

Deed Book 8066 Pg 188
Filed and Recorded Sep-06-2005 10:06am
2005-0037889
M. Linda Pierce
Clerk of Superior Court
Muscookee County County, Georgia

RETURN TO:
George W. Mize, Jr.
HATCHER, STUBBS, LAND, HOLLIS
& ROTHSCHILD, LLP
233 - 12th Street, Suite 500
Columbus, Georgia 31901

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

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
BRIDGEMILL

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE I	DEFINITIONS	2
1.01	Association	2
1.02	Board	2
1.03	Bylaws.....	2
1.04	Commencement Date	2
1.05	Common Property	2
1.06	Declarant	2
1.07	Development Survey.....	2
1.08	Development-Wide Standard	3
1.09	Lot.....	3
1.10	Member	3
1.11	Membership	3
1.12	Mortgage	3
1.13	Mortgagee or Mortgage Holder	3
1.14	Occupant	3
1.15	Owner	3
1.16	Property.....	3
1.17	Residence.....	3
1.18	Restrictions	4
1.19	Section	4
1.20	Structure	4
ARTICLE II	COMMON PROPERTY	4
2.01	Conveyance of Common Property	4
2.02	Right and Easement of Use and Enjoyment.....	5
2.03	Rights of the Association.....	5
2.04	Types of Common Property	6
2.05	Delegation of Use	7
2.06	Maintenance.....	7
ARTICLE III	HOMEOWNERS ASSOCIATION OF BRIDGEMILL.....	7
3.01	Purposes, Powers and Duties of the Association	7
3.02	Membership in the Association	7
3.03	Voting Rights	8
3.04	Board of Directors.....	8
3.05	Exculpation and Indemnity of Directors and Officers of the Association.....	8
3.06	Directors' and Officers' Insurance	9
3.07	Suspension of Membership.....	9
3.08	Termination of Membership	10
3.09	Voting Procedures	10
3.10	Control by Declarant.....	10

TABLE OF CONTENTS
(continued)

		<u>Page</u>
ARTICLE IV	ASSESSMENTS	10
4.01	Covenants for Assessments and Creation of Lien and Personal Obligation.....	10
4.02	Purpose of Assessments.....	11
4.03	Accumulation of Funds Permitted	12
4.04	Annual Assessment.....	12
4.05	Special Assessments.....	12
4.06	Assessment Procedure.....	13
4.07	Uniform Rate of Assessment	13
4.08	Declarant's Liability for Assessments.....	14
4.09	Effect of Nonpayment of Assessments	14
4.10	Certificate of Payment	14
4.11	Approval by Declarant.....	14
4.12	Specific Assessments.....	14
4.13	Exempt Property	15
ARTICLE V	ARCHITECTURAL CONTROL	15
5.01	Architectural Review Committee Creation and Composition.....	15
5.02	Purpose, Powers and Duties of the ARC	16
5.03	Officers, Subcommittees and Compensation	16
5.04	Operations of the ARC.....	16
5.05	Architectural Guidelines and Design Standards	17
5.06	Submission of Plans and Specifications.....	18
5.07	Approval of Plans and Specifications	18
5.08	Disapproval of Plans and Specifications	18
5.09	Obligation to Act	19
5.10	Inspection Rights.....	19
5.11	Violations.....	19
5.12	Certification of Compliance	19
5.13	Fees	20
5.14	Nondiscrimination by ARC	20
5.15	Disclaimer as to ARC Approval.....	20
5.16	Approvals, Waivers and Variances	20
5.17	Liability	21
ARTICLE VI	GENERAL COVENANTS AND RESTRICTIONS	21
6.01	Application.....	21
6.02	Minimum Floor Area, Use and Setback Restrictions and Requirements	21
6.03	Resubdivision of Lots	23
6.04	Erosion Control	23
6.05	Trees and Sod	23
6.06	Accessory Structures; Temporary Buildings and Other Structures	23
6.07	Signs.....	24
6.08	Fences and Walls	24

TABLE OF CONTENTS
(continued)

		<u>Page</u>
6.09	Roads and Driveways.....	25
6.10	Clotheslines; Screening of Garbage Cans, Wood Piles, Air Conditioners, and Other Equipment.....	25
6.11	Mailboxes and Newspaper Tubes	25
6.12	Maintenance.....	25
6.13	Personal and Commercial Vehicles and Trailers.....	26
6.14	Above-Ground Swimming Pools; Recreational Equipment	26
6.15	Animals.....	26
6.16	Solid Waste.....	26
6.17	Streets	27
6.18	Nuisances.....	27
6.19	Sight Distance at Intersection.....	27
ARTICLE VII	EASEMENTS, ZONING AND OTHER RESTRICTIONS	28
7.01	Reservation of Easements	28
7.02	Easement for Entry	29
7.03	Reservation of Rights and Easements of Declarant.....	30
7.04	Zoning and Private Restrictions	30
ARTICLE VIII	ENFORCEMENT	30
8.01	Right of Enforcement.....	30
8.02	Right of Abatement	30
8.03	Specific Performance; Other Remedies.....	31
8.04	Collection of Assessments and Enforcement of Lien.....	31
8.05	Notice of Violation	32
8.06	No Waiver	32
ARTICLE IX	DURATION AND AMENDMENT.....	33
9.01	Duration	33
9.02	Amendments by Declarant	33
9.03	Amendments by Association.....	34
ARTICLE X	INSURANCE	34
10.01	Insurance.....	34
10.02	Damage, Destruction and Loss.....	35

TABLE OF CONTENTS
(continued)

		<u>Page</u>
ARTICLE XI	MISCELLANEOUS.....	35
11.01	No Reverter	35
11.02	Severability	36
11.03	Headings.....	36
11.04	Gender	36
11.05	Notices	36
11.06	No Liability	36
11.07	Perpetuities	36
11.08	Statutory Notice.....	36
ARTICLE XII	MORTGAGEE PROVISIONS	37
12.01	Notices of Certain Events.....	37
12.02	Actions Requiring Consent.....	37
12.03	No Priority	38
12.04	Notice to Association	38
12.05	Amendment by Board	38
12.06	Applicability of Article XII.....	38
12.07	Failure of Mortgagee to Respond.....	38
ARTICLE XIII	ANNEXATION AND FUTURE DEVELOPMENT	39
13.01	Annexation	39
13.02	Future Development.....	39
13.03	Deannexation	39

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
BRIDGEMILL

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR BRIDGEMILL is made as of the 31st day of August 2005, by WHITESVILLE ROAD, INC. (hereinafter referred to as the "Declarant").

WITNESSETH THAT:

WHEREAS, the Declarant is the owner of certain real property located in Columbus, Muscogee County, Georgia, which is more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the Declarant intends to develop or has developed on the real property described in Exhibit "A" attached hereto, a development to be known as "BRIDGEMILL" (hereinafter sometimes referred to as "BridgeMill" or the "Development"); and

WHEREAS, the Declarant intends to impose mutually beneficial covenants, conditions, restrictions and easements under a general plan of improvement for the benefit of all owners of residential property within the Development, by the recording of this Declaration and any amendments thereto, and thereby subjecting the real property described in Exhibit "A" to the covenants, conditions, restrictions, easements, affirmative obligations, charges and liens hereinafter set forth; and

WHEREAS, the Declarant desires to provide a flexible and reasonable procedure for the overall development of BridgeMill and to establish an agency and method for the administration, maintenance, preservation, use and enjoyment of the property that is subjected to this Declaration and certain other properties described in this Declaration; and

WHEREAS, the Declarant has caused to be incorporated under the laws of the State of Georgia a nonprofit corporation known as BridgeMill Homeowners Association, Inc., for the purpose of exercising and performing certain functions for the common good and general welfare of the Owners (as hereinafter defined) as hereinafter more fully provided;

NOW, THEREFORE, the Declarant hereby declares that all of the real property described in Exhibit "A" attached hereto and made a part hereof, shall be held, transferred, sold, conveyed, given, leased, occupied and used subject to this Declaration of Covenants, Conditions, Restrictions and Easements, which is for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property (as hereinafter defined), and that the covenants, conditions, restrictions and easements set forth herein shall run with the Property, and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, distributees, successors and assigns, and to the benefit of the Association.

ARTICLE I
DEFINITIONS

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

1.01 Association. "Association" means BridgeMill Homeowners Association, Inc. (a nonprofit membership corporation organized under the Georgia Nonprofit Corporation Code), its successors and assigns.

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

1.03 Bylaws. "Bylaws" means the Bylaws of the Association.

1.04 Commencement Date. "Commencement Date" means January 1, 2007.

1.05 Common Property. "Common Property" means all real property (together with any and all improvements and/or personal property now or hereafter located thereon) now or hereafter owned or leased by the Association or in certain instances over or in which the Association has been granted or conveyed permanent and perpetual easements or other property rights or interests, for the common use and enjoyment of the Owners; provided, however, certain portions of such property may be designated by the Declarant, in the deed, easement or other instrument of conveyance, for the exclusive use and benefit of one or more, but less than all, of the Lots and the Owners thereof, and in such event all costs associated with the maintenance, repair, replacement and insurance of such portions of the Common Property shall be assessed against the Owners of the Lots benefited thereby; and, provided further, however, any property leased by the Association shall lose its status as Common Property upon the expiration of such lease. Common Property shall also include any signs, walls, sprinklers, entrance areas, and landscaping located within any public right of way traversing the Property.

1.06 Declarant. "Declarant" means Whitesville Road, Inc., and its successors-in-title and assigns, provided any such successor-in-title or assign shall acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the real property described in Exhibit "A" attached hereto; and provided further, in the instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor shall be the "Declarant" hereunder at the time of such conveyance. Upon such designation of successor Declarant, all rights and obligations of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the Property (as hereinafter defined) subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

1.07 Development Survey. "Development Survey" shall mean and refer to that certain plat or survey entitled SECTION ONE, BRIDGEMILL, LYING IN LAND LOTS 260 & 261, 19TH DISTRICT, COLUMBUS, MUSCOGEE COUNTY, GEORGIA", dated July 21, 2005, prepared by Moon, Meeks, Mason & Vinson, Inc., and recorded in Plat Book 155, folio 55 in the office of the Clerk of the Superior Court of Muscogee County, Georgia,

1.08 Development-Wide Standard. "Development-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing in the Development. Such standard may be more specifically determined by the Board, the ARC (as hereinafter defined), and other committees required or permitted to be established pursuant to the Declaration and the Bylaws.

1.09 Lot. "Lot" means any parcel of land shown upon the Development Survey covering any portion of the Property; provided, however, that no portion of the Common Property shall ever be a Lot except as provided in Paragraph 2.04 hereof.

1.10 Member. "Member" means any member of the Association.

1.11 Membership. "Membership" means the collective total of all Members of the Association.

1.12 Mortgage. "Mortgage" means any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of a loan or other obligation, including, but not limited to, a transfer or conveyance of fee title for such purpose.

1.13 Mortgagee or Mortgage Holder. "Mortgagee" or "Mortgage Holder" means the holder of any Mortgage.

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

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

1.16 Property. "Property" means that certain real property described in Exhibit "A" attached hereto and made a part hereof together with such additional property as may be subjected to the provisions of this Declaration in accordance with the provisions of Article XIII hereof.

1.17 Residence. "Residence" shall mean a detached dwelling situated upon a Lot intended for use and occupancy as a residence for a single family. A dwelling and the land owned as a part thereof (the Lot) shall not become a Residence until (a) all inspections and approvals shall have been made and given by the appropriate governmental authorities as a pre-requisite to the occupancy of such Residence, and (b) until the Lot and dwelling located thereon shall have been conveyed to a third party other than the builder thereof, unless the builder intends to use such Lot and dwelling as and for his principal residence. The Owner shall notify the Association or its designee immediately upon the completion of all inspections by, and receipt of all approvals from, such governmental authorities for the Residence.

1.18 Restrictions. "Restrictions" means all covenants, conditions, restrictions, easements, charges, liens and other obligations created or imposed by this Declaration and any amendments hereto.

1.19 Section. "Section" shall mean and refer to separately designated residential areas initially or by annexation made subject to this Declaration. The Declarant shall designate in an amendment to this Declaration subjecting the property to the terms and conditions of this Declaration in accordance with Article XIII hereof, that such property shall constitute a separate Section or Sections, and shall set forth in such amendment to this Declaration such covenants and restrictions that are to pertain and apply to such Section or Sections then being added to the Development, as provided in Paragraph 6.01 hereof, and such other provisions as may be necessary or proper to effect such annexation in accordance with Article XIII hereof. Each Section also will be platted of record in the office of the Clerk of Superior Court of Muscogee County, Georgia, in accordance with Article XIII of this Declaration.

1.20 Structure. "Structure" means:

(a) any thing or object the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any dwelling or part thereof, garage, shed, greenhouse, bathhouse or playhouse, coop or cage, porch, deck, covered or uncovered patio, swimming pool, tennis court, curbing, paving, sidewalk, fence, wall, satellite video receiving dish, antennae, mailbox, newspaper tube, tree, shrub, sod and all other forms of landscaping, sign, signboard, or any other temporary or permanent improvement to such Lot; and

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

ARTICLE II COMMON PROPERTY

2.01 Conveyance of Common Property.

(a) The Declarant may from time to time transfer or convey real property (together with any and all improvements and/or personal property located thereon) to the Association, or grant or convey easements, leaseholds or other rights or interests in and to such property to the Association and in accordance with this Paragraph 2.01, for the common use and enjoyment of the Owners (such real and personal property being defined herein as "Common Property") and, to the extent set forth in this Declaration, the general public. The Association hereby covenants and agrees to accept from the Declarant all such transfers, conveyances or grants of Common Property.

(b) It is contemplated by the Declarant that the Declarant will from time to time convey or grant to the Association Common Property for an entrance area, including an entrance wall, signage, lighting, landscaping and sprinkler/irrigation facilities, and other structures and improvements for such entrance to the Development. In addition, the Declarant intends to install

street signage for the Development, and any such street signage shall be and become Common Property owned by the Association upon the installation thereof by the Declarant without the necessity of any conveyance thereof from the Declarant. The Declarant may, at Declarant's sole discretion, modify, alter, increase, reduce and otherwise change the Common Property contemplated to be conveyed to the Association in accordance with this subparagraph (b) of this Paragraph 2.01 at any time prior to the conveyance of such Common Property to the Association.

(c) In addition to the property described in subparagraph (b) of this Paragraph 2.01, the Declarant may convey or grant to the Association in accordance with this Paragraph 2.01 such other real and personal property, or easements, leaseholds or other rights or interests in and to such property, as the Declarant may determine to be necessary or proper (i) for and in connection with the continuing and future development of the Property or otherwise as provided in Article XIII hereof, and (ii) for and in connection with the completion of the Development, including, by way of illustration and not limitation, areas for landscaping and related sprinkler/irrigation facilities to be preserved and maintained by the Association.

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

2.02 Right and Easement of Use and Enjoyment. Every Owner shall have a right and easement to use and enjoy the Common Property (subject to the provisions of Paragraph 2.04 hereof), which right shall be appurtenant to and shall pass with the title to every Lot upon transfer; provided, however, that no Owner shall do any act which interferes with the free use and enjoyment of the Common Property by all other Owners. The Association may permit persons who are not Owners to use and enjoy part or all of the Common Property subject to such limitations, and upon such terms and conditions, as it may from time to time establish. The right and easement of enjoyment granted or permitted by this Paragraph 2.02 is subject to suspension by the Association as provided in Paragraphs 2.03(e) and 3.07 hereof.

2.03 Rights of the Association. The rights and privileges conferred in Paragraph 2.02 hereof shall be subject to the right, and where applicable, the obligation, of the Association acting through the Board to:

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

(b) borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed to secure debt, mortgage or other security instrument any or all of the Association's property including Common Property and revenues from assessments and other sources; and provided, however, that during the period when the Declarant has the right to appoint and remove directors and officers of the Association, the Association shall not deed, grant or convey to anyone any deed to secure debt, mortgage or other security interest on or in Common Property constituting real estate without approval by the Declarant and a two-thirds

(2/3) vote of the Members who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the Bylaws of the Association;

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

(d) dedicate or transfer all or any part of the Common Property or interests therein to any municipality or other governmental body, agency, or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the Association and such grantee, including a provision that such property or interest shall, if such dedication or transfer is approved by a two-thirds (2/3) vote of the Members who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the Bylaws of the Association, cease to be subject to this Declaration or all or any part of the Restrictions while held by any such municipality or other governmental body, agency or authority;

(e) suspend, pursuant to Paragraph 3.07 hereof, the voting rights of any Member and the right of enjoyment granted or permitted by Paragraph 2.02 hereof;

(f) sell, lease or otherwise convey all or any part of its properties and interests therein;

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

(h) enter into cross-easement agreements, joint use agreements, cost sharing agreements and other agreements with third parties, including without limitation condominium associations and other homeowners or property owners associations, relating to the Common Property or any part thereof and/or the use or enjoyment of recreational facilities or other amenities of such third parties; and

(i) maintain any and all landscaping treatments previously installed by the Declarant within any street right-of-way, to the extent that such landscaping maintenance is permitted by the Consolidated Government of Columbus, Georgia.

2.04 Types of Common Property. At the time of the transfer or conveyance of any real property (together with any and all improvements and/or personal property located thereon) or grant or conveyance of any easement, leasehold or other right or interest in and to any such property by the Declarant to the Association to be used as Common Property, the Declarant may designate in the deed, easement or other instrument of conveyance that such property is to be Common Property and may designate therein that certain portions of such property shall be for the exclusive use and benefit of one or more, but less than all, of the Lots and Owners thereof. The Declarant further may designate in the deed, easement or other instrument of conveyance the specific or general purpose or purposes for which such property or any portion thereof may be used; and in such event, such property or portion thereof shall not be used for any different purpose or purposes, without a two-thirds (2/3) vote of the Members who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the Bylaws of the Association (and, in the case of any portion

of the Common Property designated for the exclusive use and benefit of one or more, but less than all, of the Lots and the Owners thereof, without a two-thirds (2/3) vote of such Owners entitled to vote), and during the period of the Declarant's right to appoint and remove directors and officers of the Association, without the prior written consent of the Declarant.

2.05 Delegation of Use. Any Owner may delegate to the members of his family, his visiting guests, or his tenants who reside on a Lot, in accordance with the Bylaws, his right to use and enjoy the Common Property.

2.06 Maintenance. The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair and replacement, subject to any insurance then in effect, of the entrance wall, signage, landscaping, lighting, sprinkler/irrigation facilities and other structures and improvements situated on the Common Property and of all street signage for the Development installed by the Declarant. In addition, the Association shall maintain grass and other landscaping located along or in dedicated rights of way which were installed and maintained by the Declarant, to the extent permitted by the applicable governmental authority. The foregoing maintenance shall be performed consistent with the Development-Wide Standard.

The Association shall also have the right, but not the obligation, to maintain and provide services for other property not owned by the Association, whether located within or without the boundaries of the Development, and to enter into easements and covenants or agreements to share costs regarding such property where the Board has determined that this would benefit Owners.

ARTICLE III **BRIDGEMILL HOMEOWNERS ASSOCIATION**

3.01 Purposes, Powers and Duties of the Association. The Association shall be formed as a nonprofit corporation for the sole purpose of performing certain functions for the common good and general welfare of the people of the Development. The Association shall have no power or duty to do or perform any act or thing other than those acts and things which will promote in some way the common good and general welfare of the people of the Development. To the extent reasonably necessary to carry out such purpose, the Association (a) shall have all of the powers of a corporation organized under the Georgia Nonprofit Corporation Code, and (b) shall have the power to exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in this Declaration and in the Bylaws, and shall have every other right, power or privilege reasonably to be implied from the existence of any right, power or privilege given to it therein or reasonably necessary to effectuate any such right, power or privilege.

3.02 Membership in the Association. Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in this Declaration. For purposes of voting, there shall be two (2) classes of Members as set forth in Paragraph 3.03 of this Declaration.

3.03 Voting Rights.

(a) Each Owner, with the exception of the Declarant, shall be a Class "A" Member and shall be entitled to one Class "A" vote per Residence. Where such Owner is a group or entity other than one individual person, the vote on behalf of such Owner shall be exercised as those persons determine among themselves and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote of such Owner shall be suspended in the event more than one (1) person seeks to exercise it.

(b) The Declarant shall be the sole Class "B" Member and shall be entitled to three (3) votes for each Lot or Residence owned; provided, however, in no event (including without limitation any period during which the Declarant does not own any Lots or Residences in the Development) shall the Class "B" Member have less than the total number of Class "A" votes plus one (1). The Class "B" Membership shall cease and be converted to Class "A" Membership at such time as the Declarant no longer retains the right to appoint and remove directors and officers of the Association pursuant to Paragraph 3.10 below.

(c) The Development may be composed of Lots to be developed in phases, called Sections, containing unequal numbers of Lots. Each such Section will be platted of record in the office of the Clerk of Superior Court of Muscogee County, Georgia, in accordance with Article XIII of this Declaration. The Declarant shall notify the Association in writing when any additional Section of the Development has been so platted of record. By acceptance of a deed conveying a Lot, each Owner acknowledges that, upon the filing by the Declarant of the amendments to this Declaration and the subdivision plats covering such Sections, the total votes outstanding in the Association will automatically increase based upon the number of Lots in the Sections added and in accordance with the formula set forth in subparagraph (b) of this Paragraph 3.03 and in no event shall Class "B" Membership cease and be converted to Class "A" Membership (as provided in subparagraph (b) of this Paragraph 3.03) until after the Association receives the written notice provided for in the preceding sentence; provided, however, nothing contained herein shall obligate the Declarant to develop any proposed Section of the Development, unless such Section is subjected to this Declaration and the Declarant does not thereafter exercise its right to deannex property subjected to this Declaration in accordance with Paragraph 13.03 below.

3.04 Board of Directors. The affairs of the Association shall be managed by a Board of Directors. The number of directors and the time and method for their election or appointment shall be as set forth in the Bylaws of the Association.

3.05 Exculpation and Indemnity of Directors and Officers of the Association. The directors and officers of the Association shall not be liable to the Association or the Members for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct or bad faith and except, in the case of the directors, for such matters for which directors shall be liable as set forth in the Articles of Incorporation of the Association. Such directors and officers shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such directors or officers may also be Members of the Association) and the Association, as a common expense of the Association, shall indemnify such directors and officers against, and hold, save and defend such directors and officers free and harmless from, any and all expenses or liability

