such real property or portion thereof shall not, without a two-thirds (2/3) vote of each class of Members of the Association be used for any different purpose or purposes without the prior written consent of the Declarant. Notwithstanding anything provided herein to the contrary, the failure of the Declarant to make such designation in the deed of conveyance or easement shall not affect the validity of such conveyance or grant of easement.

8.05 Entrance and Scenic Strip Landscaping Easement

It is contemplated that certain easements for the erection and maintenance of entrance

monuments, subdivision signs, walls, fences, scenic strips, and other structures intended to provide an attractive atmosphere or to provide privacy to Owners within the Development will be reserved by the Declarant or granted to the Association (whether or not such easement areas are part of the Property) and may be set forth on plats of survey of the Development recorded in the County Records. Such easements shall be perpetual in duration and shall include the right to erect, maintain, repair, and replace any such structures within the easement areas, as well as the right to plant grass, plants, flowers, shrubs, and trees, to tend and garden the same, and to generally landscape the area within said easements to keep them clean, attractive and uniform in appearance for the benefit of all Owners within the Development. All Owners taking title to any Lot upon which such an easement lies will take title subject to the easement rights set forth herein, as well as such rights as may be set forth in the deed conveying such easements to the Association. Such easements shall be Common Property.

8.06 Encroachment Easements

If any buildings or other improvements initially constructed by Declarant or any builder on any of the Lots (including without limitation any eaves, roof overhangs, balconies, siding porches, or other structures which may be attached to the walls and roof of such buildings) encroach onto or over or extend into the air space of any portion of the Common Property, or, conversely, if any such improvements initially constructed on the Common Property encroach onto or over portions of any Lot, a valid easement for the encroachment and for the maintenance, repair and replacement thereof, shall exist so long as the encroachment exists.

8.07 Maintenance Obligation of Association

The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, property taxes, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the Common Property. The Association shall also maintain all drainage detention and retention areas originally maintained by Declarant to the extent such areas are not maintained on an ongoing basis by a local governmental entity and all property outside of Lots located within the Community which was originally maintained by Declarant. In addition, the Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within the Community, where the Board has determined that such maintenance would benefit all Owners. The Association shall be responsible for maintaining the entrance features and all landscaping located at the entrance to Development located on those areas described as Front Entrance. In addition, the Association is responsible for maintaining the sediment pond as noted as "Out lot A-Block B," and the undisturbed area noted as "3.232 acres" on the Final Plat for Sterling Woods, dated 10/18/2003 prepared by Landmark Engineering Group and recorded with the Clerk of Superior Court in Clarke County, Georgia records and all future recorded Units. The Association has been granted, and hereby accepts the grant of, an easement in perpetuity to allow the Association to perform such maintenance responsibility. In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the family, guests, lessees, or invitees of any Owner, and is not covered and paid for by insurance, in whole or in part, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot of such Owner.

8.08 Easement for Maintenance by the Association

There is hereby granted to the Association and its designated representatives an easement across such portions of the Property, including, without limitation, the Lots, determined in the sole discretion of the Association, as are necessary to allow for the maintenance required of the Association hereunder.

ARTICLE IX THE HOMEOWNERS ASSOCIATION

9.01 Purposes, Powers, and Duties of the Association

The Association shall be formed as a nonprofit civic organization for the primary purposes of performing certain functions for the common good and general welfare of its Members. To the extent necessary to carry out such purpose, the Association (a) shall have all of the powers of a corporation organized under the Georgia Nonprofit Corporation Code, and (b) shall have the power to exercise all of the rights, powers, and privileges of the Association as set forth in this Declaration. The Association shall not be dissolved without prior written permission by the Athens Clarke County Board of Commissioners.

9.02 Membership in the Association

Every Owner shall automatically be a Member of the Association, and such membership shall terminate only as provided in this Declaration of Covenants, Conditions, and Restrictions.

9.02 Voting Rights

Subject to the following provisions of this Section 9.03, the Association shall have two classes of voting membership: Class A and Class B.

(a) Class A. Every person who is an Owner, with the exception of the Declarant except as otherwise set forth herein, shall be a Class A Member and shall be entitled to one vote for each Lot owned. When more than one person is a Class A Member by virtue of an ownership interest in the same Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event of disagreement among such persons and an attempt by two or more of them to cast the vote of such Lot, such persons shall not be recognized, and the vote of such Lot shall not be counted. The Membership of a Class A Member shall automatically terminate upon the Member's sale of his Lot. However, no termination of Class A membership shall affect such Member's obligation to pay assessments, fines, or other charges as hereinafter provided for, due and payable for any period prior to the date of such termination, and there will be no refund for assessments paid for periods falling after the date of such termination.

(b) Class B. The Declarant shall be the sole Class B Member, Class B Membership shall be a full voting membership, and during its existence, the Class B Member shall be entitled to vote on all matters and in all events. The Class B Member shall be entitled to three (3) votes for each Lot owned by it; provided, however, in no event shall the Class B Member have less than the total number of Class A votes plus one (1). The Class B membership shall cease and shall be converted

to Class A membership at such time as the first of the following events occur: (a) the expiration of seven (7) years from the date of recording of this Declaration (b) the date on which three-fourths (3/4) on the Lots which may be developed on the Property shall have been conveyed to an individual Owner or Owners for residential occupancy; or the surrender, in writing, by the Declarant of the authority to appoint and remove members of the Board of the Association; provided, however, that so long as any mortgagee of Declarant holds a security interest in any portion of the Property, as security for a development loan to Declarant, the Class B membership shall not terminate without the prior written consent of such mortgagee. If at the time of termination of the Class B membership, Declarant still owns any Lots, then as to each Lot owned by Declarant, Declarant shall be deemed to be a Class A Member.

(c) The Development may be composed of Lots to be developed in phases containing an unequal number of Lots. Each such phase will be platted of record in the office of the Clerk of the Superior Court of Clarke County. The Declarant shall notify the Association in writing when the final phase of the Development has been so platted of record. By acceptance of a deed conveying a Lot, each Owner acknowledges that, upon the filing by Declarant of the subdivision plats covering such phases, the total votes outstanding in the Association will automatically increase based upon the number of Lots in the phases added and in accordance with the formula set forth in subsection (b) of this Section 9.03 and in no event shall Class B Membership cease and be converted to Class A Membership (as provided in subsection (b) of this Section 9.03) until after the Association receives the written notice provided for in the preceding sentence; provided, however, nothing contained herein shall obligate the Declarant to develop any proposed phase of the Development unless such phase is subject to this Declaration.

9.04 Board of Directors and Officers

(a) Board

The affairs of the Association shall be managed by a Board of Directors. The number of directors and the method of election of directors shall be as set forth in this Declaration and in the By-laws of the Association. Except to the extent otherwise expressly required or authorized by the Georgia Nonprofit Corporation Code or this Declaration, the Association's By-laws, or Articles of Incorporation, the powers inherent in or expressly granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Members.

(b) Officers

The number of officers and the method of election of officers shall be as set forth in this Declaration and the By-laws of the Association.

(c) Casting of Votes

The votes of the Members shall be cast under such rules and procedures as may be prescribed in this Declaration or in the By-laws of the Association, as amended from time to time, or by law.

9.05 Suspension of Membership

The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property of any person who:

(a) shall be subject to the Right of Abatement, as defined in Section 5.02 by reason of having failed to take the reasonable steps to remedy a violation or breach of either the Restrictions or the Design Standards of the ACC (as herein defined) within thirty (30) days after having received notice of the same.

(b) shall be delinquent in the payment of any assessment, fine, or other charge levied by the Association pursuant to the provisions of this Declaration; or

(c) shall be in violation of the rules and regulations of the Association relating to the use, operation, and maintenance of Common Property. Any suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach, or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 9.05, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

9.06 Voting Procedures

The procedures for the election of the Board and the resolution of such other issues as may be brought before the Membership of the Association shall be governed by this Declaration, the Georgia Nonprofit Corporation Code, the Articles of Incorporation of the Association, and the By-laws of the Association, as each shall from time to time be in force and effect.

9.07 Control by Declarant and Appointment of the Board

(a) Until such time as Declarant no longer has the right to appoint members to the Board, the Board of the Association shall consist of three (3) members. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-laws of the Association, the Declarant hereby retains the right to appoint all members to the Board. The rights of Declarant to appoint members of the Board also included the right to remove and replace appointees until such time as Declarant's rights to appoint members to the Board ceases. Declarant shall retain the right to appoint and remove members of the Board until such time as the first of the following events shall occur : (i) the expiration of seven (7) years from the date of the recording of this Declaration; (ii) the date upon which three-fourths (3/4) of the Lots which may be developed on the Property and the Additional Property shall have been conveyed by Declarant to an individual Owner or Owners for residential occupancy; or (iii) the surrender, in writing, by Declarant of the authority to appoint and replace directors. Upon the final expiration of all rights of Declarant to appoint and replace directors of the Association a special meeting of the Association shall be called. At such special meeting, the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association, and any agreements or contracts executed by or on behalf of the Association during such period, which Declarant has in its possession. Each Owner, by acceptance of the deed to or other conveyances of a Lot, vests in Declarant such authority to appoint and replace directors and officers of the Association as provided in this Section.

9.08 Implied Rights

The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE X ASSESSMENTS

10.01 Covenant for Assessments and Creation of Lien and Personal Obligation

Each owner of a Residence, jointly and severally, for himself, his heirs, distributees, legal representatives, successors, and assigns, by acceptance of a deed for a Residence, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:

- (a) to pay to the Association the annual assessments which may or shall be levied by the Association pursuant to this Declaration against all Residences owned by him;
- (b) to pay to the Association any special assessments for capital improvements and other charges which may or shall be levied by the Association pursuant to this Declaration against all Residences owned by him;
- (c) that there is hereby created a continuing charge and lien upon all Residences owned by him against which all such assessments are made to secure payment of such assessments and any interest thereon as provided in Section 10.09 hereof and costs of collection, including reasonable attorneys' fees;
- (d) that such continuing charge and lien on such Residence binds such Residence in the hands of the then Owner, and the Owner's heirs, devisees, legal representatives, successors, and assigns. Such charge and lien is superior to any and all charges, Liens, or encumbrances which may hereafter in any manner arise or be imposed upon such Lots whether arising from or imposed by judgment or decree or by any agreement contract, mortgage, deed to secure debt, or other instrument, except (i) such liens for taxes or other public charges as are by applicable law made superior, and (ii) all deeds to secure debt given to secure a loan the proceeds of which are used (1) to purchase a Residence or Residences (together with any and all Structures which may from time to time be placed or located thereon) and (2) to finance the construction or repair or alteration of Structures.
- (e) that no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Residence from liability for any assessment thereafter assessed;
- (f) that all annual, special, and Specific assessments (together with interest thereon as provided in Section 10.09 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Residence owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Residence as provided in Section 10.0 (c) of this Declaration) a personal obligation which will survive any sale or transfer of the Residence owned by him, provided, however, that such personal obligation for delinquent assessments shall not pass to Owner's successor in title unless expressly assumed by such successor.

10.02 Purpose of Assessment

The assessments levied by the Association shall be used exclusively for the purpose of providing for the common good and general welfare of the people of the new community of the Development, including but not limited to, security, the acquisition, construction, improvement, maintenance and equipping of Common Property, the enforcement of the Restrictions contained in this Declaration, the enforcement of the Design Standards of the ACC, the payment of operating costs and expenses of the Association and the payment of all principal and interest when due on all debts owed by the Association.

10.03 Accumulation of Funds Permitted

The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of annual assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

10.04 Annual Assessment

(a) Beginning on the Commencement Date and continuing thereafter until January 1 of the year immediately following the Commencement Date, each Lot shall be subject to an annual assessment as established by the Board, which assessment shall initially be set at \$180.00, per Lot. In the event that the Commencement Date falls on a day other than January 1, the annual assessment for such year shall be prorated so that each Owner pays an annual assessment proportional to the number of days remaining in the calendar year. The words "Assessment Year" as used herein shall mean the calendar year with the first Assessment Year commencing on January 1 of the year immediately following the Commencement Date. For so long as Declarant has the right to appoint and remove Directors and Officers of the Association, the annual assessment shall not be reduced below the amount initially established by the Board without the express written consent of Declarant.

(b) Commencing with the first Assessment Year and continuing thereafter, the annual assessment may be increased at any time and from time to time during each Assessment Year at not more than thirty-three and one-third percent (33.33%) above the annual assessment for the previous Assessment Year without a vote of the Membership.

(c) Commencing with the first Assessment Year and continuing thereafter, the annual assessment for each Assessment Year may at any time and from time to time be increased more than thirty-three and one-third percent (33.33%) above the maximum annual assessment for the previous Assessment Year if such increase is approved by a two-thirds (2/3) vote of the Members of the Association who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association and this Declaration.

10.05 Special and Parcel assessments

(a) In addition to the annual assessments authorized by this Article IV, the Association may levy, in any Assessment Year and with such frequency as the Association shall deem necessary, special assessments for the purpose of paying, in whole or in part, any unanticipated operating expenses, as well as the cost of any construction, reconstruction, repair or replacement of a capital improvement on the Common Property. Such special assessments may be levied by the Board in any Assessment Year without the approval of the Members, which special assessments in the aggregate do not exceed an amount equal to the annual assessment then in effect. Special assessments exceeding said amount shall require the approval of two-thirds (2/3) of the Members of the Association who are present in person or by proxy at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association and this Declaration.

(b) The Association shall also be authorized to levy, in any Assessment Year and with such frequency as the Association shall deem necessary, Parcel Assessments for the purpose of paying, in whole or in part, the cost of estimated expenses for the sole benefit of a particular Parcel, which Parcel Assessments shall be allocated equally among the Residences in a Parcel.

10.06 Assessment Procedure

(a) The Board shall establish the annual assessment for each Assessment Year at an amount not in excess of the maximum annual assessment as determined by the provisions of this Article X, and shall also establish the date during the Assessment Year on which the annual assessment shall be due and payable (such date is hereinafter referred to as the "Due Date"). The Board shall also establish an annual budget which shall list the estimated operating expenses and shall contain an amount to be set aside each year into a reserve allowance to be used for future repair and replacement of the Common Property; provided, however, in no event shall the Board be required to provide for a reserve sufficient to cover all such future repair and replacement of the Common Property, it being intended that portion of such costs will be covered by Special Assessment. The Board shall cause the Association to send to each Owner at least thirty (30) days in advance of the Due Date written notice setting forth the amount of the annual assessment and the Due Date. The annual assessment shall become due on the thirtieth (30th) day following such written notice or the Due Date, whichever is later. The Board may establish reasonable payment procedures to allow or require payment of the annual assessment in installments during the Assessment Year. The Board shall also establish payment procedures for payment of any special assessments for capital improvements which may be levied in accordance with the provisions of the Article X.

(b) All Members of the Association shall be given written notice by the Board not less than thirty (30) nor more than sixty (60) days in advance of any meeting of the Members of the Association at which the Board shall propose taking action pursuant to Section 10.04 (ii) and Section 10.05 of this Article X. Such written notice shall specify under which Section or Sections the Board will propose action. At such meeting, the presence of Members or proxies entitled to cast fifty percent (50%) of the total votes outstanding shall constitute a quorum. If the required quorum is not present at such meeting, a second meeting may be called by the Board subject to the same notice requirement and the required quorum at such second meeting shall be thirty percent (30%) of the total votes outstanding. No such second meeting shall be held more than sixty (60) days following the first meeting. If the required quorum is not present at the second meeting, the Board may take such action without approval of the Members. Notwithstanding the required quorum requirements stated herein, a minimum vote of fifty-one percent (51%) of all of the votes of the Association shall be required to disapprove the Association's annual budget.

10.07 Uniform Rate of Assessment

Both annual and special, assessments must be fixed at a uniform rate for all Residences.

10.08 Contribution by Declarant

For so long as Declarant has the authority to appoint and remove Directors and Officers of the Association, Declarant shall not be liable for the payment of any assessments. Provided, however, during said period, Declarant shall advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for the reserve allowance), and the sum of annual, special, and specific assessments collected by the Association in any Assessment Year, and such advanced shall be evidenced by promissory notes from the Association to Declarant bearing interest at the annual rate of twelve (12%) percent and having payment schedules and maturity dates as agreed between Declarant and the Association, but failing such agreement, being demand notes.

10.09 Effect of Nonpayment of Assessments

Any Assessment which is not paid on or before the Due Date shall bear interest after the Due Date at the lower of the highest legal rate of interest which can be charged or the rate of eighteen percent (18%) per annum or at such rate as the Board may from time to time establish, provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the State of Georgia. In the event of default in the payment of any one or more installments of an assessment, the Board may declare any remaining balance of the of the assessment at once due and payable. In the event that an Owner shall fail to pay fully any portion of any assessment prior to the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with interest and costs of collection, including reasonable attorney's fees, shall be a binding personal obligation of such Owner, as well as a lien on such Owner's Residence, enforceable in accordance with the provisions of the Declaration.

10.10 Certificate of Payment

Upon written demand by an Owner, the Association shall, within a reasonable period of time, issue and furnish to such Owner a written certificate stating that all assessments (including penalties, interest, and costs, if any) have been paid with respect to any Lot owned by said Owner as of the date of such certificate, or that all assessments, interest, and costs have not been paid setting forth the amount then due and payable. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser of, or lender on, the Lot in question.

10.11 Approval by Declarant

Notwithstanding anything to the contrary contained herein, no special assessment shall be made without the Approval of Declarant for so long as Declarant has the right to appoint officers and directors of the Association.

10.12 Specific Assessments

The Board shall have the power to specifically assess pursuant to this Section as in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including any expense for which the Board has not previously exercised its authority under this Section.

The Board may specifically assess Owners for the following expenses, except for expenses incurred for Maintenance and repair of items which are the maintenance responsibility of the Association as provided herein:

(a) Expenses of the Association which benefit less than all of the Residences, which may be specifically assessed equitable among all of the Residences which are benefited according to the benefit received:

(b) Expenses incurred by the Association pursuant to Section 10.02 hereof; and

(c) Reasonable fines as may be imposed in accordance with the terms of the Declaration and By-Laws.

ARTICLE XI ANNEXATION AND FUTURE DEVELOPMENT

11.01 Annexation

(a) For so long as Declarant has authority to appoint and remove Directors and Officers of the Association, additional real property may be annexed to the Property by the Declarant without the consent of the Class A Members. Such additional real property may, but does not need to be contiguous to any portion of the Property, which is then subject to this Declaration and may be either raw land which is intended to be or is in the process of being developed into residential subdivision lots, or is fully developed into residential lots at the time of annexation. Such annexation shall be accomplished by filing in the Office of the Clerk of the Superior Court of Clarke County, Georgia, one or more Supplementary Declarations with respect to the additional properties, executed by the Declarant, its successors, or assigns, which shall extend the scheme of the Covenants contained herein to such properties and thereby subject such additions to assessment for their just share of the Association expenses. Said Supplementary Declarations may contain such complimentary additions and modifications of the Covenants contained herein as may be necessary to reflect the different character of the additional properties as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such Supplementary Declaration revoke, modify, or add to the Covenants established by this Declaration regarding the property described in said Exhibit "A." If the additional properties or any portion thereof are made subject to the provisions hereof, Declarant, its successors, and assigns, shall have the right, but not the obligation, to construct on the additional properties such recreational and other facilities as Declarant, its successors, and assigns, shall deem advisable for the common use and enjoyment of the Owners. If someone other than Declarant owns the real property to be annexed, the Supplementary Declaration shall be consented to by the owner of the

real property to be annexed in addition to being Signed by the Declarant.

(b) At the expiration of Declarant's right to appoint and remove Directors and Officers of the Association, no real property may be annexed to the Property unless such annexation is approved by a two-thirds (2/3) vote of the Members of the Association who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association. Declarant also reserves the right to amend this Declaration unilaterally at any time so long as it has the authority under this Article XI without the prior notice and without the consent of any Owner for the purpose of removing certain portions of the Property then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Property desired to be affected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development of the Property.

IN WITNESS WHEREOF, The Declarant has caused this Declaration to be duly executed and sealed the day and year first above written. Signed, sealed, and delivered in the presence of:

Unofficial Witness

Notary Public

My commission expires:

Date of Execution by Notary:

STERLING WOODS BUILDERS, LLC,
By: Mark Rudolph, Member

EXHIBIT "A-1" LAND DESCRIPTION

Sterling Woods

All that tract or parcel of land situated, lying, and being in the 1347th G. M. District, Clarke County, Georgia, and being shown and delineated on a plat entitled "Final Plat for Sterling Woods," by Landmark Engineering, Corporation, J. R. Holland Georgia registered land surveyor No. 1087, dated October 18, 2003, and being more particularly described as follows:

Beginning at an iron pin on the westerly right-of-way of Vaughn Road, said iron pin being situated 130.10' southerly of the southwest intersection of the right-of-way of Cameron Court and Vaughn Road; running thence along the westerly right-of-way of Vaughn Road S2Bo12'57"W 417.37' to a point; running thence along same said right of-way S37o23'35W 290.63' having an arc of 292.24' to a point; running thence along N81o22'00"W 1695.51' to an iron pin; running thence N39o34' 54" W 118.90' to the east bank of the North Oconee River; running thence along the east bank of the North Oconee River the following courses and distances: 44o56'57"E 162.05', N26o47' 24"E 83.05' and N03o29'58"W 79.24'; leaving the river and running thence 42o04'32"E 106.00 to an iron pin· running thence S84o47'27"E. 1147.93' to an iron pin; running thence S84o54'58"E 587.42' to an iron pin; running thence S84o55' 26"E 206.43' to the beginning iron pin. Said tract of land containing 44.786 acres.

EXHIBIT "B" DESIGN STANDARDS STERLING WOODS

1. AUTHORITY

These Design Standards are promulgated pursuant to authority granted to the Architectural Control Committee (hereinafter referred to as the "ACC") of the Sterling Woods Subdivision (hereinafter referred to as the "Development") under the Declaration of Covenants, Restrictions, and Easements for Sterling Woods (hereinafter: referred to as the "Declaration"). The requirements of these Design Standards shall be in addition to, and not in lieu of, the requirements and provisions of the Declaration.

2. PURPOSE

Plans and specifications must be submitted to and approved by the ACC pursuant to the Declaration and these Design Standards for the sole and exclusive purpose of assuring that all Structures within the Development remain in conformity and harmony of external design with existing standards of the neighborhood.

3. DEFINITIONS

The words "Structure," "Owner," and "Lot," as used herein, shall have the same meanings as such words have in the Declaration.

4. SUBMISSION OF PLANS AND SPECIFICATIONS

A. Plans and specifications for the construction or replacement of any Structure on any Lot shall be submitted to and reviewed by the ACC in accordance with the requirements of Section 2.05 of the Declaration. Each Owner shall submit to the ACC two (2) complete sets of such plans and specifications clearly designating which Lot is covered by such plans and specifications.

B. All plans and specifications required to be submitted to the ACC shall be delivered to the following address:

Sterling Woods Builders, LLC
P.O. Box 720613
Atlanta, Georgia 30358

5. CONSTRUCTION

A. After approval by the ACC of plans and specifications for any Structure and prior to the commencement of any construction or grading on the Lot for which such plans and specifications were approved, the location of such Structure shall be clearly marked on such Lot. After such marking, the Owner or the Owner's contractor shall request in writing that a representative of the ACC inspect the proposed location of the Structure as marked on the Lot to determine whether such location is consistent with the guidelines for the location of buildings contained in Section 7.A. of these Design Standards. After receipt of such written request, the ACC shall have the right to inspect the proposed location of the Structure as marked on the Lot, and notify the Owner in

waiting of its approval or disapproval of the proposed location of the Structure. In any case in which ACC shall disapprove the proposed location, or shall approve the same only as modified or upon specific conditions, such disapproval or qualified approval shall be accompanied by a statement of the ground or grounds upon which such action was based. In any case, the ACC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable location may be marked and submitted for approval. In no event shall the Owner allow any grading or cutting of trees on the Lot prior to approval of the proposed location by the ACC. In the event the ACC fails to make the foregoing inspection and notify the Owner of its approval or disapproval of the proposed location of the Structure within seven (7) days after receipt of the written request, the ACC shall be deemed to have approved the proposed location.

B. During approved construction, all vehicles in any way connected with such construction shall enter the Lot under construction only by the driveway as approved in the plans and specifications by the ACC. In no event shall any driveways other than those approved by the ACC be constructed or used for temporary access to any Lot. All vehicles shall be parked at the Lot to avoid damage to trees, paving curbs, gutters, and any other improvements on the Lot.

C. Construction debris shall be removed as often as necessary to keep the Lot and any Structure thereon attractive. Construction debris shall not be dumped in any area of the Development unless approved in writing by the ACC

D. Lots shall be graded in such a manner so as not to block any natural or manmade swales, ditches, or drainage structures. Earth and hay berms shall be installed on Lots by the Owner thereof when, in the opinion of the ACC, such Lot may erode due to topography. Whenever possible, Lots shall drain independently rather than to adjoining Lots.

6. DESIGN DETAILS

A. Minimum House Sizes

No residential Structure shall exceed three stories in height. Minimum heated finished floor area is 1,000 square feet of living space, not to include basement area or attic space.

B. Setbacks

Building area setbacks shall be within the recommended building lines indicated on the recorded subdivision plats of Sterling Woods, provided, however, that less restrictive setbacks may be approved by the ACC if an exception is requested when plans and specifications are submitted to the ACC for approval. In no event shall the setbacks be less than those required by the Athens Clarke County Zoning and Development Regulations.

C. Exterior Colors and Materials

All exterior colors and materials of all Structures shall be specified in the plans and specifications submitted to the ACC for approval and shall be subject to the color and material guidelines contained in Section 8 of these Design Standards. Should a homeowner wish to make changes in these scheduled color schemes or in the colors of the initial construction, this may be done only by consulting with the ACC in order to achieve a well-coordinated color scheme throughout the

Community.

D. Roof

Roofing material and color shall be specified in the plans and specifications submitted to the ACC for approval, and shall be subject to the color and material guidelines contained in Section 8 of these Design Standards. No plumbing or heating vent shall penetrate the roof surfaces which face the street or streets adjacent to the residential Structures without the approval of the ACC.

E. Driveways

Driveways shall be constructed with concrete, provided, however, that other hard surface materials may be approved by the ACC if an exception is requested when plans and specifications are submitted to the ACC for approval.

F. Landscaping

A written plan of landscaping must be submitted to the ACC prior to all major alterations of the landscaping; this plan should include a drawing to show location, variety, and size of all plant materials, as well as location and description of all "hardscape" items such as fences, walls, rocks, fountains, statuary, and so forth. Statues, cement ornamental structures, and plastic flowers shall not be permitted in the front yard of any Lot.

G. Mailboxes

No mailbox or paper box or other receptacle of any kind for use in the delivery of mail, newspapers, or similar material shall be erected or placed on any Lot or Structure unless it shall conform to the design and specifications adopted for the entire Development and plans and specifications are available from the ACC.

H. Manufactured Structures

Prefabricated or factory-built Structures shall not be permitted within the Development, or employed as elements in the construction of residential Structures within the Development except by express written consent of the ACC.

7. SITE PLANNING AND DESIGN

A. Location of Structures

All additions to or alterations of Structures, together with related paved and open areas, shall be located on each Lot to:

- (1) minimize changes in the existing topography;
- (2) preserve existing trees and vegetation to the maximum extent possible
- (3) control drainage and prevent erosion; and
- (4) create prime views and conceal unsightly areas.

8. COLORS AND MATERIALS GUIDELINES

A. Materials

(1) A minimum number of exterior materials shall be used on Structures to avoid a cluttered appearance. Where two materials are used (in addition to glass), one shall be dominant. All additions to and alterations of Structures shall utilize the same(or as close as reasonably practicable) materials, styles, and colors as were utilized in the initial construction of each Structure.

(2) Secondary materials, when used, shall complement the dominant material in texture and color.

(3) The exterior materials of all Structures on all Lots shall be harmonious and complementary.

B. Colors

(1) The exterior colors of the doors, walls, and roof of a Single-family residential Structure shall be compatible and harmonious with the colors of nearby single-family residential Structures. Highly reflective colors shall be avoided.

(2) A minimum number of exterior colors shall be used. When more than one color is used, one shall be clearly dominant.

(3) Secondary colors shall be:

- (a) compatible with the dominant colors;
- (b) limited to architectural details such as fascia frames and other building trim.

(4) High contrast colors, when used on Structures shall be limited to major architectural elements such as entry doors.

(5) All changes of colors of each Structure must be approved by the ACC.

SCREENING GUIDELINES

A. General

Screening may be used within the Development to define private spaces or to attract or divert attention to or from particular views.

B. Methods of Screening

Subject to the approval of the ACC, the following methods of screening may be used:

(1) earth banks and berms - such earth banks and berms shall:

- (a) have a maximum slope of 3:1, and
- (b) be covered with an acceptable grass or ground cover suited to the slope.

(2) Planting screens - such planting screens shall:

- (a) be composed of species approved by the ACC;
- (b) be installed at a minimum height of 3 feet, with an expected three-year height of 6 to 8 feet; and be spaced at a density which will create an effective year-round visual screen.

(3) Fences and walls - unless otherwise approved by the ACC, fences and walls shall:

- (a) complement the design, texture, and color of all Structures on the same Lot;
- (b) be a maximum of 6 feet above grade in height;
- (c) include planting as an integral component;
- (d) not attract attention as distinct architectural elements, and
- (e) be finished and maintained equally on both sides.

10. AMENDMENT

These Design Standards may be amended from time to time by a majority vote of the members of the ACC.

11. VARIANCES

Notwithstanding anything to the contrary contained herein, the ACC shall be authorized to grant individual variances from any of the provisions of these Design Guidelines if the ACC determines that the waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for Sterling Woods.

12. INITIAL CONSTRUCTION

Notwithstanding anything to the contrary contained herein, these Design Standards shall not apply to the initial construction by the original builder of the original Structure on each Lot.

AMENDMENTS

STERLING WOODS FENCE STANDARD EFFECTIVE May 18, 2013

A new fence standard for our neighborhood was voted upon at the May 18, 2013 General Membership meeting. Most fences constructed in our neighborhood have been built of pressure-treated wood.

- Wood fencing requires extensive maintenance, because it is subject to warping and wind damage. Further, wood fences deteriorate over time, and they are more expensive to maintain than a chain link fence or a vinyl fence. Although tall wood fences provide privacy, your family's security suffers as a result. Police tell us your neighbor may not see someone breaking into your home over a six-foot fence.
- Our Covenant (Article III, 3.11) failed to detail standards for fencing other than to specify a maximum fence height of six (6) feet. A change in our fence standard was needed for our neighborhood to improve fence structure, stability, lifespan, security, and appearance.
- Before any fence is constructed, our Covenant requires members to submit detailed fence construction plans to our Chairperson - Architecture/Maintenance for review and approval.
- The following fence standard applies only to new and future fence construction projects, offering a choice of more durable and attractive fence construction materials. No change is needed or recommended for existing treated wood fences if they are kept in good repair. This new standard offers a choice of more durable and more attractive fence construction materials:
 1. Black vinyl coated chain link fencing supported by metal posts in concrete. Chain link is the least expensive fence material compared to wood or vinyl. Chain link is the most durable and requires no maintenance. A four-foot fence height is recommended. Vinyl coating is necessary to prevent oxidation of the zinc coated wire links. Although vinyl coating is available in several colors, all colors other than black will quickly bleach-out, therefore black vinyl coated chain link has been selected as our standard.
 2. White vinyl fencing featuring either vertical or horizontal pickets/planks. White vinyl is both aesthetically pleasing, and it is practically maintenance-free. Vinyl fences don't splinter, making it a child-friendly alternative. A four-foot height is recommended. To prevent wind damage, it is important to maintain adequate spacing between planks. White has been selected as our standard, as it will not fade. Vinyl fencing is more expensive than chain link or wood, but its low maintenance, and will save in the long run.
- Again, this fence standard does not apply to wooden fences presently standing. Should a wooden fence be replaced for any reason, the above new fence standard would then apply. Selecting either chain link or vinyl for a new fence ensures the fence will withstand heavy wind loads. We note several wood fences in our neighborhood have already suffered wind damage.
- Your Board of Directors believes this new fence standard will be less expensive for our members in the long run. Furthermore, a chain link or vinyl four-foot fence will allow

neighbors to watch out for one-another and discourage vandals or thieves. Please add this new standard to your Covenant, Article III, 3.11.

STERLING WOODS FENCE STANDARD AMENDMENT EFFECTIVE June 13, 2022

On June 13, 2022 the Sterling Woods Homeowners Association Board of Directors voted unanimously voted to amend the existing Fence Standard adopted May 18, 2013.

- Henceforth, the amendment to the current Fence Standard shall include the addition of "Vinyl Privacy Fencing." As in the current standard, the neighborhood has experienced visual evidence of deterioration of wooden fencing that has become a literal "eyesore" in some instances.
- Henceforth, the "Standard" shall allow for the installation of Vinyl Privacy fencing.
- Fencing, shall, be no more than six feet in height, and since vinyl comes in a variety of colors, the fencing color shall correspond with the basic trim of the house or preferably white in color.
- Since vinyl fencing requires less maintenance, the standard shall also require, at a minimum, periodic pressure washing for upkeep.
- As in the current standard, this prohibits the installation of "new" wooden privacy fencing.
- As in our current standard, before any fence is constructed, our covenant requires members to submit detailed fence construction plans to the Chairperson-Architecture/Maintenance for review and approval.
- Refer to and add this amendment to your Covenant, Article III 3.11.

Bylaws of the Sterling Woods Homeowners Association, Inc.

Box. 1004, Athens, GA 303606

Article I. NAME

The name of this organization shall be the Sterling Woods Homeowners Association, Inc. hereinafter referred to as the Association. Also abbreviated as HOA.

Section 1.01 Logo. The official logo for the Association is:



Article II PURPOSE

The purpose of the Sterling Woods Neighborhood Association is to fairly benefit all its members by assuring that the Covenant provisions are followed to enhance the appearance and protect the value and desirability of the homes and surrounding land. To provide an open process by which all members of the HOA may involve themselves in the affairs of the Association.

Section 2.01 Vision Statement. We as HOA members strive to work in harmony to improve, enhance, and beautify our neighborhood.

Section 2.02 Mission. To ensure the livability of the neighborhood and quality of life by establishing and maintaining a continuous open line of communication between all the homeowners of the Sterling Woods Community. To provide an open process by which all members of the HOA may involve themselves in the affairs of the Association.

Article III. STATUS

Section 3.01 The Georgia county in which the Association's principal office for business transactions resides is Athens-Clarke County. The

City in which the Association's principal office for business transactions resides is Athens, Georgia. The Association's county of record is Clarke County.

Section 3.02 Nothing herein shall constitute members of the organization as partners for any purpose. No member, director, officer, or agent of this Association shall be liable for acts or failure to act on the part of any other member, director, officer, or agent. Nor shall any member, director, officer, or agent be liable for acts or failure to act under these Bylaws, expecting only acts, or omissions to act, arising out of his/her willful misfeasance.

Section 3.04 In the event of the dissolution of the Association and after the discharge of all its liabilities, the remaining assets shall be distributed to all regular members in good standing at the time of the dissolution with a copy of a final financial report.

Section 3.05 The Association shall be nonpartisan, nonsectarian, and nonpolitical.

Section 3.06 Dues (membership assessments). Dues shall be payable annually on January 1st of each year, but no later than June 30th of that year. The dues amount will be determined by the Board of Directors based on the financial obligations of the HOA. Voluntary contributions shall be accepted and activities to raise funds for the Association's use may be held as appropriate. All funds collected shall be held by the Treasurer.

Article IV. MEMBERSHIP

Section 4.01 Classes of Membership. There shall be two classes of membership in the Association: Regular Members and Associate Members as described below.

Regular Member. Open to all residents, who are property owners within the boundaries of the Association and whose goals are to further the purpose of the Association as described in the covenant. A regular member is one who has paid their Association dues up to date and in full.

Associate Member. Open to any person not meeting the eligibility requirements as a regular member (such as the renter of a member's property). Associate Members may participate but shall not have voting rights.

Section 4.02 Dues (membership assessments). Dues shall be payable annually on January 1st, but no later than June 30th. The dues amount will be determined by the Board of Directors based on the financial

obligations of the HOA. Voluntary contributions shall be accepted and activities to raise funds for the Association's use may be held as appropriate. All funds collected shall be held by the Treasurer.

Section 4.03 Voting Rights. All Regular Members, who are property owners within the Association boundaries, 18 years of age or older, in good standing with dues paid in full, shall have one vote each to be cast during attendance at any annual, general, committee, or emergency meeting. Votes may also be cast by proxy if signed by a Regular Member 18 years of age or older, in good standing. Only one (1) vote shall be allowed from each residence.

Section 4.04 Disciplinary Action. The Board may suspend or expel a member from the Association, or otherwise discipline a member, when, in its discretion, it determines that such suspension or expulsion is in the best interest of the Association.

Article V. MEMBERS' MEETINGS

Section 5.01 Annual Meeting One of the general meetings shall be designated as the annual meeting. A notice shall specify the time and location of the annual meeting and any general business to be transacted or discussed. At this annual general membership meeting the members shall elect the board members (as described in the Covenant) to hold office until the next annual meeting or until qualified successors are duly elected. At the Annual Meeting, as required by these Bylaws and the Covenant, the Board may transact any other business that may be brought before the meeting such as:

- a. The president shall report on the state of the Association
- b. The treasurer shall give an annual financial report
- c. Committee chairs shall report on the state of their Committees

Section 5.02 Other Meetings Other membership meetings may be held during the year besides the annual meeting as defined in Section 5.01. The Board will determine if additional meetings are required to inform the members of activities and projects and solicit feedback from the members as appropriate.

Section 5.03 Committee Meeting. Committees as defined in the Covenant shall meet as often as deemed necessary by the Committee Chair and by a majority vote of the members. Members of the Committee shall have the same requirements and rights applied to Committee Membership as defined in the Covenant.

Section 5.04 Special Meeting. An emergency meeting may be called at any

time by the president of the board, or by a majority of the members of the board. The notice shall be delivered at least 48 hours before the time of the meeting. The notice shall specify the time and location of the special meeting and the general business to be transacted or discussed. No other business shall be considered at these special meetings by the board members. Notification for any special meeting shall require 48 hour advanced written, email or telephone notice to regular members of the Association.

Section 5.05 Notice of Meetings and Agenda. Subject to the approval of the Board members, the president shall prepare the agenda for the annual/general membership meetings. The Committee Chairs shall prepare the agenda for the committee meeting. Any regular or associate member of the Association may add an item to the agenda by submitting the item in writing at least 48 hours in advance of the meeting. Any regular or associate member may make a motion to add an item to the agenda at any meeting. Adoption of that motion requires a second and a majority vote. The agenda shall be made available to the HOA community or applicable committee through email and/or other means as deemed feasible by the board members.

Section 5.06 Quorum. A quorum for any meeting as defined in the Covenant shall be the number of regular members in attendance. Unless otherwise specified in these bylaws, decisions of the Association shall be made by a majority vote of those members present at any meeting and will be valid and binding upon the Association, except as otherwise specifically provided by law or these Bylaws. Proxies may be used by members who cannot attend a General meeting to cast their vote on important agenda items that must be put to a vote.

Article VI. BOARD MEMBERS

Section 6.01 Number and Qualifications. Subject to any limitations outlined in statutory provisions, the number of board members shall be fixed each year and the board members shall be elected by the regular members at their annual meeting, or in the case of failure to act at said meeting, at a special meeting held thereafter. Each board member holds office until the next appropriate annual meeting or thereafter if no successor is duly elected or appointed and qualified. Board members may continue to serve longer terms of office if approved by the Board and the membership.

Section 6.02 Quorum. Three board members at any properly called and noticed Board meeting shall constitute a quorum for the transaction of business.

Section 6.03 The membership shall elect the board members from a slate presented to the membership at the Annual meeting, or in case of failure

to act at said meeting, at a special meeting held thereafter. Board members may serve on, or chair, committees. The board members make up the Board of the Association.

Section 6.04 Vacancies. Vacancies, which may occur in any office, will be filled by a majority vote of the remaining board members for the remainder of the term of such office. In case of a temporary absence from the boundaries of the Association, the board members may appoint a temporary officer to serve during such absence or disability.

Section 6.05 Regular Meetings. The board members shall hold a meeting immediately following the annual meeting of the members. Other regular meetings of the board may be held at such times, as the business of the Association will require according to resolutions of the board members. The board shall meet at least quarterly and at least ten (10) days prior to any general or special meetings or at any other time as the President or a majority of the board members may designate. These meetings shall be open sessions; however, only board members may vote. A majority of board members may call a board, general, or special meeting at any time.

Section 6.06 Special Meetings. Special meetings of the board members may be called by resolutions of the board or upon the call of the President.

Section 6.07 Notice. Notice of the time and place of any meeting of the board members for which notice is required shall be given to each board member by the President or Secretary or by the person or one of the persons calling the meeting, not less than forty-eight hours before the date set for the meeting, by advising each board member by telephone, by word of mouth, by electronic mail, or by leaving written notice with each board member. Non-receipt of any such notice shall not invalidate any business done at any meeting at which a quorum is present.

Section 6.08 Telephone Meetings. Subject to the notice requirements in the Bylaws, members of the board or any committee designated thereby may participate in a meeting of the board or of such committee using conference telephone or video wherein such persons participating in the meeting can hear each other at the same time. Participation by such means will constitute presence in person at a meeting.

Section 6.09 Removals. Any officer or agent may be removed by a majority vote of the other officers whenever in its judgment the best interests of the Association will be served thereby, but such removal will be without prejudice to the rights, if any, of the person so removed. Election or appointment of a board member will not itself create such rights. At a meeting of members called expressly for that purpose, any member of the board may be removed, with or without cause, by a majority vote of the

regular members then entitled to vote. The members of the Association may, at any special meeting, called for that purpose, fill any vacancies which may then exist in the Board whether caused by resignations, removals, or otherwise.

Section 6.10 Powers of Board Members. Subject to any limitation provided by law or outlined in these Bylaws, the board members shall have full power to control and direct the business and affairs of the Association and to exercise all the powers and perform all the acts that the Association may legally exercise and perform. The board shall manage the affairs of the Association in the interim between general meetings. The board shall be accountable to the membership; shall seek the views of those affected by any proposed policies or reactions before adopting any recommendation on behalf of the Association, and shall strictly comply with these bylaws.

Section 6.11 Executive and Other Committees. The board members, by resolution adopted by a majority of the full board, may designate from among its members one or more committees each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the board members, except as limited by law or these Bylaws.

Article VII. OFFICERS

Section 7.01 Generally The officers of the Association shall consist of a President, a Vice President, a Treasurer, a Secretary, and three general board members. The Officers shall be appointed every two years by the board members at its first meeting after the annual or special meeting of the members at which the board members are elected and shall hold office until the next annual meeting and thereafter until their successors are duly appointed and qualified, subject, however, to removal by the board members. Board members may continue to serve for longer periods if no replacements are found through the nomination and voting process

Section 7.02 President. The president will preside at all meetings of the members and the board. Subject to the control of the board, the president will have general charge and care of the business and property of the Association.

Section 7.03 Vice President. It will be the duty of the vice president to assume and perform the duties of the President in the absence or disability of the President or whenever the office of president is vacant. The vice president will perform such additional duties as may be prescribed by the board.

Section 7.04 Treasurer. The treasurer shall oversee the financial and accounting matters of the Association, including custody of all money, valuable papers, and documents of the Association, which shall be kept

for safekeeping in such depositories as may be designated by the board. The treasurer will cause to be kept a book or books setting forth a true record of the receipts and expenditures; assets and liabilities, losses and gains of the Association and will, when and as required by the board, render a statement of the financial condition of the Association. If required to do so by the board, the treasurer will give a bond in such amount and with such surety as may be prescribed by the board for the faithful discharge of the duties of the office. The treasurer will also do and perform such additional duties as may be prescribed by the board. In the absence or disability of the treasurer, the duties of the office will be performed by the secretary or by a general board member.

Section 7.05 Secretary. The secretary will be ex officio secretary of the board, will give cause to be given all required notices of meetings of the members and the board, will record the proceedings of meetings of the members and the board in a book, books or electronically to be kept for that purpose, and will perform such other duties as may be assigned by the board and by the president. The secretary will provide the membership by email and/or mail minutes of Board meetings. In the absence or disability of the Secretary, the duties of the office will be performed by a general board member.

Section 7.06 General Board Members. The power and duties of any general board member will be as prescribed by the board.

Article VIII. COMMITTEES

Section 8.01 Standing Committees. The following standing committees and duties shall be instituted to be responsible for programs and activities of the association of a long-standing nature. The chair of the committees shall be elected by a majority vote of the committee members and may be dismissed only with the agreement of the board. Below are the Standing Committees:

Maintenance & Architecture

Social

Neighborhood Watch

The president shall institute with the agreement of the board members such other committees as are deemed necessary to transact the business of the Association.

Section 8.02 Committee Responsibilities. For items, projects,

activities, and policies that come up for an active committee to address, the committee chairman is the lead for the said item. In the case that resolution is not occurring within the committee structure that item can be carried forth to the board for resolution.

Article IX. CONFLICTS OF INTEREST

Contract or other financial transaction between this Association and one or more of its board members is prohibited. If one or more of the Board members of this Association becomes financially interested, in any project of this Association it will be either void or voidable. The HOA will not knowingly enter into any contract with any firm where any of its members or any of the member's family are employed as workers, managers, directors or where such member is affiliated.

Article X. ADOPTION AND AMENDMENT OF THE BYLAWS

Section 10.01 Adoption. Adoption of these bylaws shall require a two-thirds vote of the regular members present at a general meeting.

Section 10.02 Amendment. Amendments to the bylaws shall be made at any general or special meeting after the regular members have been notified of all proposed amendments to the bylaws by a minimum of at least ten working days advance by adopted methods of notice.