

March 1983

**DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
FOR
R-RANCH IN THE MOUNTAINS
A Georgia Nonprofit Organization**

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
R-RANCH IN THE MOUNTAINS
A Georgia Nonprofit Organization**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter referred to as the "Declaration") is made this 31st day of March, 1983, by R-RANCH ONE, LTD., a Georgia limited partnership (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of fee simple title to certain real property located in the 11th District, 1st Section, of Lumpkin County, Georgia, which real property is more fully described as Tracts I, II, III and VI on the plat recorded in Plat Book 10, Page 130, Lumpkin County, Georgia public records (said real property, together with all improvements now or hereafter located thereon and all appurtenances thereunto belonging, being hereinafter referred to as the "Ranch"); and

WHEREAS, Declarant desires to create on the Ranch a recreational community with open spaces, recreational and other common facilities for the benefit of the said community and Declarant desires to provide for the preservation of the values and amenities in the Ranch and for the maintenance of the said open spaces, recreational and other common facilities; and to that end Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to provide for creation of an owners' association to which shall be delegated and assigned the powers of maintaining and administering the said open spaces, recreational and other common facilities and the powers of enforcing the covenants and restrictions, of collecting and disbursing the assessments and charges therefor, and of enforcing the rules and regulations approved by the members of the association.

WHEREAS, Declarant contemplates the sale and conveyance of undivided interests in the Ranch and desires to subject the Ranch to the provisions of this Declaration for the mutual protection of Declarant and future Owners of Undivided Interests in the Ranch;

NOW, THEREFORE, Declarant hereby declares that the Ranch is and shall be held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to the provisions of this Declaration and every grantee of any interest in the Ranch, by acceptance of a deed or other conveyance (whether or not such deed or other conveyance shall be signed by such grantee and whether or not such grantee shall otherwise consent in writing) shall take subject to the provisions of this Declaration and shall be deemed to

have assented and agreed to the same. By this Declaration, Declarant intends to establish a common scheme and plan for the use, operation, repair, maintenance and restoration of the Ranch, and the provisions of this Declaration shall constitute covenants running with the land which shall bind and inure to the benefit of all present and future owners of the Ranch.

**ARTICLE I
DEFINITIONS**

As used in this Declaration, the following terms shall have the meanings set forth in this Article I:

Section 1.1 "ARTICLES OF INCORPORATION" shall mean the Articles of Incorporation of the Association, as the same may be amended from time to time.

Section 1.2 "ASSOCIATION" shall mean R-Ranch in the Mountains Ranch Owners' Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

Section 1.3 "BOARD OF DIRECTORS" shall mean the Board of Directors of the Association.

Section 1.4 "BYLAWS" shall mean the Bylaws of the Association, as the same may be amended from time to time.

Section 1.5 "DECLARANT" shall mean R-RANCH ONE, LTD., a Georgia limited partnership, or any successor-in-title who comes to stand in the same relation to the Ranch as Declarant including, without limitation, any party that acquires ownership of all of Declarant's then remaining Unit Interests in the Ranch; provided, however, that in the event that Oglethorpe Farms, Inc. shall become the owner of all of Declarant's then remaining Unit Interests in the Ranch, then Oglethorpe Farms, Inc. shall not be considered to be the Declarant for any purposes under this Declaration unless Oglethorpe Farms, Inc. shall elect in writing to be treated as the Declarant hereunder, which election shall be made within one hundred and eighty (180) days after the date on which Oglethorpe Farms, Inc. becomes the owner of Declarant's Unit Interests in the Ranch. Said election shall be made by Oglethorpe Farms, Inc. by delivering written notice of such election to all Owners of Unit Interests in the Ranch as reflected in the records of the Association.

Section 1.6 "DECLARATION" shall mean this Declaration of Covenants, Conditions and Restrictions for R-Ranch in the Mountains, as the same may be extended, amended or renewed from time to time.

Section 1.7 "OGLETHORPE FARMS" shall mean Oglethorpe Farms, Inc. or any subsequent holder of that certain Deed to Secure Debt, dated February 14, 1983 and recorded in Deed Book K-4, Page 299, Lumpkin County Georgia.

Section 1.8 "OWNER" shall mean the person, including Declarant, who owns fee simple title to any Unit Interest in the Ranch.

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Section 1.9 "RANCH" shall mean the real property described as Tracts I, II, III and VI on the plat recorded in Plat Book 10, Page 130, aforesaid records, together with all improvements now or hereafter located thereon and all appurtenances thereunto belonging.

Section 1.10 "UNIT INTEREST" shall mean an undivided one-two thousand four hundredth (1/2400) interest in the Ranch.

ARTICLE II USE OF THE PROJECT

Section 2.1 RECREATIONAL USE ONLY. Except to the extent permitted by *Section 2.2* of this Declaration, the Ranch shall be used for recreational purposes only such as hiking, camping, horseback riding, swimming, outdoor sports and other recreational uses permitted by general policies and guidelines adopted by the Association and no Owner shall make any commercial or professional use of the Ranch or any portion thereof.

Section 2.2 COMMERCIAL USE. Notwithstanding the provisions of *Section 2.1* of this Declaration, the Association shall have the right to operate or to enter into leases or license agreements with third parties which permit such third parties to operate food service establishments or other concessions within the Ranch. Any income derived by the Association from such leases or license agreements shall be common profits of the Association and shall be held, used and disbursed in accordance with the provisions of *Section 6.4.3* of this Declaration.

Section 2.3 RESTRICTIONS ON OWNERS. No Owner shall erect or construct within the Ranch any structure of any type whatsoever (including "For Sale" signs) without the prior written approval of the Board of Directors. No Owner shall place, store, keep or permit to be placed, stored or kept upon any portion of the Ranch any personal property of any type without the prior written approval of the Board of Directors; provided, however, that the foregoing shall not prohibit automobiles, boats or recreational vehicles kept within the Ranch during such period that the Owner of such automobile, boat or recreational vehicle is using the facilities within the Ranch; provided, further, that the Board of Directors may provide areas for the storage of any of such vehicles within the Ranch. No Owner shall have the right to make alterations or repairs to any improvements within the Ranch, nor shall any Owner have the right to subject the Ranch or any portion thereof to any liens for the making of improvements or repairs to the Ranch or any portion thereof. No Owner shall create or permit to exist any nuisance within the Ranch or commit waste with respect to the Ranch. Notwithstanding the foregoing, nothing contained in this *Section 2.3* shall prohibit Declarant from completing the construction of improvements within the Ranch as contemplated by the general development plan for the Ranch previously adopted by Declarant, subject to

such alterations thereto as Declarant, in its good faith judgment, deems consistent with such general development plan.

Section 2.4 RIGHTS OF OWNERS. Subject to the payment of all assessments levied by the Association against said Owner and subject to compliance with the provisions of this Declaration and with all general policies and guidelines promulgated from time to time by the Association, each Owner of a Unit Interest shall have the nonexclusive right in common with all other Owners of Unit Interests to occupy and use the entire Ranch for the purposes permitted by this Declaration, provided that such use does not hinder or obstruct the use of the Ranch by other Owners of Unit Interests.

Section 2.5 RESERVATION OF RIGHTS TO DECLARANT. For so long as Declarant owns any Unit Interest primarily for the purpose of sale or for so long as Declarant holds any purchase money security deed on any Unit Interest, Declarant and its duly authorized contractors, representatives, agents, and employees shall have an easement for the maintenance of signs, a sales office, a business office and promotional facilities within the Ranch, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or sale of Unit Interests in the Ranch. Declarant shall also have a transferable easement on, over, through, under and across the Ranch for the purpose of making improvements on the Ranch including, without limitation, the installation, replacement, repair or maintenance of all utilities serving the Ranch and for the purpose of doing all things reasonably necessary and proper in connection therewith. Notwithstanding any other provision of the Declaration to the contrary, in the event that Oglethorpe Farms becomes the Owner of all of Declarant's then remaining Unit Interests in the Ranch, Oglethorpe Farms shall have the right to exercise the rights reserved to Declarant under this *Section 2.5* without electing to become the Declarant under *Section 1.5* hereof.

Section 2.6 CONSERVATION EASEMENT. For so long as Declarant retains the right to appoint or remove any Directors or Officers of the Association as provided in *Section 4.3* hereof, Declarant shall have the right to grant a conservation easement over the Ranch to any governmental authority or nonprofit organization for the purpose of maintaining in their natural state any portions of the Ranch not improved by the Association. No such grant shall interfere with the use and enjoyment of the Ranch by the Owners for the purposes permitted in *Section 2.1* hereof. Each Owner, by acceptance of a deed to his Unit Interest, shall be deemed to have appointed Declarant as such Owner's duly authorized attorney-in-fact to execute any documents necessary to create such easement. For so long as Oglethorpe Farms retains a security interest in a Unit Interest, any such conveyance shall also require the consent of Oglethorpe Farms.

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ARTICLE III OWNERSHIP OF UNIT INTERESTS; SEPARATE MORTGAGES

Section 3.1 INDIVIDUAL OWNERSHIP. No Unit Interest in the Ranch shall be owned by more than one person or by any entity other than an individual except under the following conditions and subject to the following provisions:

(a) A husband and wife may jointly own a Unit Interest;

(b) If legal or equitable title to a Unit Interest is acquired by any entity other than an individual, then such entity shall be entitled to designate a single individual who shall become a member of the Association and who shall enjoy the rights of an Owner of a Unit Interest;

(c) Ownership of a Unit Interest may pass under the estate of a deceased Owner to more than one person or to an entity other than an individual; provided, however, that only one individual shall be entitled to become a member of the Association and exercise the rights of an Owner of a Unit Interest.

Section 3.2. APPLICATION TO DECLARANT. The provisions of Section 3.1 of this Declaration shall not apply to Declarant. Declarant may be organized as any form of business entity and may convey its Unit Interests to any form of business entity.

Section 3.3 APPLICATION TO OGLETHORPE FARMS. The provisions of Section 3.1 of this Declaration shall not apply to Oglethorpe Farms in the event Oglethorpe Farms becomes the owner of all of Declarant's then remaining Unit Interests in the Ranch and, in such event, Oglethorpe Farms may convey its Unit Interests to any form of entity, subject to the requirement of Section 3.1 (b) that the entity owning such Unit Interest designate a single individual to become a member of the Association and enjoy the rights of an Owner of a Unit Interest.

Section 3.4 SEPARATE MORTGAGES. Each Owner shall have the right to mortgage or otherwise encumber his Unit Interest in the Ranch. No Owner shall attempt to mortgage or otherwise encumber in any manner whatsoever the Ranch or any part thereof, nor shall any Owner have the right or authority to do so. Any mortgage, deed to secure debt, deed of trust or other encumbrance of any Unit Interest shall be subordinate to all of the provisions of this Declaration, and the provisions of this Declaration shall be binding upon any Owner whose title to a Unit Interest is derived through exercise of any private power of sale, judicial foreclosure or otherwise of such a mortgage, deed to secure debt or other encumbrance.

ARTICLE IV ADMINISTRATION

Section 4.1 OWNERS' ASSOCIATION; MEM-

BERSHIP. Declarant has, at its cost and expense, incorporated the Association which shall have the powers, rights and duties hereinafter set forth and such other powers, rights and duties as are vested in the Association by the Articles of Incorporation and Bylaws. There shall be one membership in the Association for each Unit Interest in the Ranch, which membership shall be appurtenant to that certain Unit Interest. If any person or entity owns more than one Unit Interest, such person or entity shall have one membership (and one vote) in the Association for each Unit Interest owned. All memberships in the Association shall initially be the property of Declarant or its successors in interest and shall pass to the respective purchasers of Unit Interests in the Ranch at the time of the recordation of the deed conveying to such purchaser fee simple title to a Unit Interest in the Ranch. Membership in the Association is transferable only in connection with the conveyance of the Unit Interest giving rise to such membership and any other transfer or assignment of membership shall be null and void. The transfer of fee simple title to a Unit Interest in the Ranch by an Owner shall automatically transfer the membership appurtenant thereto; provided, however, that the Association shall have the right to charge a transfer fee of not exceeding \$50.00 in order to transfer membership on the books and records of the Association. The Association shall also be composed of associate members whose rights and responsibilities with respect to the facilities in the Ranch shall be as established by the Bylaws. Each member and associate member of the Association shall be obligated to promptly, fully and faithfully comply with the Articles of Incorporation, the Bylaws and all General Policies and Guidelines promulgated from time to time by the Association.

Section 4.2 POWERS OF THE ASSOCIATION. The Association shall have the sole and exclusive right and duty to manage and operate the Ranch. Without limiting the generality of the foregoing, the Association shall have the right:

(a) to maintain, repair, replace or restore all of the improvements and landscaping within the Ranch;

(b) to levy and collect fees, duties and assessments from its members as contemplated by Article VI of this Declaration;

(c) to establish and maintain one or more reserve funds to provide monies to the Association to pay any expenses incurred by the Association in the exercise of its powers or the performance of its duties;

(d) to maintain and care for all so-called "natural areas" or "open space areas" within the Ranch, to destroy or remove therefrom any noxious weeds, underbrush, rodents or any other unsightly or obnoxious condition and to perform any labor necessary or desirable to keep and maintain said natural areas, open spaces and land contiguous and adjacent thereto neat, sightly and attractive;

(e) to pay taxes and assessments, if any,

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levied by any governmental authority on any real or personal property owned by the Association and by its members collectively, or on any transactions entered into by the Association which are subject to tax in the normal course of business, including the right to reimburse the Declarant for any taxes or portions thereof paid by Declarant on behalf of the Association or any member thereof;

(f) to enforce the provisions of this Declaration, the Articles of Incorporation, the Bylaws, any general policies and guidelines from time to time promulgated by the Association (and any other decisions of the Association) and to pay all expenses incidental to such enforcement, including reasonable attorneys' fees; including, without limiting the foregoing, the right to reimburse Declarant for all costs and expenses incurred or paid by it in connection with the enforcement of any of the conditions, covenants, restrictions, charges or assessments or terms contained herein;

(g) to obtain and maintain in force all policies of insurance required by Article VII of this Declaration;

(h) to promulgate, amend and rescind from time to time general policies and guidelines governing the use of the Ranch and the facilities under the management and control of the Association.

(i) to expend moneys collected by the Association from assessments or charges and other sums received by the Association for the payment of all proper costs, expenses and obligations incurred by the Association in carrying out any or all of the purposes for which the Association is formed;

(j) to receive all notices, claims and demands relating to taxes and assessments affecting the Ranch and, by accepting title to a Unit Interest in the Ranch, the purchaser thereof thereby waives his right to receive such notices and designates the Association as his exclusive agent for receipt of such notices, claims or demands;

(k) upon the affirmative vote of the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated, to borrow money and to mortgage, pledge, convey by deed to secure debt or deed of trust, or hypothecate any or all of its property as security for money borrowed or debts incurred; provided, however, that during such time as Declarant owns one or more Unit Interests in the Ranch primarily for the purpose of sale, any such decision to borrow money or to mortgage, pledge, convey by deed to secure debt or deed of trust, or hypothecate any or all of the Association's property as security for money borrowed or debts incurred shall require the affirmative vote of the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated, exclusive of the votes appertaining to the Unit Interests owned by Declarant and the affirmative vote of the Declarant;

(l) to acquire by gift, purchase or otherwise and to hold, enjoy and operate real or personal property in connection with the business of the Association;

provided, however, that the Association shall not acquire real property by purchase, lease or otherwise unless such acquisition is approved by the affirmative vote of the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated, exclusive of the votes appertaining to the Unit Interests owned by Declarant and the affirmative vote of the Declarant;

(m) to contract with others for the management, maintenance, operation, construction or restoration of the Ranch or any portion thereof;

(n) to effect a sale of all or any portion of the Ranch in accordance with the provisions of Article V of this Declaration; and

(o) to do and perform any and all other acts which may be either necessary for or proper or incidental to the exercise of any of the foregoing powers.

Section 4.3 CONTROL BY DECLARANT.

Notwithstanding any other provision to the contrary contained in this Declaration, the Articles of Incorporation or the Bylaws, Declarant shall have the right to appoint or remove any Director or Directors of the Association or any officer or officers of the Association until the first of the following to occur:

(a) the date as of which eighty percent (80%) of the Unit Interests in the Ranch have been conveyed by Declarant to Owners other than a person or persons constituting Declarant and other than Oglethorpe Farms; or

(b) the surrender by Declarant of the authority to appoint and remove Directors of the Association and Officers of the Association by an express amendment to this Declaration executed and recorded by Declarant. Upon the expiration of the period of Declarant's right to appoint and remove Directors and Officers of the Association, such rights shall automatically pass to the Owners, including Declarant, if Declarant then owns one or more Unit Interests in the Ranch. Thereafter, Directors and Officers of the Association shall be elected pursuant to the terms and provisions of this Declaration, the Articles of Incorporation and the Bylaws.

Section 4.4 PROFESSIONAL MANAGEMENT. The Board of Directors may employ a professional management firm to manage the operation and affairs of the Association. Such management firm shall, by the terms of a written agreement, be the agent of the Board of Directors and of the Association. Except as may be prohibited by law, the Board of Directors may delegate to such management firm such of the duties and powers of the Association, the Board of Directors and the Officers as the Board of Directors shall determine. Any management agreement executed by or on behalf of the Association during the period of Declarant's right to control the Association (pursuant to the provisions of Section 4.3 above) shall be subject to cancellation and termination at any time during the twelve (12) months following the expiration of such control period by the affirmative vote of the Owners of Unit Interests to which a majority of the votes in the Association appertain. It shall

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be expressly permissible for Declarant or any firm affiliated with Declarant to be employed as a professional management firm pursuant to this *Section 4.4*; provided, however, that if Declarant or any person affiliated with Declarant is so employed, the management agreement providing for such employment shall not have a term in excess of one (1) year unless said agreement provides for termination by either party without cause and without payment of a termination fee on no more than ninety (90) days written notice.

Section 4.5 PROFESSIONAL MANAGEMENT REQUESTED BY MORTGAGEES. From and after the expiration or termination of Declarant's right to control the Association as provided in *Section 4.3* hereof, and provided that at least twenty percent (20%) of the Unit Interests in the Ranch are still encumbered by the original purchase money Deeds to Secure Debt placed on them at the original conveyance by Declarant or by the Deed to Secure Debt held by Oglethorpe Farms, the Board of Directors shall, within thirty (30) days after the receipt of written notice so requesting from the holders of at least fifty-one percent (51%) of the total number of such mortgages encumbering Unit Interests in the Ranch (including any Unit Interests then remaining unreleased from the Deed to Secure Debt held by Oglethorpe Farms) employ a professional management firm to manage the operation and affairs of the Association. The identity of such management firm shall be subject to the approval of the holders of first mortgages who requested the employment of such firm and, in the event of a disagreement among such holders regarding such approval, the view of the majority of such holders shall prevail with each of such holders being deemed to have one vote for each mortgage held by it. Such management firm shall, by the terms of a written agreement, be the agent of the Board of Directors and of the Association. Except as may be prohibited by law, the Board of Directors may delegate to such management firm such of the duties and powers of the Association, the Board of Directors and the Officers of the Association as the Board of Directors shall determine. It shall be expressly permissible for Declarant or any firm affiliated with Declarant to be employed as a professional management firm pursuant to this *Section 4.5*; provided, however, that if Declarant or any person affiliated is so employed, the management agreement providing for such employment shall not have a term in excess of one (1) year unless said agreement provides for termination by either party without cause and without payment of a termination fee on no more than ninety (90) days written notice.

ARTICLE V

SALE OF THE PROJECT; PARTITION

Section 5.1 RIGHT OF ASSOCIATION TO SELL. The Association shall have the right, for and on behalf of all Owners of Unit Interests in the Ranch, to sell

all or any portion of the Ranch upon the affirmative vote of

(i) the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated, exclusive of any votes in the Association appertaining to Unit Interests owned by Declarant, and

(ii) the Declarant, for so long as the Declarant has the right to control the Association as provided in *Section 4.3* hereof. Notwithstanding the provisions of *Section 11.1* of this Declaration, this *Section 5.1* may not be amended until such time as Declarant's right to control the Association, as provided in *Section 4.3* hereof, has expired.

Section 5.2 CONSUMMATION OF SALE.

(a) In the event that the affirmative vote required under *Section 5.1* above is obtained and provided that the other conditions of this *Article V* are met, the Board of Directors of the Association shall authorize and direct the Officers of the Association to effect such sale and to do all acts and execute and deliver all documents necessary, appropriate and convenient to consummate such sale.

(b) In the event that the Association shall have determined to sell all or any portion of the Ranch, then any two Officers of the Association shall execute and record in the real property records of Lumpkin County, Georgia a certificate certifying that the conditions of this *Article V* have been satisfied and that such officers are therefore authorized to execute and deliver all deeds and other instruments necessary, appropriate or convenient to effect the sale of all or a portion of the Ranch. Recordation of such certificate shall constitute conclusive evidence that such officers of the Association are authorized and empowered to sell and transfer title to all or a portion of the Ranch for and on behalf of the Association.

Section 5.3 POWER OF ATTORNEY. By accepting title to a Unit Interest in the Ranch, the purchaser thereof, for himself and for his heirs, successors-in-title and assigns thereby makes, constitutes and appoints the Association his true and lawful agent and attorney-in-fact for and in his name, place and stead and for his use and benefit, to effect any sale of all or any portion of the Ranch and to do all acts and execute and deliver all deeds or other instruments necessary, appropriate or convenient to sell and convey title to all or any portion of the Ranch or otherwise to carry out the purposes of this *Article V*.

Section 5.4 SALE PROCEEDS. The net proceeds derived from the sale of all of the Ranch shall be distributed to the Owners after the Association has provided for any unpaid debts or liabilities of the Association. Each Owner's share of such proceeds shall be determined by multiplying the total amount of such proceeds by a fraction, the numerator of which is the number of Unit Interests owned by such Owner, and the denominator of which is two thousand four hundred (2,400). In the event that less than all of the Ranch is

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sold, the net proceeds of such sale shall be deemed to be common profits of the Association and shall be used as provided in Section 6.4.3 of this Declaration.

Section 5.5 SALE BY UNANIMOUS CONSENT. Notwithstanding any other provision of this Article V to the contrary, the Owners, including Declarant, of all of the Unit Interests in the Ranch shall have the right to sell all or any portion of the Ranch at any time or from time to time.

Section 5.6 PARTITION. By accepting title to a Unit Interest in the Ranch, each Owner, for himself and for his heirs, successors-in-title and assigns does absolutely waive any right to seek or obtain partition of the Ranch in kind and does further waive the right to seek or obtain partition of the Ranch by means of the sale of the Ranch or any portion thereof unless the institution of such suit or action for partition has been approved by the affirmative vote of the same number of Owners (and Declarant, if Declarant still then retains the right to control the Association as provided in Section 4.3 hereof) that would be required to sell all or any portion of the Ranch pursuant to and in compliance with this Article V.

ARTICLE VI ASSESSMENTS

Section 6.1 CREATION OF PERSONAL LIABILITY AND PRIORITY OF LIEN. Each Owner, by acceptance of a deed or other conveyance of a Unit Interest (whether or not it shall be so expressed in any such deed or other conveyance) covenants and agrees to pay to the Association the assessments or charges, together with interest thereon, as shall be fixed or assessed against his Unit Interest during his ownership thereof by the Association in accordance with the terms and provisions of this Declaration, the Articles of Incorporation and the Bylaws. All such assessments and charges, together with interest thereon and the costs of collection thereof as hereinafter provided, shall, from the time the same becomes due and payable, be a charge against and continuing lien in favor of the Association upon such Unit Interest. Such lien shall be prior and superior to all other liens whatsoever except only

- (a) a lien for ad valorem taxes,
- (b) the lien of a first-in-priority mortgage to which such Unit Interest is subject, and
- (c) the lien of any mortgage recorded prior to the recording of this Declaration.

Such lien shall be perfected by filing of record in the Office of the Clerk of the Superior Court of Lumpkin County, Georgia, a claim of lien within ninety (90) days after the assessment, or portion thereof, for which a lien is claimed became due. Such a claim of lien shall also secure all assessments or portions thereof which come due thereafter until the claim of lien is cancelled of record. The claim of lien shall be substantially in the following form:

CLAIM OF LIEN

STATE OF GEORGIA
COUNTY OF LUMPKIN

R-RANCH IN THE MOUNTAINS
RANCH OWNERS' ASSOCIATION, INC., a nonprofit corporation organized and existing under the laws of the State of Georgia (the "Association"), claims a lien in the amount of _____ Dollars and _____/100 (\$_____), plus interest at the rate of fifteen percent (15%) per annum, upon that certain Undivided Interest No. _____ in and to that certain tract or parcel of land more particularly described and shown as Tracts I, II, III and VI on that certain plat of survey recorded in Plat Book 10, Page 130, Lumpkin County, Georgia public records for satisfaction of assessments which became due on _____, 19____, pursuant to the terms of that certain Declaration of Covenants, Conditions and Restrictions for R-Ranch in the Mountains, recorded in Deed Book K-4, Page 766, aforesaid records (the "Declaration").

And, now, within ninety (90) days since said sum became due, the undersigned records this lien therefor in the Office of the Clerk of the Superior Court of Lumpkin County, Georgia where said property is situated as aforesaid, pursuant to the provisions of Article 6.1 of the Declaration,

Dated this _____ day of _____, 19____.

R-RANCH IN THE MOUNTAINS
RANCH OWNERS' ASSOCIATION, INC.

BY: _____
Title

Section 6.2 EFFECT OF TRANSFER OF UNIT. The sale or transfer of any Unit Interest shall not affect the lien set forth in Section 6.1 above and any grantee shall be jointly and severally liable for the portion of any assessment or charge assessed against such Unit Interest as may be due and payable at the time of the conveyance, but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor; provided, however, that if such grantor or grantee shall request and receive a statement from the Association as provided in Section 6.3 of this Declaration, such grantee, his successors, successors-in-title and assigns shall not be liable for, nor shall the Unit Interest conveyed be subject to a lien for, any unpaid assessments against such Unit Interest in excess of the amount set forth in such statement, if any. Anything in the Declaration to the contrary notwithstanding, in the event the holder of any first

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mortgage shall come into possession of any Unit Interest by virtue of the exercise of any private power of sale, judicial foreclosure, or conveyance in lieu of foreclosure in connection with such first mortgage, such mortgagee shall not be liable for, nor shall such Unit Interest be subject to a lien for, any assessment chargeable to such Unit Interest on account of any period prior to the time such mortgagee shall so come into possession of such Unit; provided, however, that such unpaid assessment or assessments shall be deemed to be common expenses collectible from all Owners, including such mortgagee.

Section 6.3 STATEMENT OF ASSESSMENT.

Each Owner of a Unit Interest, any prospective purchaser of a Unit Interest and any mortgagee or prospective mortgagee of a Unit Interest shall have the right to obtain from the Association a statement of the amount of any assessment payable with respect to a particular Unit Interest, which statement shall also state whether or not any portion of said assessment is delinquent. The Association may charge a fee, not to exceed ten dollars (\$10.00) for the issuance of any such statement, the payment of which fee shall be a condition precedent to the obligation of the Association to issue such statement. The Association shall issue such statement within thirty (30) days after the receipt by the Secretary of the Association of a written request that such statement be issued.

Section 6.4 GENERAL ASSESSMENTS. The amount of all common expense of the Association, less the amount of any common profits applied to the payment thereof, shall be assessed against each Unit Interest in the Ranch, and the Owner thereof shall be personally liable therefor in an amount equal to the total sum of such expenses multiplied by a fraction, the numerator of which is the number of Unit Interests in the Ranch owned by such Owner and the denominator of which is two thousand four hundred (2,400). The Association shall be exempt from all such assessments during the period of its ownership of any Unit Interest.

6.4.1 Common Expenses. The common expenses of the Association shall be all of the expenditures which are made or incurred by or on behalf of the Association in connection with the exercise of its powers and responsibilities and shall include, without limitation, the following:

- (i) Management fees and expenses of administration, including legal and accounting fees;
- (ii) Charges for utilities serving the Ranch and charges for other services provided to the Ranch;
- (iii) The cost of any master, blanket or other insurance policies purchased for the benefit of all Owners and the Association as permitted or required by this Declaration;
- (iv) The expense of maintenance, operation and repair of the Ranch including, without limitation the maintenance and repair which is the responsibility of the Association under the provisions of Article VIII hereof;
- (v) Ad valorem real property taxes assessed against the Ranch;
- (vi) Such other expenses as may be determined from

time to time by the Board of Directors of the Association to be common expenses, including, without limitation, taxes and governmental charges such as sanitary taxes, other than ad valorem real property taxes;

(vii) The establishment and maintenance of a reasonable reserve fund or funds for maintenance, repair and replacement of those portions of the Ranch that must be replaced on a periodic basis and of a reserve to cover operating contingencies or deficiencies arising from unpaid assessments or liens, emergency expenditures and other matters as may be authorized from time to time by the Board of Directors; and

(viii) The costs of any capital improvements to be made to the Ranch.

6.4.2 Annual Budget and Assessment. No less than 45 days prior to the commencement of each fiscal year of the Association, the Board of Directors shall prepare an annual budget for the succeeding fiscal year, which budget shall estimate the amount of common expenses that are anticipated to be incurred during such year including, without limitation, the items set forth in Section 6.4.1 above. A copy of said annual budget shall be furnished to the Owners and shall contain a notice of the amount of the annual assessment payable by each Owner during such fiscal year. If the annual budget (exclusive of that portion of the annual budget attributable to ad valorem real property taxes) and the amount of the annual assessment thus established by the Board of Directors exceeds by more than twenty percent (20%) the amount of the annual budget and the amount of the annual assessment for the immediately preceding fiscal year, said annual budget and the amount of the annual assessment shall be subject to the approval of the Owners (other than Declarant) as set forth in the Bylaws. If the annual budget established by the Board of Directors or approved by the Owners (if such approval is required as herein provided) proves inadequate for any reason during the course of the fiscal year to which it applies, the Board of Directors shall prepare an amendment to such budget which shall be submitted to the Owners and be subject to their approval only if such amended budget exceeds by more than twenty percent (20%) the amount of the annual budget for the immediately preceding fiscal year, except as specifically provided in this Declaration. Unless otherwise determined by the Board of Directors, each Owner shall pay the annual assessment to the Association in semi-annual installments in advance on April 1 and October 1 of each year. In addition, any fees, charges and other amounts which shall be payable by any Owner to the Association shall be added to and shall, unless paid at the time the same are incurred or at some other time determined by the Board of Directors, be due and payable as part of the installment of the assessment next coming due.

6.4.3 Application of Common Profits.

All funds received and all properties acquired by the Association and the proceeds thereof including, without limitation, any excess of assessments shall be held for

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the benefit of the Owners to be applied as common profits to the payment of the common expenses. Any surplus remaining after such application shall appertain to the Unit Interests in the Ranch (including those Unit Interests owned by Declarant and/or Mortgagee) on an equal basis and the Board of Directors, by resolution and without the necessity of a vote of the Owners, shall determine either to apply such excess or any portion thereof against and reduce the subsequent year's assessments or to allocate the same to one or more reserve accounts of the Association described above or to distribute said surplus to the Owners.

Section 6.5 NON PAYMENT OF ASSESSMENT. In addition to all other remedies provided by law, the Association may enforce collection of all delinquent assessments, together with such other amounts as may be owing the Association, as provided in this Section 6.5. Any assessment or portion thereof not paid when due shall be deemed delinquent.

6.5.1 Interest. Any delinquent assessment or installment not paid when due shall bear interest from the date of delinquency until paid at fifteen percent (15%) per annum.

6.5.2 Additional Remedies. If any delinquent assessment or portion thereof is not paid within ten (10) days after written notice is given to the Owner to make such payment, the Board of Directors shall have the right to invoke any or all of the following remedies:

- (i) The entire unpaid balance of the assessment may be accelerated at the option of the Board of Directors and may be declared due and payable in full and foreclosure proceedings may be instituted to enforce the lien of the Association;
- (ii) the voting rights appurtenant to the Unit Interest may be suspended;
- (iii) the rights of the Owner to use the Ranch may be suspended;
- (iv) the Association may bring an action at law against the Owner personally obligated to pay the same; and
- (v) the Association may foreclose its lien against such Owner's Unit Interest in the Ranch, in which event interest and costs of collection shall be included in such lien with such costs of collection to include court costs, the expenses of sale, any expenses required for the protection and preservation of the Unit Interest in the Ranch and reasonable attorneys' fees actually incurred.

Any such notice shall be sent by certified mail, return receipt requested, to the Owner at such Owner's last known address as contained in the records of the Association and shall specify the amount of the assessments then due and payable, including any interest accrued thereon.

6.5.3 Collection. All payments on account shall be applied first to the aforesaid costs of collection, then to interest and then to the assessment lien first due. All interest collected shall be credited to the common fund of the Association to be applied against the common expenses. Each Owner vests in the Board

of Directors the right and power to bring all actions against him personally for the collection of such assessments as a debt and to foreclose the aforesaid lien in the manner set forth herein.

Section 6.6 LIMITATIONS ON ASSESSMENTS. The power and authority of the Association to establish, levy and collect assessments with respect to Unit Interests in the Ranch shall be subject to the following limitations.

6.6.1 Assessments for Capital Improvements. Any proposed assessment for capital improvements to the Ranch which exceeds five percent (5%) of the total budgeted expenses for the fiscal year in which such assessment is proposed (other than the repairing, rebuilding or reconstruction of any portion of the Ranch damaged or destroyed by casualty) must be approved

(i) by a vote of the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated (exclusive of the votes in the Association appertaining to the Unit Interests owned by Declarant) entitled to vote represented at a meeting of the members of the Association at which a quorum was present and with respect to which notice was given that consideration of such capital improvements was a purpose of such meeting, and

(ii) for so long as the Declarant retains the right to control the Association as provided in Section 4.3 hereof, by the Declarant.

Section 6.7 INITIAL ASSESSMENTS. Notwithstanding any other provisions of this Article VI to the contrary, Declarant agrees that, for the period commencing on the date following the date of the first sale of a Unit Interest by Declarant and ending on December 31, 1984, the amount of any semi-annual assessment payable by an Owner (other than Declarant) with respect to a single Unit Interest will be the sum of \$144.00. In lieu of making semi-annual assessment payments to the Association with respect to any Unit Interest owned by Declarant during such period, Declarant agrees to pay any portion of the Common expenses of the Ranch during such periods which are not paid by assessments paid by the Owners (other than Declarant).

Section 6.8 LIABILITY OF OGLETHORPE FARMS FOR ASSESSMENTS. If Oglethorpe Farms shall become the Owner of all of Declarant's then remaining Unit Interests in the Ranch, then Oglethorpe Farms shall not be liable for any portion of the Annual Assessment with respect to any Unit Interest owned by it other than such portion as is assessed to cover the payment of the expenses set forth in 6.4.1 (iii) and (v) above.

ARTICLE VII INSURANCE

Section 7.1 OBLIGATION TO PURCHASE. The Association shall obtain and maintain at all times the

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types of insurance policies set forth in this Article VII containing the provisions, without limitation, and in the amounts set forth herein. The premiums for such insurance policies shall be a common expense of the Association. The Board of Directors, at its discretion, may enter into an agreement with any institutional trustee to supervise the distribution of any insurance proceeds paid under policies of insurance maintained by the Association.

Section 7.2 TYPES OF INSURANCE. The types of insurance policies required are:

- (i) a casualty insurance policy or policies affording fire and extended coverage insurance for and in an amount consonant with the full replacement value of all structures within the Ranch.
- (ii) a liability insurance policy or policies in amounts determined by the Board of Directors covering the Association, the Board of Directors and the Officers of the Association, all agents and employees of the Association and all Owners; and
- (iii) such other insurance policies including, without limitation, fidelity insurance policies and a blanket flood insurance policy in the amounts of coverage as may be required by law or authorized by the Board of Directors from time to time.

ARTICLE VIII MAINTENANCE AND REPAIR

Except as specifically provided in *Article IX* below with respect to damage or destruction, the general maintenance and repair of the Ranch shall be performed as follows:

Section 8.1 REPAIR BY ASSOCIATION. The Association shall be responsible at its sole cost and expense for the maintenance, repair and replacement or restoration of the Ranch. The responsibility of the Association shall include, without limitation, the maintenance, repair and replacement of all structures, landscaping, utility lines and private roadways and driveways within the Ranch.

Section 8.2 LIABILITY OF THE ASSOCIATION. The Association shall not be liable for injury or damage to a person or property caused by the elements, by any Owner or by any other person or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Ranch or from any pipe, drain, conduit, appliance or equipment, the responsibility for the maintenance of which is that of the Association; nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property which may be located within the Ranch. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of

the Association, or from any action taken by the Association to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

ARTICLE IX DAMAGE OR DESTRUCTION

Section 9.1 DETERMINATION TO REPAIR, RECONSTRUCT OR REBUILD. As soon as practicable following any damage to or destruction of any portion of the Ranch covered by any insurance maintained by the Association, the Board of Directors shall proceed with the filing and adjustment of all claims arising under such insurance as a result of such damage or destruction and shall obtain reliable and detailed estimates of the cost of repairing or restoring such portion of the Ranch to substantially the same condition in which it existed prior to the occurrence of such damage or destruction.

Section 9.2 OBLIGATION TO REPAIR. Any damage to or destruction of any portion of the Ranch shall be repaired, reconstructed or rebuilt unless the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated shall determine, within ninety (90) days after the occurrence of such damage or destruction, not to repair, reconstruct or rebuild the same; provided, however, that during such time as Declarant owns one or more Unit Interests in the Ranch primarily for the purpose of sale, any such determination not to repair, reconstruct or rebuild shall require the agreement of Declarant and of the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated exclusive of the votes appertaining to Unit Interests owned by Declarant.

Section 9.3 REPAIR, RECONSTRUCTION AND REBUILDING. All of the work of repairing, reconstructing or rebuilding any portion of the Ranch, the damage to or destruction of which resulted in the payment of any insurance proceeds under any insurance policy maintained by the Association, shall be the responsibility of the Association, and shall be performed under the supervision of the Board of Directors. In discharging such supervisory responsibility, the Board of Directors shall be authorized, but shall not be obligated, to employ as its agent or consultant such building supervisors or architects as the Board of Directors shall determine. Any fees which shall be payable to any such building supervisor or architect as shall be employed by the Board of Directors shall be a common expense of the Association. Any repair, reconstruction or rebuilding of any portion of the Ranch shall be substantially in accordance with the plans and specifications for the damaged or destroyed property prior to the occurrence of such damage or destruction, or in accordance with such different plans and specifications as may be approved by the Board of Directors and the Owners to which at least two-thirds (2/3) of the votes of the Association are allocated. The cost of repairing, reconstructing or

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rebuilding such portion of the Ranch shall be paid with any Insurance proceeds which shall be paid to the Association on account of such damage or destruction. If such insurance proceeds, together with any amounts as may be available from any reserve funds maintained by the Association for such purposes, are not sufficient to defray such costs of such repairing, reconstructing or rebuilding, then the Board of Directors shall levy an assessment against all of the Owners to raise the excess funds necessary to defray such costs, which assessment shall not be subject to approval by the Owners.

Section 9.4 PROPERTY NOT RESTORED. In the event it is determined, in accordance with the provisions of this *Article IX*, that any portion of the Ranch shall not be repaired, reconstructed or rebuilt, then any insurance proceeds paid to the Association on account of such damage or destruction shall be applied as common profits as set forth in *Section 6.4.3* above.

ARTICLE X GENERAL POLICIES AND GUIDELINES

Section 10.1 ADOPTION AND AMENDMENT. As provided in *Article IV* hereof, the Association shall have the right from time to time to promulgate general policies and guidelines governing the use of the facilities of the Ranch, to amend any existing policies and guidelines governing such use, to enforce any such policies and guidelines and to establish penalties for the violation of any such policies and guidelines. The Association shall deliver to each Owner a copy of all policies and guidelines (or amendments thereto) adopted from time to time by the Association at least thirty (30) days prior to the effective date thereof. Notwithstanding any provision hereof to the contrary, the initial general policies and guidelines governing the use of the facilities of the Ranch shall be in the form attached hereto and made a part hereof.

ARTICLE XI GENERAL PROVISIONS

Section 11.1 AMENDMENT. Except as expressly otherwise provided herein, this Declaration may be amended at any time and from time to time upon the agreement of Owners to which at least two-thirds (2/3) of the votes of the Association are allocated; provided, however, that during such time as Declarant owns one or more Unit Interests in the Ranch primarily for the purpose of sale, any amendment to this Declaration shall require the agreement of Declarant and of the Owners to which at least two-thirds (2/3) of the votes in the Association are allocated, exclusive of the votes appertaining to Unit Interests owned by Declarant. Agreement of the required majority of Owners to any amendment of this Declaration shall be evidenced by their execution of amendment or, in the alternative and provided that Declarant does not then have the right to

appoint and remove members of the Board of Directors or Officers, the sworn statement of the President, any Vice President or Secretary of the Association, attached to or incorporated in an amendment executed by the Association in which sworn statement it is stated unequivocally that agreement of the required majority of Owners was otherwise lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself. Notwithstanding the foregoing, no amendment to the Declaration shall be effective without the written consent of Oglethorpe Farms for so long as Oglethorpe Farms owns or holds security title to any Unit Interests in the Ranch.

Section 11.2 EMINENT DOMAIN. In the event that all or part of the Ranch shall be taken by any authority having the power of eminent domain, the award for such condemnation shall be allocated to the Owners proportionately. If any portion of the Ranch is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then all first mortgagees of Unit Interests will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of this Declaration or of any other instrument relating to the Unit Interests in the Ranch will entitle any Owner or other person to priority over any mortgagee with respect to the distribution of the proceeds of any award or settlement relating to the Ranch.

Section 11.3 DURATION. The provisions of this Declaration shall run with and bind the land, shall be binding upon and inure to the benefit of all Owners, their heirs, executors, legal representatives, successors and assigns and shall be and remain in effect perpetually to the extent permitted by Georgia law; provided, however, that so long as Georgia law limits the period during which covenants restricting lands to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law and it shall be the duty of the Board of Directors to cause this Declaration to be amended of record when necessary by filing a document bearing the signatures of Owners having a majority of the votes in the Association reaffirming and newly adopting such provisions in order that the same may continue to be covenants running with the land of the Ranch. Such adoption by a majority shall be binding on all. Every Owner, by acceptance of a deed or other conveyance of a Unit Interest, thereby irrevocably agrees that such provisions of this Declaration may be renewed and extended as provided in this section.

Section 11.4 TITLE EXCEPTIONS. Each conveyance of any Unit Interest shall be made subject to the following items:

- (a) this declaration;
- (b) the Agreement of Cotenancy executed by Declarant and recorded in Deed Book K-4, Page 798, aforesaid records;

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(c) rights in the State of Georgia to all necessary drainage in the construction and maintenance of U.S. Highway 19 and Georgia Highway 60, as contained in Right-of-way Deed recorded in Deed Book P-1, Page 13, aforesaid records;

(d) possible adverse claims to the portion of the Ranch located in Land Lot 964 of the 11th District of Lumpkin County, Georgia which is north of the centerline of Walker Creek (representing approximately one-fifth of an acre);

(e) reservation of mineral rights in Tract VI (21.603 acres) reserved by Jack C. Deady in the Warranty Deed recorded in Deed Book K-4, Page 277, aforesaid records; and

(f) easements, trust indentures or other documents executed to provide utility services to the Ranch.

Section 11.5 TERMINOLOGY. All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of articles and sections are for convenience only and neither limit nor amplify the provisions of this Declaration, and all references herein to articles, sections or subsections shall refer to the corresponding articles, sections or subsections of this Declaration unless specific reference is made to articles, sections or subsections of another document or instrument.

Section 11.6 SEVERABILITY. If any provisions of this Declaration or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Declaration and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

IN WITNESS WHEREOF, Declarant has executed this Declaration under seal of the day and year first above written.

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public
Notary Public, Georgia, State at Large.
My Commission Expires March 2, 1987

R-RANCH ONE, LTD., a Georgia limited partnership, by
AMERICAN RESERVES, INC., a Georgia corporation, its
sole general partner

Alex Goodwin, Its President

(CORPORATE SEAL)

March 1983

AGREEMENT OF COTENANCY

THIS AGREEMENT OF COTENANCY is made by R-RANCH ONE, LTD., a Georgia Limited Partnership whose sole general partner is American Reserves, Inc., a Georgia corporation (hereinafter referred to as "Owner"), on behalf of itself and those certain additional parties who hereafter acquire undivided interests in the real property described in this Agreement (said additional parties being hereinafter referred to as the "Additional Cotenants").

WITNESSETH:

WHEREAS, Owner is the owner of certain real property located in Lumpkin County, Georgia, shown as Tracts I, II, III and VI on the plat recorded in Plat Book 10, Page 130, records of the Clerk of Superior Court of Lumpkin County, Georgia (hereinafter referred to as the "Ranch"); and

WHEREAS, Owner contemplates that the Ranch will be developed as a recreational community to be known as R-Ranch in the Mountains and, to that end, Owner has previously made and executed that certain Declaration of Covenants, Conditions and Restrictions for R-Ranch in the Mountains dated March 31, 1983 and recorded in Deed Book K-4, Page 766, aforesaid records (hereinafter referred to as the "Declaration"); and

WHEREAS, Owner contemplates division of title to the Ranch into two thousand four hundred (2,400) undivided interests and the sale of such undivided interests to the Additional Cotenants; and

WHEREAS, to facilitate the development of the Ranch as contemplated, Owner has formed a nonprofit corporation under the laws of the State of Georgia known as R-Ranch in the Mountains Ranch Owners' Association, Inc. (hereinafter referred to as the "Association") which is to serve as the Association of Owners of Undivided Interests in the Ranch; and

WHEREAS, to facilitate identification and conveyance of Undivided Interests in the Ranch, Owner has elected to treat each one-two thousand four hundredth (1/2400) Undivided Interest in the Ranch as being numbered individually and known and referred to as Units 1 through 2,400; and

WHEREAS, for the mutual protection and convenience of Owner and the Additional Cotenants, it is desirable to enter into a written agreement setting forth the terms and conditions upon which all cotenants shall own and hold their Undivided Interests in the Ranch;

NOW, THEREFORE, for and in consideration of the sum of ONE AND NO/100 DOLLAR (\$1.00) and the mutual covenants and agreements herein contained, Owner does hereby agree as follows:

1. SUBORDINATION TO DECLARATION.

Owner, for itself and for the Additional Cotenants and their respective heirs, successors, successors-in-title and

assigns, hereby expressly acknowledges, covenants and agrees that all Undivided Interests in the Ranch shall be held, owned and used subject and subordinate to and strictly in accordance with the terms and conditions of the Declaration.

2. ASSIGNABILITY OF UNDIVIDED INTERESTS. ~~Subject to certain restrictions set forth in the Declaration, the Undivided Interests in the Ranch owned by Owner and the Additional Cotenants shall be freely transferrable and there shall be no restrictions on such transfer except that any such transfer must convey a Unit equal to a one-two thousand four hundredth (1/2400) Undivided Interest in the Ranch or some multiple thereof.~~ All conveyances of Units of Undivided Interest in the Ranch shall be consummated by the execution and delivery of a deed in the form attached hereto. Pursuant to the terms and conditions of the Declaration, any Owner of one or more Units of Undivided Interest in the Ranch shall have the right to separately mortgage that Unit or Units, but shall have no other or further right to encumber or pledge the Ranch or any portion thereof.

3. REMEDIES AND WAIVER. The obligation of the Owner and Additional Cotenants under this Agreement shall be enforceable by specific performance, it being understood and agreed that an adequate remedy at law is not available for the failure of any party to perform his covenants and agreements hereunder. The remedies of the Owner and Additional Cotenants are cumulative and shall not exclude any other remedies to which any party may be lawfully entitled. Failure of any party to insist upon strict performance of a covenant hereunder or of any obligation hereunder shall not be a waiver of such party's right to demand strict compliance therewith at any future date.

4. COVENANTS RUNNING WITH LAND; SUCCESSORS AND ASSIGNS. This Agreement of Cotenancy is executed by Owner as part of a common scheme of developing the Ranch and facilitating the division of the ownership of the Ranch into Undivided Interests. The covenants contained herein shall be covenants running with the land and shall be binding upon and shall inure to the benefit of Owner, the Additional Cotenants and their respective successors, successors-in-title, representatives, heirs and assigns. Each and every successor in interest to any party hereto, whether such successor acquires an interest in the Ranch by way of gift, devise, purchase, foreclosure or by any other method, shall hold such interest subject to all of the terms and provisions of this Agreement, the Declaration and the Articles of Incorporation and the Bylaws of the Association.

5. PARTITION. Owner, for itself and each of the Additional Cotenants, hereby acknowledges and agrees that, under the terms and conditions of the Declaration, no Owner of an Undivided Interest in the Ranch shall have the right to seek a partition in kind or a partition by way of sale except in strict accordance with the terms and conditions of the Declaration.

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IN WITNESS WHEREOF, Owner has hereunto set
his hand and seal as of March 31, 1983.

Signed, sealed and delivered in the presence of:

Unofficial Witness

Notary Public
Notary Public, Georgia, State at Large.
My Commission Expires March 2, 1987

R-RANCH ONE, LTD., a Georgia limited partnership, by
its sole general partner,
AMERICAN RESERVES, INC.

Alex Goodwin, Its President

(CORPORATE SEAL)

WARRANTY DEED

STATE OF GEORGIA
COUNTY OF LUMPKIN

THIS WARRANTY DEED, MADE this _____ day
of _____, 19____, between
R-RANCH ONE, LTD., a Georgia limited partnership
hereinafter referred to as "Grantor") and

hereinafter referred to as "Grantee") (the words "Grantor"
and "Grantee" to include their respective heirs,
successors and assigns where the context requires or
permits). WITNESSETH that: Grantor, for and in
consideration of the sum of One Dollar (\$1.00) and other
good and valuable consideration in hand paid at and
before the sealing and delivering of these presents, the
receipt whereof is hereby acknowledged, has granted,
bargained, sold aliened, conveyed and confirmed, and by
these presents does grant, bargain, sell, alien, convey
and confirm unto Grantee a one-two thousand four
hundredth (1/2400) undivided interest in all that tract or
parcel of land located in Lumpkin County, Georgia known
as R-Ranch in the Mountains and being more particularly
described as Tracts I, II, III and VI on that certain plat
recorded in Plat Book 10, Page 130 in the records of the
Clerk of Superior Court of Lumpkin County, Georgia.

This conveyance is made subject only to those
matters more particularly described in Section 11.4 of
that certain Declaration of Covenants, Conditions and
Restrictions for R-Ranch in the Mountains, dated March
31, 1983, recorded in Deed Book K-4, Page 766,
aforesaid records.

For purposes of Identification only, the Undivided
Interest conveyed hereby is Unit No. _____.

TO HAVE AND TO HOLD the above-described
property with all and singular the rights, members and
appurtenances thereof, to the same being, belonging or
in anywise appertaining to the only proper use, benefit
and behoof of Grantee forever in FEE SIMPLE.

Grantor will warrant and forever defend the right
and title to the above-described property, except as to
those matters set forth above, unto Grantee against the
claims of all persons whomsoever.

IN WITNESS WHEREOF, Grantor has executed
this Deed under seal the day and year first above written.

GRANTOR:

Signed, sealed and delivered R-RANCH ONE, LTD., a
In the presence of:

Georgia limited
partnership, by its sole
general partner,
American Reserves, Inc., a
Georgia Corporation

Unofficial Witness

Notary Public

(NOTARY SEAL)

By: _____

Alex Goodwin
Its President

(CORPORATE SEAL)

My Commission Expires:



*I, Max Cleland, Secretary of State of the State of
Georgia, do hereby certify that*

"R-RANCH IN THE MOUNTAINS RANCH OWNERS'
ASSOCIATION, INC.," a corporation created on the
15th day of March, 1983, and existing under the laws of
the State of Georgia, did on said date file its registered
office and agent for service in this office as provided by
the laws of the State of Georgia and said corporation is in
good standing and authorized to do business in the State
of Georgia, as the same appears on file and record in the
Office of the Secretary of State.

IN TESTIMONY WHEREOF, I have hereunto set my
hand and affixed the seal of my office, at the Capitol, in
the City of Atlanta, this 1st day of April in the year of our
Lord One Thousand Nine Hundred and Eighty-Three and
of the Independence of the United States of America the
Two Hundred and Seven.

Max Cleland

SECRETARY OF STATE, EX-OFFICIO CORPORATION
COMMISSIONER OF THE STATE OF GEORGIA