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Pine Mountain Builders, LLC
c/o Jeffrey Quinn
102 Commerce Avenue
Pine Mountain, GA 31822

STATE OF GEORGIA
COUNTY OF HARRIS

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AMENDED AND RESTATED **bk 01024 Pg 0524-0555**
COMMUNITY COVENANT
FOR
CALLAWAY RESORT

THIS AMENDED AND RESTATED COMMUNITY COVENANT FOR CALLAWAY RESORT is made by Callaway Gardens Resort, Inc., a Georgia corporation ("**Founder**").

BACKGROUND STATEMENT

WHEREAS, the Community Covenant for Callaway Resort was recorded on December 3, 2003, in Deed Book 702, Page 415, *et seq.*, in the Office of the Clerk of Superior Court of Harris County, Georgia (the "**Original Covenant**"); and

WHEREAS, pursuant to Section 4.4 of the Original Covenant, the Original Covenant may be amended unilaterally by the Founder as long as it owns any property described in Exhibit "A" or "B" to the Original Covenant; and

WHEREAS, the Founder, as the owner of property described on Exhibit "A" or "B" to the Original Covenant, desires to amend and restate the Original Covenant in its entirety;

NOW THEREFORE, the Original Covenant is hereby amended, restated, replaced, and superseded in its entirety, and the following Amended and Restated Community Covenant for Callaway Resort is substituted therefor:

**AMENDED AND RESTATED
COMMUNITY COVENANT
FOR
CALLAWAY RESORT**

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AMENDED AND RESTATED COMMUNITY COVENANT FOR CALLAWAY RESORT

This Amended and Restated Community Covenant ("**Community Covenant**") is made by Callaway Gardens Resort, Inc., a Georgia corporation ("**Founder**"). (References herein to the Founder shall be deemed to refer to Callaway Gardens Resort, Inc., or any successor to or assignee of the rights and status of the "Founder" under this Community Covenant.)

PREAMBLE

*The Callaway Gardens Resort is a mixed-use, master planned resort community located in Harris County, Georgia ("**Callaway Resort**"), the focus of which is interaction, inclusiveness, involvement, community pride, education, and the promotion of the natural resources at Callaway Resort. Callaway Resort is intended to be a special place in which people invest themselves and become a part of a true "community" where people not only live, work, play, and experience but put down roots and build relationships and get involved in a way that creates a better quality of life for themselves, their neighbors, and the community at large.*

Truly great communities have a physical identity and a pride of place; the community's stakeholders have a positive feeling of belonging and of accomplishment in its activities. This Community Covenant creates a vehicle and a process through which each person who lives, works, or owns property within Callaway Resort can become a partner in making Callaway Resort the kind of community of which people are proud to be a part. It establishes an administrative and funding structure, administered by the Callaway Community Council, Inc., a nonprofit organization, and the Founder, with the mission and authority to initiate programs, activities, and services to facilitate and enhance community life in Callaway Resort while responding to individual and collective creativity and interests, and to own, operate, and maintain roads, facilities, and infrastructure which serve the members and patrons of the Callaway Resort community.

COVENANT FOR COMMUNITY

This Community Covenant encumbers the property described on Exhibit "A," and any additional property hereafter submitted to this Community Covenant (the "**Callaway Community**"), and is intended to benefit the larger community located outside of the Callaway Community. The Callaway Community is a component of Callaway Resort, and includes, or shall include, the residential properties encumbered by that certain Community Charter for Callaway Residential Properties recorded in the public records of Harris County, Georgia (as amended and supplemented from time to time, the "**Residential Charter**"), and other residential and non-residential properties within Callaway Resort. This Community Covenant is intended:

- to provide a framework for conducting activities and programs to involve and enhance the lifestyle of the residents and property owners within the Callaway Community and the surrounding community;

- to provide for the maintenance and operation of roads, facilities, and infrastructure which provide a benefit to all members of the Callaway Community and to other property owners within and patrons of Callaway Resort; and
- to provide a mechanism for funding operations, programs, services, and activities for the benefit of the Callaway Community and the Callaway Resort generally.

The Founder covenants on behalf of itself and all present and future owners of property comprising the Callaway Community to support the mission and efforts of the Callaway Community Council, Inc., as provided in this Community Covenant. This Community Covenant, as may be amended and supplemented from time to time, shall run with title to all property in the Callaway Community and shall be binding upon and benefit each owner of any portion of such property, their respective heirs, successors, successors-in-title, and assigns, and any other Person or entity that now or hereafter has any legal, equitable, or beneficial interest in any portion of such property. This Community Covenant shall also be binding upon the Founder and the Callaway Community Council, Inc., its successors and assigns (the "**Community Council**" or the "**Council**").

Each parcel of land encumbered by this Community Covenant which is depicted on a recorded subdivision plat, survey, or condominium instrument, and which may be independently owned and conveyed, is referred to as a "**Unit**"; provided, the term Unit shall not include property the Community Council owns, the common property of any owners association, or property dedicated to the public. A person or entity holding record title to a Unit, but excluding any mortgagee or other person or entity holding an interest merely as security for the performance of an obligation, is referred to as an "**Owner**." A Unit intended for development, use, and occupancy as an attached or detached single-family residence, regardless of whether such Unit is encumbered by the Residential Charter, is sometimes referred to as a "**Residential Unit**." A Unit intended for any other purpose is sometimes referred to as a "**Non-Residential Unit**." The Callaway Residential Owners Association, Inc. ("**Residential Association**") is the association of property owners charged with administering and enforcing the terms of the Residential Charter.

Chapter 1

Council Organization

1.1. Organization

The Community Council is a nonprofit organization without members. It is organized to serve the common good and general welfare of Callaway Resort and the surrounding community and as such may qualify for tax-exempt status as a civic league under Section 501(c)(4) of the Internal Revenue Code; provided, the Council may be organized or reorganized, as applicable, as another type of organization, which may or may not have tax-exempt status.

and residents of property within the Callaway Community. (The term "**Person**," as used in this Community Covenant shall refer to an individual, a corporation, a partnership, a limited liability company, or any other legal entity.)

1.2. Administration

The Community Council is administered by a board of trustees ("**Council Board**"), selected in accordance with the Articles of Incorporation for Callaway Community Council, Inc. (as may be amended from time to time, the "**Council Articles**") and the By-Laws of Callaway Community Council, Inc. (as may be amended from time to time, the "**Council By-Laws**").

1.3. Powers

The Community Council shall have such express and implied powers as may reasonably be necessary to carry out the duties and responsibilities assigned to it under this Community Covenant. The Council shall act consistently with the Council Articles, the Council By-Laws, this Community Covenant, and Georgia law.

The Community Council may create, contract or partner with, and/or otherwise cooperate with for-profit and non-profit entities that may or may not be tax-exempt organizations and delegate such duties and functions to those organizations as the Council Board deems appropriate.

The Community Council may engage in activities that benefit Persons other than Owners

Chapter 2

Council Powers and Funding

The Community Council shall maintain roads, facilities, and infrastructure serving the Callaway Community, as provided in this Community Covenant. To be effective, the Council must have a reliable source of funding. This Chapter describes the Council's maintenance obligations and funding sources.

2.1. Ownership, Maintenance, and Operation of Roads and Other Improvements

(a) **Area of Council Responsibility.** The Community Council may own and/or assume the maintenance responsibility for roads, related landscaping, and related improvements providing general benefit to the Callaway Community, including all or any of the roads and related improvements located in the areas depicted on Exhibit "C" attached hereto ("**Area of Council Responsibility**"). The Founder may expand the Area of Council Responsibility from time to time, and amend Exhibit "C" accordingly, as development of the Callaway Community progresses to include additional roads and related facilities and improvements, which provide a general benefit to the Callaway Community; provided, any expansion of the Area of Council Responsibility other than to extend existing improvements to, and to otherwise accommodate, new development within the Callaway Community shall require the prior approval of the Residential Association, acting through its board of directors, which approval may not unreasonably be withheld, conditioned, or delayed.

The Council's rights and powers with respect to the Area of Council Responsibility shall be subject to this Community Covenant and the Council By-Laws and any terms, conditions, covenants, or restrictions set forth in the instrument conveying such property to the Council.

The Council shall maintain the Area of Council Responsibility in compliance with the "**Callaway-Wide Standard**," which shall be the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in Callaway Resort. The Founder initially shall establish such standard; however, the Callaway-Wide Standard may evolve as development progresses and as the Callaway Community matures.

The Council may enact reasonable rules and regulations governing access, use, and enjoyment of the Area of Council Responsibility and all Owners and occupants of Units and other property within the Callaway Community, the Residential Association, and any other owners association subject to this Community Covenant shall comply with such rules and regulations. In addition, the Founder or the Council may grant exclusive and/or non-exclusive easements over the Area of Council Responsibility to other entities, the operation of which confers some benefit on the Callaway Community and the surrounding community.

The Community Council may contract with third parties, or otherwise delegate responsibility to third parties, for the performance of the Council's maintenance responsibilities under this Community Covenant.

(b) **Conveyance of Property to the Council.** Subject to any limitations set forth in Section 2.1(a), the Founder or other Persons the Founder designates may convey to the Community Council, or assign the Council maintenance responsibility for, improved or unimproved real estate located within Callaway Resort, personal property, and leasehold or other property interests comprising the Area of Council Responsibility and the Council shall accept, maintain, and operate such property in accordance with this Com-

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munity Covenant. The Community Council also shall perform such obligations and responsibilities with respect to such property as the Founder may assign in writing.

In recognition of the fact that the real property described above shall be conveyed to the Community Council at no cost to the Council, if conveyed in error or needed to make minor adjustments in property lines, for so long as the Founder, Callaway Gardens Resort, Inc. (with any successor owner of the Callaway Gardens amenities within Callaway Resort, "**Resort**"), or the Ida Cason Callaway Foundation, Inc. ("**Foundation**") owns property described in Exhibit "A" or "B," the Founder may require the Council to reconvey real property to the Founder or to other Persons.

In addition, under negotiated terms, the Community Council may acquire and maintain improved or unimproved real estate, personal property, easements, and leasehold or other property interests from other Persons.

(c) *Council Easements.* The Founder hereby grants perpetual, non-exclusive easements to the Community Council over the Callaway Community as necessary to enable the Council to fulfill its maintenance responsibilities under this Community Covenant.

2.2. Council Funding

(a) *Assessments for Maintenance of Area of Council Responsibility.*

(i) *Council Expenses.* Except as this Community Covenant otherwise specifically provides, all of the expenses that the Community Council incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Area of Council Responsibility are considered "**Council Expenses**." In addition to expenses directly relating to the maintenance costs, the Council Expenses may include general administrative expenses, taxes, and insurance

relating to the ownership, operation, and/or maintenance of the Area of Council Responsibility, and expenses relating to providing Callaway Community-wide security patrols. Council Expenses also shall include such operating reserves and reserves for repair and replacement of capital items within the Area of Council Responsibility as the Council Board finds necessary or appropriate.

Council Expenses shall not include any expenses relating to the provisions of Callaway Club Services (as defined in Section 3.2) by or on behalf of Resort.

The characterization of a particular expense as a "Council Expense" shall not preclude the Community Council from seeking reimbursement for, or a contribution toward, such expenses from other Persons who may be responsible for the expenses incurred or for sharing such expenses pursuant to this Community Covenant, any Supplement, or otherwise.

(ii) *Budget.* Prior to each of its fiscal years, the Community Council shall prepare a budget of its estimated Council Expenses for the coming year.

The Council's budget shall reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus or deficit to be applied from prior years, and any income anticipated to be generated through means authorized by this Community Covenant (e.g., Community Enhancement Fees (as defined below)).

(iii) *Annual Assessment.* The Community Council shall levy an "**Annual Assessment**" against each Unit and Owner to fund the Council Expenses. The total budgeted Council Expenses, less any income anticipated from sources other than assessments against the Units, shall be allocated among all Units subject to assessment based upon the formula for allocating assessments and the assignment of "Equivalent

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Units" to each Unit set forth in Exhibit "D." As set forth in Exhibit "D," the allocation of Council Expenses among the Units and the application of Equivalent Units and the formula set forth on Exhibit "D" shall take into account *all* parcels within Callaway Resort, regardless of whether such parcels are encumbered by this Community Covenant, and shall treat all such parcels as if they were Units under this Community Covenant.

(iv) *Adoption of the Budget.* Within 30 days after the Council Board adopts a final budget, it shall send to the Residential Association, and to each Owner of a Unit not encumbered by the Residential Charter, a copy of the final budget, a notice of the amount of the Annual Assessment, and a summary of the allocations. Until termination of the "Founder Appointment Period," as defined in the Council By-Laws, the budget and Annual Assessment shall automatically become effective upon the Council Board's adoption. Thereafter, the budget and Annual Assessment shall automatically become effective upon the Council Board's adoption unless the Annual Assessment per Residential Unit reflects an increase or decrease of greater than 5% of the previous fiscal year's Annual Assessment per Residential Unit. In the case of such an increase or decrease, the Annual Assessment shall not be effective unless approved in writing by the Residential Association's board of directors, which approval shall not unreasonably be withheld, conditioned, or delayed.

The Council Board may revise the budget and adjust the Annual Assessment from time to time during the fiscal year, subject to reasonable notice and the approval requirement set out above.

The Council Board's failure to approve a budget, fix assessment amounts or rates, or deliver or mail assessment notices as required, or, as applicable, the failure of the Residential Association board to include amounts due the Community Council in the Residential Association's common expense budget, shall not be deemed a

waiver, modification, or a release of any Unit or Owner from the obligation to pay assessments. In such event, each Unit and Owner shall continue to be obligated to pay Annual Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Council may retroactively assess any shortfalls in collections.

(v) *Reserves.* The budget shall include contributions to a reserve fund and/or a general "emergency fund" and contributions for capital and operating reserves. Such contributions shall take into account the number and nature of replaceable assets within the Area of Council Responsibility, the expected life of each asset, and the expected repair or replacement cost.

(vi) *Special Assessments.* In addition to Annual Assessments, the Council may levy "Special Assessments" to cover unanticipated and unbudgeted expenses, for which reserves are not available, resulting from substantial damage to or destruction of portions of the Area of Council Responsibility. Special Assessments shall be allocated in the same manner as provided for Annual Assessments in Section 2.2(a)(iii).

(vii) *Residential Association - Responsibility for Assessments.* Notwithstanding the obligation of each Unit and Owner to pay assessments for Council Expenses, the Community Council shall send all notices of Annual Assessments and Special Assessments allocated to Residential Units encumbered by the Residential Charter directly to the Residential Association. The Residential Association shall provide for collection of such assessments by including such amounts in its common expense budget or by providing notice of a Special Assessment, as applicable, to be assessed against all Owners of Residential Units encumbered by the Residential Charter. The Residential Association shall be responsible for paying to the Community Council all such Council assessments and associated fees

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and charges which the Residential Association collects.

The Council may enforce the Residential Association's obligation to pay assessments by suit against the Residential Association to collect delinquent assessments which the Residential Association has collected, in addition to any other rights or remedies it may have hereunder or at law or in equity. Notwithstanding the Council's enforcement rights against the Residential Association, the Council also shall have enforcement rights against each Owner of a Residential Unit encumbered by the Residential Charter, including a lien against each such Residential Unit for assessments as provided in Section 2.2(d); provided, payment to the Residential Association of amounts due the Community Council shall constitute a defense to any enforcement action by the Council against an Owner or his or her Residential Unit.

(viii) Commencement of Assessments; Time of Payment. The obligation for assessments levied by the Community Council under this Community Covenant shall commence as to each Residential Unit encumbered by the Residential Charter on the later of: (A) the date the Council first determines a budget and levies assessments pursuant to this Section 2.2(a); (B) the date such Unit is conveyed to a Person other than the "Founder" or a "Founder Affiliate" (as such terms are defined in the Residential Charter) or a "Builder" designated by the "Founder" under the Residential Charter as being exempt; or (C) the date the Unit is made subject to this Community Covenant. The obligation for assessments under this Community Covenant shall commence as to all other Units on the date on which the Unit is made subject to this Community Covenant.

Assessments shall be paid in such manner and on such dates as the Council Board may establish. If the Council Board so elects, assessments may be paid in two or more installments. Unless the Council Board otherwise provides, Annual Assessments shall be due and payable in advance on

the first day of each fiscal year. The Council Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

(b) Community Enhancement Fee.

(i) Authority. A "Community Enhancement Fee" shall be collected upon each non-exempt transfer of title to a Residential Unit. The Community Enhancement Fee shall be charged to the seller of the Residential Unit at the closing of the transfer of title. One-half of the fee shall be payable to the Council, and one-half shall be payable to the Foundation. The Community Enhancement Fee shall be secured by liens in favor of the Council and the Foundation, respectively, as provided in Section 2.2(d). Certain transfers of title are exempt from payment of the fee, as described in paragraph (iii) below.

The conveyance of a leasehold interest in a Residential Unit under a lease having a term in excess of 10 years shall be deemed a transfer of title for all purposes under this Section 2.2(b).

(ii) Amount of Fee. The Council Board shall have the sole discretion to determine the amount of and method of calculating the Community Enhancement Fee, subject to the limitations described in this Section 2.2(b). The fee may be based upon a sliding scale that varies in accordance with the "gross selling price" of the property or any other factor the Council Board deems appropriate. However, the Community Enhancement Fee may not exceed 1.00% of the Unit's gross selling price.

In the case of the transfer of title to a Residential Unit, the gross selling price is the total cost to the purchaser of the Residential Unit, excluding

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transfer taxes and title fees imposed by Harris County and/or the State of Georgia. In the case of the conveyance of a leasehold interest in a Residential Unit, the gross selling price is the market value of the Unit at the time of such conveyance, as determined by Harris County for real estate ad valorem taxes.

(iii) Exempt Transfers. Notwithstanding the above, no Community Enhancement Fee shall be levied upon transfer of title to a Unit:

- by or to the Founder, Resort, the Foundation, Cousins Real Estate Corporation, Cousins/Callaway, LLC, or any person or entity that controls, is controlled by, or is under common control with any of such entities;
- by a builder or developer designated by the Founder or by Cousins/Callaway, LLC, who held title solely for purposes of development and resale;
- by a co-owner to any Person who was a co-owner immediately prior to such transfer;
- to the Unit Owner's estate, surviving spouse, or heirs at law upon the death of the Unit Owner, or to a family trust created by the grantor for the benefit of grantor, his or her spouse, and/or heirs at law;
- to an entity wholly owned by the grantor; provided, upon any subsequent transfer of a direct or indirect ownership or beneficial interest in such entity, the Community Enhancement Fee shall become due;
- to an institutional lender pursuant to a mortgage or other form of security instrument affecting title to a Unit or upon foreclosure of such mortgage or other security instrument; or

- under circumstances which the Council Board, in its discretion, deems to warrant classification as an exempt transfer (*e.g.*, a transfer made solely for estate planning purposes may be, but is not required to be, deemed exempt from payment of the Community Enhancement Fee).

(iv) Use of Funds. The Council Board shall place all Community Enhancement Fees paid to the Community Council in a segregated account to provide funding for the Council's activities and such other purposes as the Council Board deems beneficial to the general welfare of the Callaway Community and the surrounding community.

(c) No Reduction or Set-Off. The obligation to pay Annual and Special Assessments, and the Community Enhancement Fee (as pertains to Residential Unit Owners) is a separate and independent covenant on the part of Unit Owners. A Unit Owner may not claim any reduction or set-off because of any Council action, inaction, or policy with which the Unit Owner disagrees.

(d) Personal Obligation; Lien Rights; Collection. By accepting a deed or entering into a recorded contract to purchase a Unit, each Owner covenants and agrees to pay all assessments and fees authorized under, and in the manner provided in, Section 2.2. In addition, the Community Council has a lien against each Unit to secure payment of Annual Assessments, Special Assessments, Community Enhancement Fees, and other charges authorized under this Community Covenant, as well as interest on any portion of the charge not paid when due (computed from its due date at a rate of 12% per annum or such higher rate as the Council Board may establish, subject to the limitations of Georgia law), late charges, and costs of collection (including attorneys' fees). With respect to assessments for which notice is sent to the Residential Association on behalf of the Residential Units encumbered by the Residential Charter, the Council's lien shall be upon each such Residential

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Unit in a pro rata amount corresponding to the Unit's share of any unpaid assessment or other charge.

The Council's lien for assessments and other charges is superior to all other liens, except: (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; (ii) the lien or charge of any recorded first mortgage (meaning any recorded mortgage with first priority over other mortgages) made in good faith and for value; and (iii) the lien in favor of the Residential Association under the Residential Charter. The lien may be enforced by suit, judgment, and judicial or non-judicial foreclosure, to the extent permitted by Georgia law, in the same manner as a mortgage lien. The Council may sue to collect an unpaid Annual Assessment, Special Assessment, Community Enhancement Fee, or other charge authorized in this Community Covenant without foreclosing or waiving the lien securing the amounts due.

In addition, the Foundation shall have a lien against each Residential Unit to secure payment of that portion of the Community Enhancement Fee to be paid to the Foundation, as described above, as well as interest (in the amount of 12% per annum) and any costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except: (i) the Council's liens under this Community Covenant, as described above; (ii) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; (iii) the lien or charge of any recorded first mortgage (meaning any recorded mortgage with first priority over other mortgages) made in good faith and for value; and (iv) the lien in favor of the Residential Association under the Residential Charter. The Foundation may sue to collect an unpaid Community Enhancement Fee without foreclosing or waiving the lien securing the amounts due.

The sale or transfer of a Unit does not affect the liens described above or relieve such Unit from such liens. However, sale or transfer pur-

suant to foreclosure of the first mortgage will extinguish liens as to any amounts due prior to the mortgagee's foreclosure. A Person acquiring property through foreclosure of a first mortgage will not be personally liable for any amounts due prior to such Person's acquisition of title.

(e) Statement of Account. Upon written request of the Owner or prospective purchaser of, or the holder or prospective holder of a mortgage on, any Unit, delivered personally or sent by certified mail, first-class postage prepaid, return receipt requested to the Community Council's registered agent or designee, the Council shall issue a written statement setting forth the amount of any unpaid assessment, Community Enhancement Fee, or other authorized charge, and the amount of any Community Enhancement Fee due upon a transfer of title to the Unit which occurs within 30 days of the date of such statement. Such statement shall be delivered personally or by certified mail, first-class postage prepaid, return receipt requested.

The Council may require the payment of a reasonable processing fee for issuance of such statement. Such statement shall be binding upon the Council as to Persons who rely on the statement in good faith. If a written request for a statement of account is not processed within 14 days after the Community Council's receipt of the request, all amounts that became due before the date of such request shall be subordinate to the lien of any institutional holder of a first mortgage on the Unit that acquired its interest after requesting such statement.

(f) Use and Consumption Fees. The Council may offer services or facilities for which it does not recover its costs through assessments or fees under this Chapter. The Council Board may charge use and consumption fees to any Person who chooses to use or participate in such services or facilities and may determine the amount and method of determining such fees. Different fees may be charged to different classes of users

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(e.g., Callaway Resort residents or Owners and others).

(g) Contributions and Sponsorships. The Community Council may solicit financial support from the public, stakeholders, or corporate sponsors. The Founder may, but shall not be obligated to, make contributions or commit funding to subsidize the Council's activities; however, payment of a contribution or subsidy in any year shall not obligate the Founder to continue such payment in future years.

(h) Grants. The Council may also seek to qualify for local, state, or federal grants.

(i) The Founder's Funding Obligation; Subsidy Option. In recognition of the fact that the total of assessments, Community Enhancement Fees, and other charges paid to the Community Council in accordance with this Community Covenant may not be sufficient to pay all Council Expenses, until the "Founder Appointment Period" (as defined in the Council By-Laws) expires or is terminated and neither the Founder, Resort, or the Foundation owns any property described in Exhibit "A" or "B," the Founder shall be responsible for paying any shortfall under the Council Expense budget (including amounts allocated to parcels not encumbered by this Community Covenant) resulting from events other than a failure of Owners to pay Annual Assessments and other amounts due.

The Founder may, but shall not be obligated to, reduce any assessment levied in accordance with this Section 2.2 by payment of a subsidy (in addition to any amounts the Founder may otherwise be obligated to pay under this Section 2.2). Any such subsidy may be treated as a contribution, an advance against future assessments due from the Founder, or a loan, in the Founder's discretion. Any such subsidy and the characterization thereof shall be conspicuously disclosed as a line item in the income portion of the budget. Payment of such subsidy in any year shall not obligate the Founder to continue pay-

ment of such subsidy in future years, unless otherwise provided in a written agreement between the Council and the Founder.

2.3. Design Review

(a) General. Subject to the Founder's rights under this Section 2.3, the Council shall have general authority over design standards and appearance throughout the Callaway Community. With respect to the property encumbered by the Residential Charter, design review and approval shall be governed by and in accordance with the terms of the Residential Charter and the Founder and the Council shall have only general oversight authority with respect to design standards and appearance.

For those portions of the Callaway Community which are not encumbered by the Residential Charter, all site work, landscaping, structures, improvements, and other items placed on a Unit in a manner or location visible from outside of any existing structures on the Unit ("**Improvements**") are subject to standards for design, landscaping, and aesthetics adopted pursuant to this Section 2.3 ("**Design Guidelines**") and the approval procedures established pursuant to this Section 2.3, except as the Design Guidelines may otherwise specify.

No prior approval is necessary to repaint the exterior of existing structures using the most recently approved color scheme or to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures. Generally, no approval is required for work done to the interior of a structure; however, modifications to the interior of screened porches, patios, and any other portions of a structure visible from outside of the structure do require prior approval.

(b) Design Review Authority. The Founder shall have exclusive authority to review and act upon all applications for review of proposed Improvements for so long as the Founder, Re-

Council Powers and Funding

sort, or the Foundation owns property described on Exhibit "A" or "B." In reviewing and acting upon any request for approval, the Founder shall act solely in the interest of the Founder shall owe no duty to any other Person.

From time to time, the Founder may delegate any or all of its rights under this chapter to other Persons, including the Community Council or an owners association having jurisdiction over property within the Callaway Community. Any such delegation shall be in writing, shall specify the scope of responsibilities delegated, and shall be subject to: (i) the Founder's right to revoke such delegation at any time and reassume its prior control; and (ii) the Founder's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable. So long as the Founder has any rights under this Section 2.3, the jurisdiction of Persons other than the Founder shall be limited to such matters as the Founder specifically delegates.

Upon the Founder's delegation of authority, or upon expiration or termination of the Founder's rights under this Section 2.3, the Council shall assume jurisdiction over matters within the scope of the delegated authority or this chapter, as applicable.

For purposes of this Section 2.3, the entity having jurisdiction in a particular case shall be referred to as the "**Reviewer.**"

Notwithstanding the above, design review over Residential Units encumbered by the Residential Charter shall be performed by the entity given such authority under the Residential Charter. Reviewer approval under this Section 2.3 shall not be required with respect to such Residential Units.

(c) *Design Guidelines.* The Founder may establish Design Guidelines applicable to those portions of the Callaway Community which are not encumbered by the Residential Charter. The Design Guidelines may contain general stan-

dards applicable to all of such properties and may include provisions applicable only to particular areas.

For so long as it has design review authority under Section 2.3(b), the Founder may amend the Design Guidelines. Thereafter, or upon assignment from the Founder, the Council may amend the Design Guidelines. The Council Board may directly administer and enforce the Design Guidelines or, in the case of property subject to an owners association, may assign its rights to the owners association having jurisdiction over such property, subject to the Council's oversight and veto authority described below.

(d) *Design Review Procedures.* Unless the Design Guidelines provide otherwise, no activities within the scope of this Section 2.3 may begin on any property within the Callaway Community until a written application is submitted to and approved by the Reviewer. The application must be accompanied by plans and specifications and such other information as the Reviewer or the Design Guidelines require.

In reviewing each application, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations shall not be subject to judicial review so long as they are made in good faith and in accordance with required procedures.

The Reviewer shall make a determination on each application after receipt of a completed application with all required information. The

Council Powers and Funding

Reviewer may permit or require that an application be submitted or considered in stages, in which case a final decision shall not be required until after the final, required submission. The Reviewer may: (i) approve the application with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application.

The Reviewer shall notify the applicant in writing of the final determination on any application no later than 30 business days after its receipt of a completed application and all required submissions; however, with respect to any Council determination subject to the Founder's veto right, the Reviewer shall notify the applicant of the final determination within 40 business days after its receipt of the final determination and all required submissions.

If the Reviewer fails to respond in a timely manner, approval shall be deemed given. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Design Guidelines unless a written variance has been granted pursuant to subsection (e) below.

The Reviewer may exempt certain activities from the application and approval requirements of this Section 2.3 if such activities are undertaken in compliance with the Design Guidelines and the Callaway-Wide Standard.

The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include reasonable costs incurred in having professionals review any application.

(e) Variances. The Reviewer may authorize variances from compliance with any of the Design Guidelines and any procedures when it determines that circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations justify such a variance, however, the Reviewer shall under no

circumstances be obligated to grant variances. No variance shall: (i) be effective unless in writing; (ii) be contrary to this Community Covenant or the Callaway-Wide Standard; or (iii) prevent the Reviewer from denying a variance in other circumstances. A variance requires the Founder's written consent for so long as the Founder, Resort, or the Foundation owns any property described in Exhibit "A" or "B."

(f) Limitation of Liability. This Section 2.3 establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of the Callaway Community; they do not create any duty to any Person. Review and approval of any application pursuant to this chapter may be based purely on aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all dwellings are of comparable quality, value, size, or design, or are aesthetically pleasing or otherwise acceptable to other Persons.

The Founder, Resort, the Foundation, Cousins/Callaway, LLC, Cousins Real Estate Corporation, the Council, the Residential Association, and their respective officers, directors, trustees, shareholders, and members, shall not be liable for (i) soil conditions, drainage, or other general site work; (ii) any defects in plans revised or approved hereunder; (iii) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents; or (iv) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit. In all matters, the Council shall defend and indemnify the Council Board and the trustees, as provided in the Council By-Laws.

Council Powers and Funding

2.4. Additional Covenants

The Founder, Resort, the Foundation, Cousins/Callaway, LLC, Cousins Real Estate Corporation, or their respective designees or assigns may impose additional covenants on property they own within the Callaway Community, including covenants requiring that property be maintained in accordance with the Callaway-wide Standard. The Council shall have standing and the power to enforce any such additional covenants and shall be obligated to do so if provided in a Supplement (as defined in Section 4.1) recorded pursuant to this Community Covenant. If the provisions of any such additional covenants are more restrictive than the provisions of this Community Covenant, the more restrictive provisions control.

For so long as the Founder, Resort, or the Foundation owns any property described on Exhibit "A" or "B," no one may record any additional covenants or restrictions affecting any portion of the Callaway Community without the Founder's written consent. Any instrument recorded without the required consent shall be void and of no force and effect.

Chapter 3

Tools for Creating Community

Achieving the goal of making the Callaway Community a truly special place to live, own property, and recreate requires more than just providing opportunities for stakeholders to share ideas, suggestions, and desires. It also requires specialized staffing, a creative process, and good communication.

3.1. Mission

The Founder's mission is to generate, preserve, and enhance a true sense of "community" through the creation and sponsorship of programs, activities, and services to facilitate:

- interaction, inclusiveness, involvement, community pride, and responsibility,
- the sharing of ideas, common interests, and resources, and
- education, volunteer opportunities, and promotion of artistic and cultural programming

in order to enhance the lifestyle within and contribute to the betterment of the Callaway Community, Callaway Resort, and surrounding communities.

3.2. The Callaway Club

Resort intends to provide or provide for a wide variety of programs, services, and activities which appeal to the diverse interests of those who live and work in and visit the Callaway Community. Resort shall facilitate, through organization, funding, and/or administering such programs, services, and activities as Resort determines necessary, desirable, and appropriate to advance the mission set forth in Section 3.1. Examples of such programs, services, or activities include:

- environmental programs (*e.g.*, community-wide recycling, tree planting, conservation);
- volunteer organizations and activities;
- environmental or other educational trusts or endowments;
- social programs (*e.g.*, parties, festivals, and similar events);
- activities designed to promote community standards through education, communication, and grass roots efforts;
- public relations activities to publicize the Council's programs and activities;
- cultural and artistic programs;
- appreciation of and education programs in conjunction with Callaway Resort's natural, historical, and archaeological sites; and
- other services, activities, and programs for the benefit of the residents of the Callaway Community and the surrounding community.

In addition, Resort may operate recreational facilities and amenities for the benefit of the Callaway Community and other portions of Callaway Resort, and may offer the Owners of Units membership privileges with respect to such facilities and amenities.

The operations, programs, services, and activities provided by Resort are referred to collectively as the "Callaway Club Services." Resort has created or intends to create a club ("Cal-

Tools for Creating Community

laway Club ") through which all or any Callaway Club Services, and any other obligations of Resort under Chapter 3, may be provided.

3.3. Activities Director

Resort shall create and fund, or provide for the funding of, the position of "Activities Director," whose role shall be to provide leadership for the overall planning, development, implementation, and continuing evaluation of Callaway Club Services.

The Activities Director's specific responsibilities shall include the following:

(a) creating accessible opportunities for stakeholders, and invitees to participate in and volunteer their time and skills for community events and activities;

(b) working with volunteers and staff members and cooperating with the Council Board, Resort, and the Foundation to implement Resort's objectives and administer its daily affairs;

(c) coordinating, promoting, and facilitating community-wide cultural, artistic, musical, athletic, and social events and activities;

(d) conducting educational programs and contracting for and coordinating continuing education programs and opportunities; and

(e) seeking out new opportunities for building community life and spirit while appreciating stakeholder diversity.

The Activities Director's responsibilities may also include those agreed upon by the Activities Director and the Council Board, so long as such responsibilities do not hinder, limit, or otherwise interfere with the fulfillment of Activities Director's responsibilities outlined above.

The Activities Director shall be employed or otherwise contracted for by Resort.



3.4. Community Education and Orientation

Those who understand the structure and governance of the Callaway Community and their rights and responsibilities within the Community have a greater capacity to participate in civic life and in the affairs of the community. Therefore, the Council Board may establish education, training, and orientation programs to facilitate and encourage such understanding. The Council Board may utilize any method it deems appropriate to achieve this goal, including a community website or intranet, learning centers, new resident welcome and orientation programs, coordinated activities with local schools, seminars, audio/video recordings, pamphlets, and other publications.

The focus of community education activities may include such things as general community orientation, community structure and governance, including the nature, extent, and purpose of the covenants, rules, and regulations; charter clubs and volunteer opportunities; and opportunities to participate in and affect the community's evolution and growth.

The Council Board may also coordinate with nationally recognized organizations such as the Urban Land Institute or the Community Associations Institute to offer programs regarding community governance and operation and invite

Tools for Creating Community

qualified speakers to provide community governance instruction and workshops.

3.5. Lifelong Learning Opportunities

The Community Council may provide for or facilitate continuing education opportunities for persons of all ages-based on level of interest, availability of instructors, and cost. Continuing education opportunities should reflect the diverse interests of the Callaway Community (*e.g.*, the environment, art, music, culture, exercise, health and wellness, gardening, literature, and recreation, among others).

3.6. Volunteerism

In recognition of the fact that volunteerism benefits both the Callaway Community and the larger Callaway Resort community, the Founder desires to promote a strong volunteer ethic among residents of the Community. Therefore, one of the Council's roles is to encourage and facilitate the organization of volunteer groups and activities within the Callaway Community. To accomplish this end, the Council Board may grant incentives for volunteering, such as exemptions from specific program fees and public recognition of distinguished volunteers and their achievements.

The Council Board also may cooperate with and support outside organizations, such as environmental organizations, recreational leagues, or cultural organizations, by sponsoring or helping to promote the organization's events. Additionally, the Council Board may compile and maintain a data bank of volunteer opportunities and needs and people interested in volunteering, to help match volunteers with activities in which their interests and skills will be of assistance.

Volunteerism

- Facilitates volunteer organizations
- Supports recreational leagues and cultural organizations
- May maintain volunteer data bank
- May grant charters to charter clubs
- Publicizes meetings, events, etc.
- Provides recognition to volunteers

3.7. Community Participation

A key to building a sense of community is listening to the community and appreciating the need for input from all stakeholders, whether the Founder, Owners, residents, visitors, builders, or those who work in the Callaway Community. In that regard, the Council and Resort shall strive to:

- create and maintain an inclusive environment for all who wish to participate in its activities and programs;
- provide an orderly, regular, and informative communication system within the Callaway Community;
- provide opportunities for all stakeholders to provide input on community activities and the Council programs;
- respect the value of each individual as well as the value and the importance of the community;
- appreciate diversity of thought and of people;
- establish community traditions that will engender pride in Callaway Resort;
- foster a sense of belonging;

Tools for Creating Community

- motivate Owners and residents to participate by offering a variety of life-enriching opportunities;
- provide meaningful opportunities to connect with the greater community; and
- make a significant contribution to the quality of life within the Callaway Community.

In all dealings among and between stakeholders and the Council or Resort, participants are expected to:

- be informed;
- act with civility;
- communicate constructively; and
- strive to act in the best interest of the community as a whole and make a meaningful contribution to the community.

3.8. Cooperation with Other Entities

Resort may contract with other entities and organizations, including the Founder, the Council, the Foundation, and the Residential Association, to provide assistance with and facilities for Callaway Club Services. Resort may partner with local schools, businesses, the greater Harris County community, and other organizations and solicit in-kind contributions to facilitate any of its activities.

3.9. Callaway Club Membership Fee

The Owner of each Residential Unit shall be obligated to pay a membership fee to the Callaway Club ("**Membership Fee**"), which Membership Fee shall be a means of funding Callaway Club Services. Except to the extent a lower or different fee may otherwise have been provided in a Supplement pertaining to particular Units

recorded prior to the recording of this Amended and Restated Community Covenant, from the date of recording of this Amended and Restated Community Covenant until the end of the Community Council's first full fiscal year thereafter, the Membership Fee for each Residential Unit shall not exceed \$500.00 per Residential Unit (with such specific amount to be determined in Resort's discretion). Unless the Residential Association, acting through its board of directors, agrees to a greater increase, the Membership Fee charged to each Residential Unit may be increased by Resort for subsequent fiscal years by an amount not to exceed five percent per year, applied cumulatively against the initial \$500.00 Membership Fee described above.

Notwithstanding the obligation of each Owner of a Residential Unit to pay the Membership Fee, the Residential Association shall be obligated to provide in its budget for the collection of the Membership Fees allocated to Residential Units encumbered by the Residential Charter and Resort shall send notice of Membership Fees applicable to such Residential Units directly to the Residential Association. The Residential Association shall provide for collection and payment of Membership Fees by including such amounts in its common expense budget to be assessed against all Owners of Residential Units encumbered by the Residential Charter.

Resort may enforce the obligation to pay Membership Fees by suit against the Residential Association to collect those Membership Fees collected by the Residential Association but not paid to the Council, in addition to any other rights or remedies it may have hereunder or at law or in equity against each Owner of a Residential Unit. Notwithstanding Resort's enforcement rights against the Residential Association, Resort shall have enforcement rights against each Residential Unit on behalf of which Membership Fees are not paid to the Residential Association, including a lien against each Residential Unit for Membership Fees, which lien shall have equal priority to and shall be enforceable by Resort in

Tools for Creating Community

the same manner as the lien in favor of the Community Council as provided in Section 2.2(d); provided, payment to the Residential Association of Membership Fees due Resort shall constitute a defense to any enforcement action by Resort against an Owner or his or her Residential Unit.

The obligation to pay the Membership Fee shall commence as to each Residential Unit on the later of: (A) the date Resort first charges a Membership Fee against the Unit; or (B) the date title to the Unit is transferred to a Person other than the Founder, the "Founder" or a "Founder Affiliate" under the Residential Charter, or any builder that the Founder or the "Founder" under the Residential Charter designates as being exempt from payment of Membership Fees. The first annual Membership Fee levied on a Residential Unit shall be adjusted according to the number of months remaining in the fiscal year at the time the Membership Fee commences as to the Unit.

In consideration for payment of the Membership Fee, each Owner of a Residential Unit shall be a member of the Callaway Club and Resort shall make available to each such Owner, at a minimum, the following benefits and services:

- Access into Callaway Gardens for Owners, Owners' spouses and children under the age of 18, and accompanied guests
- A membership card with charge privileges at Callaway Gardens attractions and retail outlets
- Priority access to all Callaway Gardens and Gardens Preserve special events and activities for Owners, Owners' spouses and children under the age of 18, and accompanied guests (some additional charges may apply for such events and activities)

In addition to the above, Owners of Residential Units are eligible for membership in the Cal-

laway Club under other membership categories, affording additional use privileges in Callaway Resort and Callaway Gardens' facilities, including any golf course(s), subject to such membership plan as Resort may impose. Membership in any such additional category of membership shall be subject to availability, the payment of additional fees and dues, and any qualification and approval requirements imposed by Resort. Neither this Community Covenant nor ownership or occupancy of a Residential Unit shall guarantee any Owner the availability of a membership, or acceptance of his or her application for membership, in any additional category of membership.

The membership granted pursuant to this Community Covenant pertains only to Owners of Residential Units and shall terminate as to any Owner upon the Owner's transfer of title to his or her Residential Unit.

Upon request, Resort shall provide the Residential Association and the Owner of any Residential Unit not encumbered by the Residential Charter a year-end summary showing the cost to Resort of providing or providing for Callaway Club Services during the year.

With respect to any Residential Unit which is owned by a corporation, partnership, limited liability company, or other entity other than an individual, the Owner of the Residential Unit, for purposes of determining individuals entitled to the benefits conferred to Owners under this Section 3.9, shall be as provided in, and subject to, such membership rules, policies, and procedures as Resort may establish from time to time.

3.10. Gardens Contribution

The Owner of each Residential Unit shall be obligated to pay an annual contribution to the Foundation ("**Gardens Contribution**"), which Gardens Contribution shall be a means of funding Foundation activities and services relating to Callaway Gardens.

Tools for Creating Community

Except to the extent a lower or different fee may otherwise have been provided in a Supplement pertaining to particular Units recorded prior to the recording of this Amended and Restated Community Covenant, from the date of recording of this Amended and Restated Community Covenant until the end of the Community Council's first full fiscal year thereafter, the Gardens Contribution for each Residential Unit shall not exceed \$500.00 per Residential Unit (with such specific amount to be determined in the Foundation's discretion). Unless the Residential Association, acting through its board of directors, agrees to a greater increase, the Gardens Contribution charged to each Residential Unit may be increased by the Foundation for subsequent fiscal years by an amount not to exceed five percent per year, applied cumulatively against the initial \$500.00 Gardens Contribution described above. The Gardens Contribution shall be charged to the Owner of each Residential Unit annually by, and shall be payable directly to, the Foundation and shall be secured by a lien in favor of the Foundation, which lien shall have equal priority to and shall be enforceable in the same manner as the lien in favor of the Council as provided in Section 2.2(d).

The obligation to pay the Gardens Contribution shall commence as to each Residential Unit on the later of (A) the date the Foundation first charges the Gardens Contribution against such Unit; (B) date title to the Unit is transferred to a Person other than the Founder, the "Founder" or a "Founder Affiliate" under the Residential Charter, or any builder that the Foundation or the "Founder" under the Residential Charter designates as being exempt from payment of Gardens Contributions. The first annual Gardens Contribution levied on a Residential Unit shall be adjusted according to the number of months remaining in the fiscal year at the time the Gardens Contribution commences as to the Unit.

Upon request, the Foundation shall provide the Residential Association and the Owner of any Residential Unit not encumbered by the Residen-

tial Charter a year-end summary showing how the Gardens Contributions for the previous year were applied by the Foundation.

Chapter 4

Scope, Duration, and Amendment of Community Covenant

This Chapter explains the procedures for expanding the Callaway Community and for modifying this Community Covenant to reflect changing needs and desires as the Callaway Community is developed and matures.

4.1. Expansion of the Callaway Community

So long as the Founder, Resort, or the Foundation owns any property described on Exhibit "A" or "B" to this Community Covenant, the Founder may expand the Callaway Community to include all or any portion of the property described on Exhibit "B" by recording a supplement to this Community Covenant ("**Supplement**") in the Office of the Clerk of the Superior Court of Harris County, Georgia, describing the additional property and declaring the intent to submit it to the terms of this Community Covenant. No consent of any Person shall be required other than the owner of the property being submitted to this Community Covenant, if not the Founder.

The Community Council may expand the Callaway Community in the same manner, except that so long as the Founder has any rights under this Section 4.1, such expansion shall be subject to the written consent of the Founder, as evidenced by its execution of such amendment.

Any property encumbered by the Residential Charter shall automatically be subjected to this Community Covenant, regardless of whether such amendment specifically references this Community Covenant or states an intention to submit the additional property to the terms of this Community Covenant.

The Founder's right to expand the Callaway Community under this Section 4.1 shall expire when all property described in Exhibit "B" has been submitted to this Community Covenant or 35 years after this Community Covenant is re-

corded, whichever is earlier. Until then, the Founder may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "B" to this Community Covenant. Any such transfer shall be described in a recorded instrument executed by the Founder.

Nothing in this Community Covenant shall require the Founder or any successor to submit additional property to this Community Covenant.

4.2. Term and Termination

Unless terminated as provided below, this Community Covenant is intended to have perpetual duration. However, so long as Georgia law limits the period during which covenants may run with the land, any provision of this Community Covenant affected by such law shall run with and bind the land so long as permitted by the law, after which time the provisions shall be automatically extended for successive periods of 20 years, unless terminated in accordance with O.C.G.A. § 44-5-60, as it may be amended, within two years proceeding any extension.

If any provision of this Community Covenant would be unlawful, void, or voidable by reason of any rule restricting the period of time that covenants can affect title to property, that provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

This Section 4.2 shall not permit termination of any easement created in this Community Covenant without the consent of the holder of such easement.

Scope, Duration, and Amendment of Community Covenant

4.3. Easements Reserved to the Founder

There is hereby reserved to the Founder and the "Founder" under the Residential Charter, and granted to their duly authorized agents, representatives, successors, assigns, licensees, and mortgagees, a perpetual, non-exclusive easement over property the Council owns for the use, access, and development of property now or hereafter contained within Callaway Resort. This easement includes, but is not limited to, a right of ingress and egress over such property for construction of roads and for tying in and installation of utilities on such property. The Founder also reserves for itself the non-exclusive right and power to grant and record specific easements as may be necessary, in the Founder's sole discretion, in connection with the orderly development of the property.

4.4. Easements Over Roadways

The Founder hereby grants perpetual, non-exclusive easements to the Owners and other permitted users of the Units over those portions of the Area of Council Responsibility which are roadways providing access to Units and other portions of the Callaway Community. Such easement shall be subject to such reasonable rules as the Council may adopt from time to time consistent with this Community Covenant.

4.5. Amendment

(a) By the Founder. In addition to specific amendment rights granted elsewhere in this Community Covenant, the Founder may unilaterally amend this Community Covenant for any purpose for so long as the Founder, Resort, or the Foundation owns any property described on Exhibit "A" or "B."

Thereafter, the Founder may unilaterally amend this Community Covenant if such amendment is necessary: (i) to bring any provision into compliance with or adapt to any change in any applicable governmental statute, rule,

regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any amendment under this paragraph shall not adversely affect the title to any Unit unless the Unit Owner shall consent in writing.

(b) By Others. Except as otherwise specifically provided above and elsewhere in this Community Covenant, this Community Covenant may be amended only by the Council Board, with the affirmative vote or written consent, or any combination thereof, of: (i) the Residential Association's board of directors; and (ii) Owners representing at least 51% of the Units within the Callaway Community which are subject to this Community Covenant but are not encumbered by the Residential Charter. In addition, so long as the Founder has rights under subsection (a) above, any such amendment shall also require the Founder's written consent.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of the Founder, Resort, the Foundation, Cousins/Callaway, LLC, or Cousins Real Estate Corporation without such entity's written consent (or the written consent of the assignee of such right or privilege).

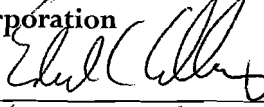
Any amendment shall become effective upon recording in the Office of the Clerk of the Superior Court of Harris County, Georgia, unless a

Scope, Duration, and Amendment of Community Covenant

later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Community Covenant.


IN WITNESS of the foregoing, Callaway Gardens Resort, Inc., a Georgia corporation, has executed this Community Covenant this 27th day of MARCH, 2008.

CALLAWAY GARDENS RESORT, INC, a Georgia corporation

By: 
Name: EDWARD C. CALLAWAY
Its: CHAIRMAN + CEO

Signed, sealed, and delivered this 27 day of March, 2008 in the presence of:


WITNESS


NOTARY PUBLIC
Notary Public, Harris County, Georgia
My Commission Expires May 18, 2008

Consent of Cousins Real Estate Corporation

Cousins Real Estate Corporation hereby consents to and approves the within and foregoing Amended and Restated Community Covenant for Callaway Resort this 27th day of MARCH, 2008.

Signed, sealed, and delivered this 27 day of March, 2008 in the presence of:

[Signature]
WITNESS

Candace Cuddefeld
NOTARY PUBLIC

Notary Public, Harris County, Georgia
My Commission Expires May 18, 2008

COUSINS REAL ESTATE CORPORATION,
a Georgia corporation

By: [Signature]
Name: JEFF QUINN
Its: GENERAL VICE PRESIDENT

Consent of Cousins/Callaway, LLC

Cousins/Callaway, LLC, hereby consents to and approves the within and foregoing Amended and Restated Community Covenant for Callaway Resort this 29th day of MARCH, 2008.

Signed, sealed, and delivered this 27 day of March, 2008 in the presence of:

[Signature]
WITNESS

Candace Cuddefeld
NOTARY PUBLIC

Notary Public, Harris County, Georgia
My Commission Expires May 18, 2008

COUSINS/CALLAWAY, LLC, a Georgia
limited liability company

By: [Signature]
Name: JEFF QUINN
Its: GENERAL MANAGER

Consent of Ida Cason Callaway Foundation

The Ida Cason Callaway Foundation, hereby consents to and approves the within and foregoing Amended and Restated Community Covenant for Callaway Resort this 29th day of MARCH, 2008.

Signed, sealed, and delivered this 27 day of March, 2008 in the presence of:

[Signature]
WITNESS

Candace Cuddefeld
NOTARY PUBLIC

Notary Public, Harris County, Georgia
My Commission Expires May 18, 2008

IDA CASON CALLAWAY FOUNDATION,
a Georgia non-profit corporation

By: [Signature]
Name: EDWARD C. CALLAWAY
Its: CHAIRMAN & CEO

EXHIBIT "A"
Callaway Community

All of those tracts or parcels of land, and any improvements thereon, submitted to the Community Covenant for Callaway Resort by the following recorded documents:

- Community Covenant for Callaway Resort, recorded on December 3, 2003, in Deed Book 0702, Page 415, *et seq.*, in the Office of the Clerk of the Superior Court of Harris County, Georgia (Longleaf at Callaway – Phase 1)
- Supplement to the Community Covenant for Callaway Resort, recorded on October 15, 2004, in Deed Book 0767, Page 173, *et seq.*, in the Office of the Clerk of the Superior Court of Harris County, Georgia (Longleaf at Callaway – Phase 2)
- Supplement to the Community Covenant for Callaway Resort, recorded on MARCH 28, 2008, in Deed Book 01024, Page 0510, *et seq.*, in the Office of the Clerk of the Superior Court of Harris County, Georgia (Cousins/Callaway, LLC – Phase One)

EXHIBIT "B"

Land Subject to Future Submission to Community Covenant

Any real property lying and being within, or within a 10-mile radius extending from the boundaries of, that certain destination resort located in Harris County, Georgia, commonly known as Callaway Gardens Resort, which is owned in whole or in part by Cousins/Callaway, LLC, Callaway Gardens Resort, Inc., and/or the Ida Cason Callaway Foundation.

Note to clerk and title examiners:

This Community Covenant is not intended to create an encumbrance on title to the property described in this Exhibit "B." Such title may be encumbered only with the consent of the owner by filing a Supplement in accordance with Chapter 4.

EXHIBIT "C"
Area of Council Responsibility



Roads

- Common Area New
- Common Area Existing
- Main Cottage Road
- Public Road Frontage



EXHIBIT "D"
Allocating Liability for Assessments Among Units

1. **Assignment of Equivalent Units.** For purposes of allocating Council Expenses, each Unit shall be assigned Equivalent Units. For purposes of this Exhibit "D," the term "Unit" shall refer to all Units subject to the Community Covenant and each parcel and improvement within the Callaway Resort which would fall under the definition of Unit if made subject to this Community Covenant. The number of Equivalent Units for each Unit shall be determined by agreement of the Founder and Cousins/Callaway, LLC based upon land use classification of the Unit (based upon actual use), the intensity of use of the Area of Council Responsibility attributed or assigned to the Unit, or such other factors as the Founder and Cousins/Callaway, LLC may deem applicable to such determination, and shall be set forth in an amendment to this Community Covenant.

The Founder shall make all determinations of land use classification during the Founder Appointment Period. Thereafter, the Council Board shall determine land use classifications; provided, the land use classification of a Unit or any portion of a Unit hereunder shall not be changed once established unless there has been a change in predominant use.

2. **Calculation of Assessments.** The share of any Council Expenses to be assessed by the Community Council against a Unit shall be represented by a fraction, the numerator of which is the number of Equivalent Units assigned to the particular Unit and the denominator of which is the total number of Equivalent Units assigned to all Units. Such fraction shall be multiplied by the total dollar amount of the Council Expense budget assigned to all Units in order to determine the dollar amount of the assessment to be levied against the particular Unit.

3. **Computation by Council Board.** The land use classification and number of Equivalent Units assigned to each Unit, and the share of assessments (stated as a percentage) to be levied on each Unit subject to assessment, shall be computed at least annually by the Council Board. If a use within a Unit changes during the fiscal year, the Council Board shall be authorized to adjust the assessment against the Unit effective with such change in use, but the Council Board need not reallocate assessments against all Units to take into account such change until the next annual budget. Notice of the percentages for each Unit (including a summary of the computations) shall be sent to each Unit Owner together with the notice of the assessment.

In the event that additional real property is made subject to this Community Covenant during the Council's fiscal year, for computation of Equivalent Units, the Council Board shall recompute assessment percentages and votes for each Unit and send notice of such recomputed percentages to each Owner; provided, no adjustments shall be made in any assessments previously levied to reflect such recomputation.