

PROTECTIVE COVENANTS

Conditions, Covenants, Restrictions and Easements affecting Callaway Lakes Subdivision.

THIS DECLARATION, made this 23rd day of November, 1992, by NATIONSBANK OF GEORGIA, N.A., and CASON J. CALLAWAY, JR., as Trustee under the Will of K.B. Hodges for Nancy Hodges Callaway and NATIONSBANK OF GEORGIA N.A., as Trustee under the Trust created by Cason J. Callaway, Jr., on December 20, 1976, hereinafter called the Declarant.

W I T N E S S E T H:

Declarant is the owner of the real property described in Clause I of this Declaration, and is desirous of subjecting the real property described in said Clause I to the restrictions, covenants, reservations, easements, liens and charges hereinafter set forth, each and all of which is and are for the benefit of said property and for each owner thereof, and shall inure to the benefit of and pass with said property, and each and every parcel thereof, and shall apply to and bind the successors in interest, and any owner thereof;

NOW, THEREFORE, Declarant hereby declares that the real property described in and referred to in Clause I hereof is, and shall be, held, transferred, sold and conveyed subject to the conditions, restrictions, covenants, reservations, easements, liens and charges hereinafter set forth.

DEFINITION OF TERMS

Building Site shall mean any lot, or any two or more contiguous lots, or a parcel of land of record and in a single ownership and upon which one (1) dwelling may be erected in conformance with the requirements of these covenants.

CLAUSE I

PROPERTY SUBJECT TO THIS DECLARATION

The real property which is, and shall be held and shall be conveyed, transferred and sold subject to the conditions, restrictions, covenants, reservations, easements and charges with respect to the various portions thereof set forth in the various clauses and subdivisions of this Declaration is located in the County of Lee, State of Georgia, and is more particularly described as follows, to-wit:

All of Lots Numbers One through Sixty-Two as shown on the plat of Callaway Lakes Subdivision Section One A and B as said plat is recorded in Plat Cabinet D, Slide D-79, in the Office of the Clerk of Superior Court of Lee County, Georgia.

No property other than that described above shall be deemed subject to the Declaration, unless and until specifically made subject thereto.

The Declarant may, from time to time, subject additional real property to the conditions, restrictions, covenants, reservations, liens and charges herein set forth by appropriate amendment or reference hereto.

CLAUSE II

GENERAL PURPOSES OF CONDITIONS

The real property described in Clause I hereof is

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subject to the covenants, restrictions, conditions, reservations and charges hereby declared to insure the best use and the most appropriate development and improvement of each building site thereof; to protect the owners of building sites against such improper use of surrounding building sites as will depreciate the value of their property; to preserve, so far as practicable, the natural beauty of said property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development of said property; to encourage and secure the erection of attractive homes thereon, with appropriate locations thereof on building sites; to prevent haphazard and inharmonious improvements of building sites; to secure and maintain proper setbacks from streets, and adequate free space between structures; and in general to provide adequately for a high type and quality of improvement in said property, and thereby to enhance the value of investments made by purchasers of building sites therein.

1. ARCHITECTURAL CONTROL. In order to maintain architectural control over the development, the Declarant does hereby establish an Architectural Control Committee and reserves the right to have said Architectural Control Committee approve any structure, including dwellings, garages, fences, walls or any other type structure before it is erected on any lot in the subdivisions. To this extent, no dwelling, garage, carport, outbuilding, fence, wall, driveway headwall, swimming pool or any other type structure shall be erected or maintained on any lot unless and until a complete set of plans and specifications, including but not limited to a front and rear elevation, floor plan and plot plan, shall have been submitted to and approved in writing by the Architectural Control Committee or its successors. Plans and specifications shall be submitted under a letter requesting approval directed to the Declarant, who shall be responsible for thereafter transmitting such plans and specifications to the Architectural Control Committee. The Architectural Control Committee shall be the sole judge of whether or not the proposed structure is harmonious and in keeping with the general plan of development for the entire subdivision. One copy of the plans and specifications shall be furnished to the Architectural Control Committee for its records.

2. ARCHITECTURAL CONTROL COMMITTEE.

(a) MEMBERSHIP. The Architectural Control Committee shall consist of three (3) members who shall be selected by the Declarant and who may be changed from time to time at the sole discretion of the Declarant. A majority of the Committee may designate a representative to act for it. The members of the Committee shall not be entitled to any compensation for services performed pursuant to this covenant.

3. CONSTRUCTION OF OUTBUILDINGS, FENCES AND OTHER STRUCTURES. No building, fence or other structure shall be erected, placed or altered on any lot in the subdivision, nor shall any docks or piers be constructed or installed on the Lake fronts, until the building plans, specifications, exterior color or finish, plot plans (showing the proposed location of such building or structure, docks, piers, fences, drives and parking area), and construction schedule have been approved in writing by the Architectural Control Committee, its successors or assigns. Refusal of approval of plans, location or specifications by Architectural Control Committee may be based upon any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Architectural Control Committee shall seem sufficient. No alterations in the exterior appearance of any building or structure shall be made without like

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approval. One copy of all plans and related data shall be furnished the Architectural Control Committee for its records. In the event the Architectural Control Committee fails to approve or disapprove such plans within thirty (30) days after the same have been submitted to it, as required above, the approval of the Architectural Control Committee shall be presumed and the provisions of this paragraph shall be deemed to have been complied with.

The right of approval vested in the Architectural Control Committee hereunder shall include the right to approve all exterior building materials, the exterior color or finish, windows, doors, and roofing materials. It is expressly provided that all exterior doors shall be solid core, not hollow doors. Approval by the Architectural Control Committee shall be exercised in the best interest of the harmonious development of the subdivision in the keeping of the Architectural Control Committee's desire to promote an attractive residential neighborhood. It is also expressly understood that the approval of any plans and specifications by the Architectural Control Committee shall in no way relieve the lot owner from fully complying with these restrictions and covenants, and applicable zoning or building regulations. Major changes or alterations in existing buildings or structures or walls or fences shall be subject to written approval by the Architectural Control Committee.

The Declarant, or its Agent, or a member of the Architectural Control Committee may from time to time, at reasonable hours, enter and inspect any property subject to the compliance of these Protective Covenants and such Declarant, or its Agent, or member of the Architectural Control Committee, shall not thereby be deemed in any manner guilty of trespassing for making such entry or inspections.

4. BUILDING SITES. All numbered lots in said subdivision shall be used for residential purposes exclusively. No structure shall be erected, altered, placed or permitted to remain on any lot, other than one (1) detached single family dwelling not to exceed three (3) stories in height above ground and one (1) accessory building which may include a detached private garage for not more than three (3) cars and/or servant's quarters, provided the use of such accessory building does not include any activity normally conducted as a business. Such accessory building may not be begun prior to the construction of the main dwelling. The construction of any dwelling, building or structure shall be, with reasonable diligence, continuous from the time of commencement until fully completed. Every building, fence, wall or other structure placed on any part of said property shall be constructed from new material, unless the use of other than new material therefor shall have received the written approval of the Architectural Control Committee. No antenna of any kind, including a satellite system, metal storage building, trailer or building constructed elsewhere shall be moved to, assembled or constructed on said property except with the written approval of the Architectural Control Committee. A guest suite or like facility with separate kitchen may be included as part of the main dwelling or accessory building, but such suite may not be rented or leased except as part of the entire premises including the main dwelling.

5. GROUND USAGE. No portion of any lot, other than that covered by buildings approved as hereinbefore specified, shall be used for any purpose other than that of a lawn; nothing herein contained, however, shall be construed as preventing the use of the same for walks, drives, private swimming pools, tennis courts, and other appropriate private facilities, the planting of trees or shrubbery, the growing of flowers, or ornamental plants or statuary, fountains or similar ornamentations, for the

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purpose of beautifying said premises. No weeds, underbrush or other unsightly objects shall be placed or suffered to remain anywhere thereon.

6. NUISANCES. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

7. LOT MAINTENANCE. It shall be the responsibility of each lot owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on such lot which shall tend to destroy the beauty of the neighborhood as a whole or the specific area.

8. SITE DISTANCE AND FENCES.

(a) No fence or boundary wall or hedge located upon a building site shall have a height greater than six (6) feet above the finished graded surface of the ground upon which it is located.

(b) No wall or fence whatever shall be erected or maintained within the setback area of any building site as to any street.

(c) No shrub, hedge or hedge-row within the setback area of any dwelling house as to any street shall have a height greater than three (3) feet above the finished graded surface of the ground upon which such shrub, hedge or hedge-row is located, unless approved by the Architectural Control Committee.

(d) No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended unless approved by the Architectural Control Committee. The same sight-line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

9. TEMPORARY STRUCTURES. No trailer, basement, tent, shack, garage, barn or other outbuilding erected, or placed, in the subdivision shall at any time be used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence, nor shall such temporary building or trailer be erected, placed or allowed to remain on any lot except during the construction of the main dwelling.

10. BUILDING LOCATION.

(a) Each dwelling house erected on said property or any part thereof shall face or front the principal frontage of the building site upon which it is located as such principal frontage is indicated on the said plats of said subdivisions herein referred to, except by written consent of the Architectural Control Committee.

(b) Each main dwelling erected on said lots shall be parallel with the front lot line of its respective lot where located, except by written consent of the Architectural Control Committee.

(c) No building shall be located on any lot

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nearer to the front lot line or nearer to the side street line than the minimum building setback lines shown on the recorded plat. In any event no building shall be located on any lot nearer than fifty (50) feet to the front lot line, or nearer than fifty (50) feet to any side street line. No building shall be located nearer than ten (10) feet to an interior lot line, except that a 2-foot side yard shall be required for a garage or other permitted accessory building located fifty (50) feet or more from the minimum building setback line. For the purposes of this covenant, eaves, steps, carports and open porches shall not be considered as a part of a building; provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

(d) If the setback or location of any building or the width or principal frontage of any building site be difficult to determine by reason of it being a corner lot, or of irregular shape, or otherwise, a decision as to the location may be made by the Architectural Control Committee, whose judgment shall be final.

11. SQUARE FOOTAGE REQUIREMENTS. For a one-story residence, the floor area of the main structure, exclusive of one-story open porches and garages, shall not be less than 1,800 square feet. In the case of a one and one-half, two or two and one-half story structure, the ground floor area shall not be less than 1,200 square feet and the total floor area shall not be less than 1,800 square feet.

12. REMOVAL OF WEEDS AND TRASH. In the event the owner of any residential lot permits any underbrush, weeds, et cetera, to grow up on any such lot to a height above two (2) feet (except as part of a landscaping plan approved by the Architectural Control Committee) and on request fails to have the premises cut within thirty (30) days, agents of the Homeowners Association may enter upon said land and cut and remove the same at the expense of the owner; provided, however, that such expense shall not exceed Five Hundred Dollars (\$500.00) annually. The Homeowners Association or its agents may likewise enter upon said land to remove any trash which has collected on said lot at the expense of the owner; provided, however, that such expense may not exceed Five Hundred Dollars (\$500.00) annually. This provision shall not be construed as an obligation on the part of the Homeowners Association or its associates to provide garbage or trash pick-up service.

13. ANIMALS. No livestock, fowl or animals of any kind, except cats, dogs and other household pets, shall be kept or harbored upon any lot. Under no circumstances, may animals be kept, bred or maintained for any commercial purposes nor may any permitted animal be allowed to run loose as such must always be under the complete control of its owner.

14. DISPOSAL OF GARBAGE. Each lot owner shall provide receptacles for garbage in a screened area not generally visible from any road or the lake areas or provide underground receptacles, or like facilities in accordance with reasonable standards established by the Declarant.

15. EASEMENTS. The Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over, and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, storm drainage, water mains, and other suitable equipment for the conveyance and use of electricity, telephone, cable television, sewage, storm drainage, water or other public conveniences or utilities on, in or over the front, side and rear ten (10) feet of each lot and such other easements as are shown on the recorded plat of the subdivision. The easements

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expressly include the right to cut any trees, or bushes, et cetera, grading, ditching and like action reasonably necessary to provide economical utility installation. Declarant contemplates that waters draining from other areas of the subdivision will flow into the lakes and overflow from one lake may be directed into another. Declarant hereby reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement allowing for the drainage and water run-off of such lakes.

16. WATER SUPPLY. The central water system provided by Declarant for the service of said land, either public or private, and the system providing water for the subdivision lakes, shall be the sole source of water for the subdivision and no other private well or private water system shall be drilled, installed or maintained by Owner or future owners of any building lots within the subdivision.

17. SEWAGE DISPOSAL. No individual sewage disposal system shall be permitted on any lot unless such system is designed, located and constructed in accordance with the requirements, standards, and recommendations of the Georgia Department of Public Health, or the Lee County Health Department. Approval of such systems as installed shall be obtained from either authority.

18. LOT LINES. The Declarant reserves the right to change the lines on any unsold numbered lot. However, this right does not include the right to increase the number of lots as shown on the recorded plat.

19. LAKES. All lakes shall be the private property of the Callaway Lakes Lakeowners Association, Inc. and shall be for the exclusive use of the members of the Lakeowners Association and shall not be open to the public. No provision of these covenants shall be considered so as to create any express or implied easement to go upon or across any platted or otherwise designated building site for the purpose of gaining access to any lake, provided, however, that said Lakeowners Association shall have such easements and access across platted drainage easements for the purpose of operating and maintaining said lakes. All lakes shall remain the private property of Declarant until sold or conveyed to the Lakeowners Association.

20. LAKE FRONTS. No seawalls of any kind may be constructed or installed along the lake fronts and no power boats, may be operated on the lakes shown on any recorded plat of the subdivision, except that electric trolling motors shall be permitted. Also, no rafts or boats, including sail boats, john boats and canoes, exceeding fourteen (14) feet in length and/or five (5) feet in width shall be placed or operated on any lake and no live bait, other than crickets and earth worms, shall be used for catching or attempting to catch fish in any of such lakes. No docks or piers may be constructed, installed or placed along the lake fronts until the plans and specification for such have been approved pursuant to Paragraph One above. The owners of building sites adjoining a particular lake shall maintain the lake fronts in the same manner as required for the remainder of the building sites. There shall be no hunting at any time on the waters of any lakes or on the surrounding property. There shall be no nets, trotlines or fish baskets placed in any lake at any time and all lake property owners shall abide by all State and Federal laws in regard to game management.

21. COMMERCIAL AND UTILITY VEHICLES. No commercial trucks may be parked, stored or kept within the subdivision. However, this provision is not intended to prevent delivery trucks and moving vans from entering the subdivision for their normal business deliveries or pickups.

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22. STORAGE OF RECREATIONAL VEHICLES. All boats, campers, motorcycles, trailers, motor homes, recreational vehicles or other similar vehicles shall be parked, stored or kept wholly within the garage or carport or in the rear of a portion of the owner's lot in such a manner as to be concealed from the front of such lot.

23. ANTENNA. No clotheslines, satellite dishes or antenna of any kind shall be permitted in the front yard of any dwelling site.

24. SIGNS. No signs of any kind shall be displayed to the public view except one professional sign advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

25. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot. No excavation or removal of dirt from said lots shall be permitted except in the usual course of construction and finish grading of lots or upon the approval of the Architectural Control Committee.

26. MAILBOXES. Only one mailbox may be located on any lot. The mailboxes shall be maintained by the Owner to complement the neighborhood and shall be installed only with the approval of the Architectural Control Committee. In the event any mailbox is destroyed or damaged, it shall be promptly repaired or replaced by the Owner. See Exhibit "A" attached hereto and made a part hereof.

27. BRICK HEADWALL: Drainage pipes (reinforced concrete pipe) are to be placed at the centerline of the drainage swales at driveway crossings. The invert of pipe should be the same invert as the design of roadside swale. Brick headwalls are to be placed at either end of the drainage pipe and shall be installed only with the approval of the Architectural Control Committee. See Exhibit "B" attached hereto and made a part hereof.

CLAUSE III
COMMON AREA AND HOMEOWNERS ASSOCIATION

1. Declarant reserves the right to develop additional sections and phases of Callaway Lakes Subdivision which may include open spaces and which may be conveyed to a Homeowners Association, hereinafter provided, for the benefit of all owners of building sites located in the area developed by Declarant and identified on recorded plats as "Callaway Lakes Subdivision," regardless of section or phase numbers. No provisions in these covenants shall be construed so as to create any express or implied easements to go upon or cross any platted or otherwise designated building site for purposes of gaining access to any open space. Also, no provision in these covenants shall be construed so as to obligate Declarant to develop any open spaces and all open spaces shall remain the private property of Declarant until such are declared common areas and conveyed by Declarant to the Homeowners Association hereinafter provided.

2. Declarant shall cause to be incorporated a non-profit corporation to be known as Callaway Lakes Homeowners Association, Inc. (herein referred to as "Homeowners Association"), with the powers and duties as set forth below. Any purchaser of any one of the lots in the

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subject property is deemed to have consented specifically to this provision and does specifically agree to comply with the provisions as set out herein. Each purchaser of any lot of said subdivision shall be a member of the Homeowners Association. Said association and the Board of Directors thereof shall have the following duties, rights and powers:

(a) To adopt rules for the regulation and operation of the open space and commons areas located on the subject property and to change, modify or adjust, from time to time, the different and various classifications of assessment amounts in accordance with the Bylaws of the Homeowners Association.

(b) To levy and collect monthly, quarterly, annual or periodic assessments, against and from owners; to collect delinquent assessments by suit or otherwise, and to collect such other assessments as are herein authorized. Any assessments which are not paid when due shall be delinquent. Any assessment due for a period of ten (10) days shall incur a late charge in an amount as the Board of Directors may determine from time to time. The Homeowners Association shall cause a notice of delinquency to be given to any member who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien herein provided for shall attach and in addition the lien shall include the late charge, interest on the principal amount due plus the late charge at ten percent (10%) from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided by law. In the event that the assessment remains unpaid after sixty (60) days, the Homeowners Association may institute suit to collect such amounts or to foreclose its lien. Each owner, by his acceptance of a deed to a lot subject to these covenants, vests in the Homeowners Association or its agents the right and power to bring all actions against such owner personally for the collection of such charges as a debt or foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Homeowners Association and shall be for the benefit of all other owners. The Homeowners Association, acting on behalf of the owners, shall have the power to bid in the residence at any foreclosure sale and to acquire, hold, lease, mortgage and convey same. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or by abandonment of such owner's lot.

(c) From funds collected, to provide for maintenance, management, insurance and other expenses pursuant to its obligations.

(d) To lease, acquire and sell real and personal property pursuant to its obligations.

(e) To enter upon the lots when necessary with as little inconvenience as possible to the occupants concerned in connection with the duties outlined in these covenants.

(f) To enjoin or seek damage from the owners of the lots in the subject property for violation of these covenants or for violation of any of the rules of said association.

(g) To employ workmen, maids, janitors, gardeners and others, if needed; to contract for service to be performed, including those of a manager or management company, if needed, and to provide for garbage collection for the entire subdivision; to purchase supplies and equipment, if needed; to enter into contracts; and,

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generally, to have the powers of a property manager in connection with the matters herein set forth, except that the Homeowners Association may not encumber or dispose of the title of any owner except to satisfy a lien, award or judgment against such owner for violation of these restrictive covenants. The Homeowners Association shall not enter into any contract for the furnishing of services, materials or supplies, the terms of which are in excess of one (1) year; and, further, any contract entered into by the Homeowners Association shall be terminable by the Homeowners Association for cause upon thirty (30) days written notice.

(h) To employ counsel, attorneys and auditors in connection with the legal matters of the Homeowners Association and audit its books and records, which audit shall be available to owners of the lots of subject property for inspection at the Homeowners Association's office.

(i) To deposit funds in the hands of the Board of Directors for said Homeowners Association which are not necessary for immediate disbursement and place in a savings account at one or more banks or savings and loan associations- for the purpose of earning the standard rate of interest; same being an institution insured by F.D.I.C. or F.S.L.I.C.

(j) To maintain the entrances to the subdivision, open spaces and other common areas as identified and located on the plat of the subdivision. To maintain the pedestrian walkways within the subdivision; provided, however, that the Homeowners Association shall not maintain gardens, lawns, etc., within the residential lots owned by members.

3. The Board of Directors of the Homeowners Association shall consist of not less than three (3) individuals, each of whom shall be a voting member, and said board shall be elected at each annual meeting by the members of the Homeowners Association as provided for in the Bylaws.

4. Membership in the Homeowners Association shall consist of the following:

(a) Any person acquiring an ownership interest in the lots described in the subject property, other than as a mortgagee or a lien holder, shall automatically become a member of the Homeowners Association except that only one (1) membership shall be allowed per lot. Where lots are owned by more than one (1) owner, such owners shall, by written instrument, designate one (1) of such owners to be the sole voting member. In the absence of such designation, the Board may designate one of the owners as the sole voting member. Upon the sale or transfer of a lot by an owner, that owner's membership shall transfer and membership shall pass with the title of the property. Ownership of the subject lot shall be the sole qualification for a membership. Until Declarant relinquishes in writing its right to have a member on said board, Declarant shall have the right to designate one (1) person to be a member of said Board of Directors.

(b) Members shall be entitled to one (1) vote per each lot owned.

(c) Matters pertaining to indemnification of board members, limitations of liability of the Homeowners Association, if any, assessments for expenses, manner of enforcement of assessments and the fixing of liens for said assessments and maintenance shall be provided for in said Bylaws as agreed upon from time to time by the majority of the owners of the lots of the subject property.

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**CLAUSE IV
LAKEOWNERS ASSOCIATION**

Declarant shall cause to be incorporated a non-profit corporation to be known as Callaway Lakes Lakeowners Association, Inc. (hereinafter referred to as "Lakeowners Association"), with powers and duties as set forth below.

1. Any purchaser of anyone of the lots which have water frontage on any of the Callaway Lakes within the subdivision shall be deemed to have consented specifically to this provision and does specifically agree to comply with the provisions as set out herein. Each purchaser of any waterfront lot of said subdivision shall be a member of the Lakeowners Association. And in turn, shall share in the maintenance of said lakes and abide by such rules for fishing and hunting as set forth by the Lakeowners Association. Said Association and the Board of Directors thereof shall have the following duties, right and powers;

(a) To adopt bylaws and rules for the regulation, operation and maintenance of the lakes, drainage easements, wells, pumps and appertances located on the subject property and to change, modify or adjust, from time to time, the different and various classifications of assessment amount in accordance with the bylaws of the Lakeowners Association.

(b) To levy and collect monthly, quarterly, annual or periodic assessments, against and from owners; to collect delinquent assessments by suit or otherwise, and to collect any other assessments as are herein authorized. Any assessments which are not paid when due shall be delinquent. Any assessment due for a period of ten (10) days shall incur a late charge in an amount as the Board of Directors may determine from time to time. The Lakeowners Association shall cause a notice of delinquency to be given to any member who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien as herein provided for shall attach and in addition the lien shall include the late charge, interest on the principal amount due plus the late charge at ten percent (10%) from the date first due and payable, all costs of collection, reasonable attorneys fees actually incurred, and any other amounts provided by law. In the event that the assessment remains unpaid after sixty (60) days, the Lakeowners Association may institute suit to collect such amounts or to foreclose its' lien. Each owner by his acceptance of a deed to a lot subject to these covenants vests in the Lakeowners Association or its' agents the right and power to bring all actions against such owner personally for the collection of such charges as a debt or foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this article shall be in favor of the Lakeowners Association and shall be for the benefit of all other lakeowners. The Lakeowners Association acting on behalf of the lakeowners shall have the power to bid in the residence at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No lake owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the lake area or by abandonment of such lakeowners' lot.

(c) From funds collected, to provide for operation, maintenance, management, repairs, insurance and other expenses pursuant to its obligations.

(d) To lease, acquire and sell real and personal property pursuant to its obligations.

(e) To enter upon the lake front lots when necessary with as little inconvenience as possible to the occupants

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concern in connection with the duties outlined in these covenants.

(f) To enjoin or seek damages from the owners of lake fronts lots in the subject property for violation of these said covenants or for violation of any of the rules of said association.

(g) To employ workmen, technicians, gardeners and others, if needed; to contract for services to be performed, including those of a manager or management company, if needed, and to provide for maintenance operation and repairs to the lakes, pumps, equipment and easements; to purchase supplies and equipment, if needed; to enter contract; and, generally, to have the powers of a property manager in connection with the matters herein set forth, except that the Lakeowners Association may not encumber or dispose of the title of any lake owner except to satisfy a lien, award, or judgment against such lake owner for violation of these restrictive covenants. The Lakeowners Association shall not enter into any contract for the furnishing of services, materials or supplies, terms which are in excess of one (1) year; and, further, any contract entered into by the Lakeowners Association shall be terminable by the Lakeowners Association for cause upon thirty (30) days written notice.

(h) To employ counsel, attorneys and auditors in connection with the legal matters of the Lakeowners Association and audit its books and records, which audit shall be available to owners of the lake front lots of the subject property for inspection at the Lakeowners Association office.

(i) To deposit funds in the hands of the Board of Directors for said Lakeowners Association which are not necessary for an immediate disbursement and place in a savings account at one or more banks or savings and loan associations for the purpose of earning the standard rate of interest; same being an institution insured by FDIC or FSLIC.

(j) To maintain the lakes, easements and equipment necessary to the operation and maintenance of the lakes identified and located on the plat of the subdivision. To provide for and obtain utility service for the operation and maintenance of the equipment and the lakes within the subdivision.

2. The Board of Directors of The Lakeowners Association shall consist of not less than three (3) individuals, each of whom shall be a voting member, and said board shall be elected at each annual meeting by the members of The Lakeowners Association as provided for in the bylaws.

3. Membership in The Lakeowners Association shall consist of the following:

(a) Any person acquiring an ownership interest in the lake front lots described in the subject property, other than as a mortgagee or a lien holder, shall automatically become a member of The Lakeowners Association except that only one (1) membership shall be allowed per lake front lot. Where lake front lots are owned by more than one (1) owner, such owners shall, by written instrument, designate one (1) of such owners to be the sole voting member. In the absence of such designation, the board may designate one (1) of the owners as the sole voting member. Upon the sale or transfer of a lake front lot by an owner, that owners' membership shall transfer and membership shall pass with the title of the property. Ownership of the subject lake front lot shall be the sole qualification for a membership. Until Declarant relinquishes in writing its right to have a member on said board, Declarant shall have the right to designate one (1)

HOOGES, ERWIN,
 SHERMAN & KRASELSKY
 114 JEFFERSON ST
 D. BOX 2320
 GEORGIA 31702 2320

PHONE (912) 863 7463

person to be a member of said Board of Directors.

(b) Members shall be entitled to one (1) vote per each lot owned.

(c) Matters pertaining to the indemnification of board members, limitations of liability of The Lakeowners Association, if any, assessments for expenses, manner of enforcement of assessments and the fixing of liens aforesaid assessments and maintenance shall be provided for in said bylaws as agreed upon from time to time by majority vote of the owners of the lake front lots of the subject property.

**CLAUSE V
MISCELLANEOUS**

1. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from date.

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

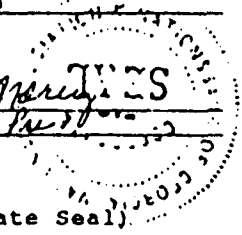
3. In the event any person or persons shall violate or attempt to violate any of the covenants herein, it shall be lawful for Declarant, the Homeowners Association, the Lakeowners Association, or any other person or persons owning any real property situated in said tract, to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants, and either to prevent him or them from so doing or to recover damages or other dues for such violation. In any legal or equitable proceeding by Declarant or lot owner for the enforcement, or to restrain a violator, the violator shall pay all the attorney's fees and all costs of the proceeding and such damages as may be fixed by the Court.

IN WITNESS WHEREOF, the undersigned have caused these covenants to be executed individually and by its proper officers, who have affixed its corporate seal, on the day and year first above written.

NATIONSBANK OF GEORGIA, N.A., as
Trustee under the Will of K.B.
Hodges for Nancy Hodges Callaway

BY: *Rudy Shand*
Title: *Vice President*

ATTEST: *Charlotta Meredith*
Title: *Asst. Vice Pres.*



(Corporate Seal)

HODGES, ERWIN,
EDRICK & KRASIELSKY
47 NORTH JEFFERSON ST.
PO BOX 2320
NANCY GEORGIA 31702-2320
PHONE (912) 883-7482

Signed, sealed and delivered
in the presence of:

Kathryn R. Spohn
Unofficial Witness

Karen J. Beman
NOTARY PUBLIC, State of Georgia

NOTARY PUBLIC Commission Expires:

(NOTARY SEAL)

Notary Public, Lee County, Georgia
My Commission Expires May 31, 1994

CASON J. CALLAWAY, JR., as Trustee under the Will of K.B. Hodges for Nancy Hodges Callaway.

Cas Callaway (SEAL)

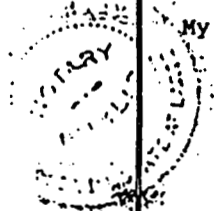
Signed, sealed and delivered in the presence of:

Mary Felton
Unofficial Witness

Betty L. Kennedy
NOTARY PUBLIC, State of Georgia

My Commission Expires: 10/22/93

(NOTARY SEAL)

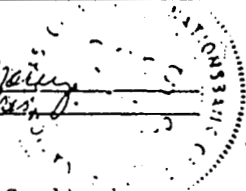


NATIONSBANK OF GEORGIA, N.A., as Trustee under the Trust created by Cason J. Callaway, Jr., on December 20, 1976

BY: Perby Shaw
Title: Trust Pres. and

ATTEST: Charlotte Mailey
Title: Asst. Vice Pres. D.

(Corporate Seal)



Signed, sealed and delivered in the presence of:

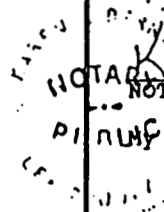
Kathryn R. Eason
Unofficial Witness

Karen J. Bernard
NOTARY PUBLIC, State of Georgia

My Commission Expires: _____

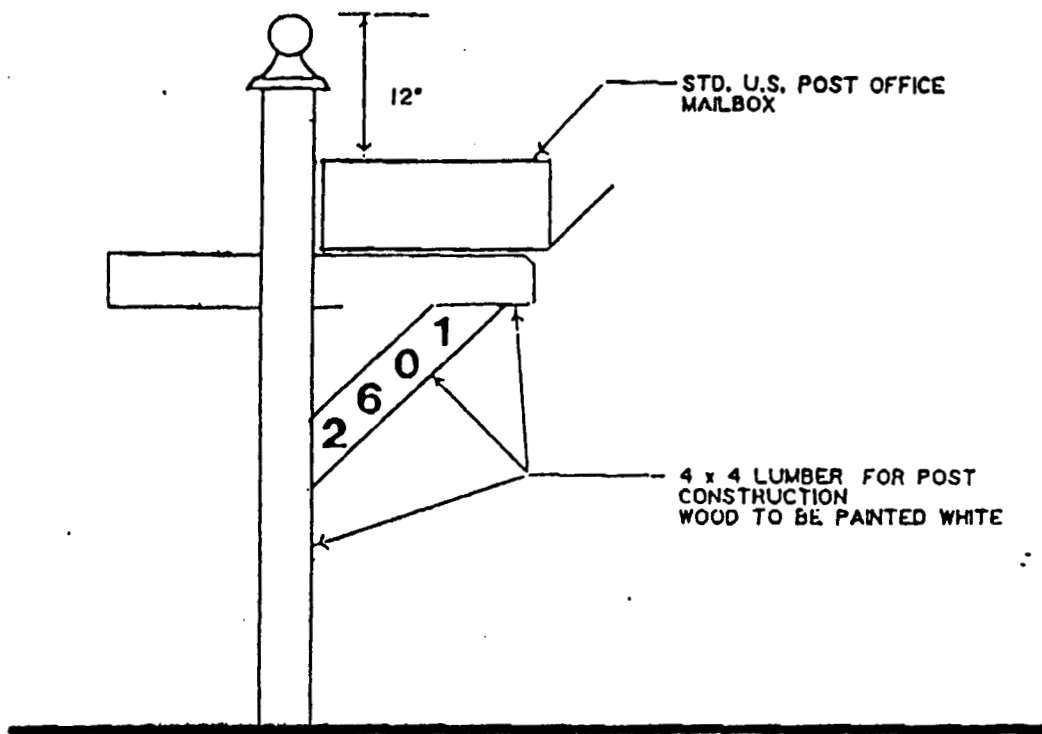
(NOTARY SEAL)

Notary Public, Lee County, Georgia
My Commission Expires May 31, 1984

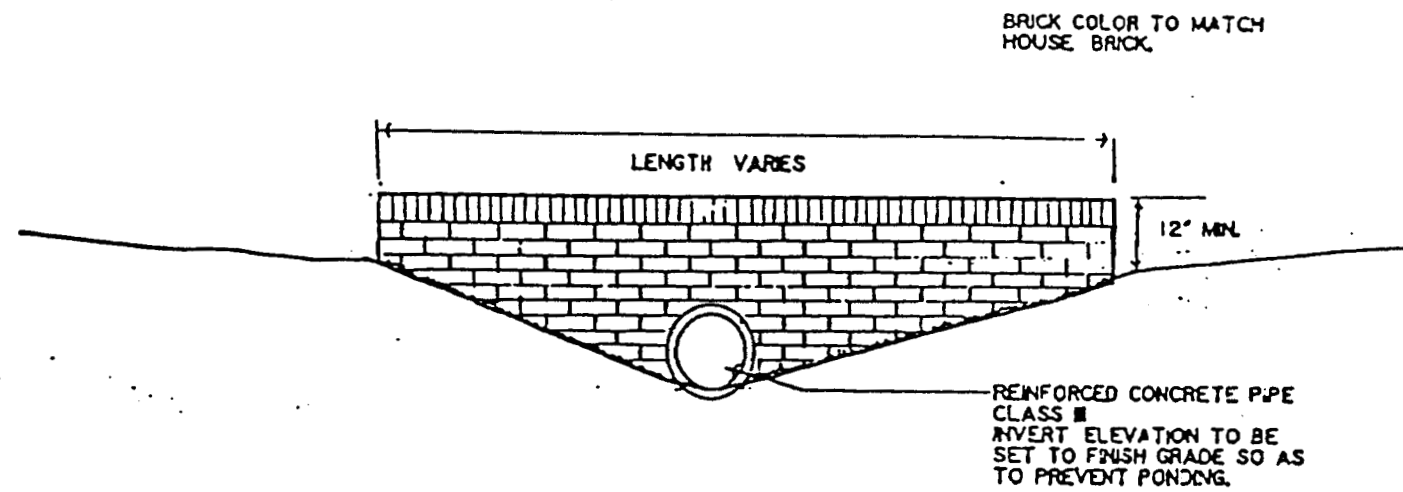


HODGES, ERWIN,
K & KRASELSKY
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PHONE (912) 883 7463



TYPICAL MAILBOX DESIGN



TYPICAL BRICK HEADWALL