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MASTER DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
SOUTH ON MAIN

THIS INSTRUMENT ESTABLISHES A MANDATORY MEMBERSHIP OWNERS
ASSOCIATION, BUT DOES NOT SUBMIT THIS COMMUNITY TO THE PROVISIONS OF
THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. § 44-3-220, *ET SEQ.*

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DECLARATION BY DECLARANT

EXHIBIT "C" - BYLAWS OF SOUTH ON MAIN RESIDENTIAL COMMUNITY ASSOCIATION, INC.

MASTER DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS

FOR

SOUTH ON MAIN

THIS MASTER DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SOUTH ON MAIN (hereinafter referred to as "Declaration") is made on the date hereinafter set forth by **LENNAR GEORGIA, INC.**, a Georgia corporation (hereinafter sometimes called "Declarant");

W I T N E S S E T H

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" hereof; and

WHEREAS, Declarant desires to subject the real property described in Exhibit "A" hereof to the provisions of this Declaration to create a residential community of single-family housing and to provide for a general plan for the subdivision, development and improvement of South on Main in an orderly manner with appropriate architectural, landscaping, construction, development and maintenance controls to maintain the value, aesthetic appearance and architectural harmony of South on Main during and after development and to provide for the subjecting of other real property to the provisions of this Declaration;

NOW, THEREFORE, Declarant hereby declares that the real property described in Exhibit "A" attached hereto and by this reference incorporated herein is hereby subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied, mortgaged and otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments and liens, hereinafter set forth, which are for protecting the value and desirability of and which shall run with the title to the real property hereby and hereafter made subject hereto and shall be binding on all persons having any right, title or interest in all or any portion of the real property now and hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title and assigns and shall inure to the benefit of each owner of all or any portion thereof.

Article 1
Definitions

The following words, when used in this Declaration or in any Supplementary Declaration, shall have the following meanings:

1.1 "Articles of Incorporation" means the Articles of Incorporation of South on Main Residential Community Association, Inc., filed with the Secretary of State of the State of Georgia and incorporated herein by this reference, as may be amended from time to time.

1.2 "Association" means South on Main Residential Community Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

1.3 "Board of Directors" or "Board" means the appointed or elected body of the Association, vested with the authority to operate, administer and manage the affairs of the Association under the Georgia Nonprofit Corporation Code, O.C.G.A. Section 14-3-101, *et seq.*

1.4 "Bylaws" means the Bylaws of South on Main Residential Community Association, Inc., attached to this Declaration as Exhibit "C" and incorporated herein by this reference as may be amended from time to time.

1.5 "Common Property" means any and all real and personal property, and the facilities and improvements located thereon and the easements and other interests therein, now or hereafter owned by the Association for the common use and enjoyment of the Owners.

1.6 "Community" refers to that certain real property described in Exhibit "A", attached hereto, and such additions as may be made by Supplementary Declaration as provided herein.

1.7 "Community-Wide Standard" means the standard of conduct, maintenance or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors of the Association, but must be consistent with the Community-Wide Standard originally established by the Declarant.

1.8 "Declarant" means **LENNAR GEORGIA, INC.**, a Georgia corporation and its successors, successors-in-title or assigns taking title to any portion of the property described in Exhibit "A" or Exhibit "B" hereof for the purpose of development and/or sale and designated as Declarant in a recorded instrument by the then holder of the rights of Declarant hereunder. Any or all of the rights of Declarant set forth in this Declaration, the Articles of Incorporation or the Bylaws may be transferred or assigned in whole or in part to other Persons, provided, however, no such transfer or assignment shall be effective unless it is in a written instrument signed by Declarant and recorded in the Gwinnett County, Georgia land records.

1.9 "Detached Lot" means any plot of land within the Community, whether or not improvements are constructed thereon, which constitutes a single-family dwelling site, which dwellings will not be attached by one or more party walls to another single-family dwelling, as shown on the subdivision plat(s) recorded in the Office of the Clerk of Superior Court of Gwinnett County, Georgia. The ownership of each Detached Lot shall include, and there shall automatically pass with the title to each Detached Lot as an appurtenance thereto membership in the Association and all rights and interest of an Owner in and to the Common Property. The Detached Lots shall be subject to the provisions of this Declaration and the Single Family Detached Declaration.

1.10 "Mortgage" means any and all instruments used for the purpose of encumbering or conveying title to real property in the Community as security for the payment or satisfaction of an obligation, including, without limitation, any mortgage, deed to secure debt or deed of trust.

1.11 "Mortgagee" means the holder of a Mortgage.

1.12 "Occupant" means any Person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is a tenant of the Owner of such property.

1.13 "Owner" means the record owner, whether one or more Persons, of the fee simple title to any Unit within the Community but does not include a Mortgagee.

1.14 "Person" includes any individual, individual acting in a fiduciary capacity, corporation, limited partnership, limited liability company, general partnership, joint stock company, joint venture, association, company or other organization, recognized as a separate legal entity under Georgia law.

1.15 "Single Family Detached Association" means South on Main Homeowners Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

1.16 "Single Family Detached Declaration" means that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for South on Main Single Family Homes, recorded or to be recorded in the Gwinnett County, Georgia land records, which document imposes covenants, conditions, restrictions and obligations on the land described therein, including, without limitation, the Detached Lots. The property encumbered by the Single Family Detached Declaration is a portion of the property described on Exhibit "A" attached hereto and by this reference incorporated herein.

1.17 "Supplementary Declaration" means a supplement to this Declaration which subjects additional property to this Declaration and/or imposes additional covenants, conditions, restrictions or easements on the land described therein.

1.18 "Total Association Vote" means the votes attributable to the entire membership of the Association as of the record date for such action (including the votes of the Declarant), whether or not such members are present or represented at the meeting, if any, where such votes are to be cast. If, for example, and without limitation, a majority of the Total Association Vote is required to approve a matter, such matter must receive more than half of the votes attributable to all existing members of the Association as of the record date for such action, whether or not such members are present or represented at the meeting, if any, where such votes are to be cast. As a further illustration, if a majority vote is required to approve a matter (and the term Total Association Vote is not used), such matter must receive more than half of the votes cast by the members present and entitled to vote on the matter.

1.19 "Townhome Association" means South on Main Townhome Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

1.20 "Townhome Declaration" means that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for South on Main Townhomes, recorded or to be recorded in the Gwinnett County, Georgia land records, which document imposes covenants,

conditions, restrictions and obligations on the land described therein, including, without limitation, the Townhome Units. The property encumbered by the Townhome Declaration is a portion of the property described on Exhibit "A" attached hereto and by this reference incorporated herein.

1.21 "Townhome Unit" shall mean any plot of land within the Community, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a single family dwelling site which will be attached by one or more party walls to another single family dwelling. Where the residential dwelling on a Townhome Unit is attached by a party wall to one or more other residential dwellings located on adjacent Townhome Units, the boundary between Townhome Units shall be a line running along the center of the party wall separating the residential dwelling located on such Townhome Units.

The ownership of each Townhome Unit shall include, and there shall automatically pass with the title to each Townhome Unit as an appurtenance thereto, whether or not separately described, membership in the Association and all of the rights and interest of an Owner in and to the Common Property, as herein provided. Townhome Units shall be subject to the provisions of this Declaration and the Townhome Declaration.

1.22 "Unit" shall mean collectively the Detached Lots and the Townhome Units in the Community. The ownership of each Unit shall include, and there shall automatically pass with the title to each Unit as an appurtenance thereto, whether or not separately described, membership in the Association and all of the rights and interest of an Owner in and to the Common Property, as herein provided.

Article 2

Property Subject To This Declaration

2.1 Property Hereby Subjected To This Declaration. The real property which is, by the recording of this Declaration, subject to the covenants, conditions, restrictions and easements hereinafter set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied and encumbered subject to this Declaration is the real property described in Exhibit "A" attached hereto and by this reference made a part hereof.

2.2 Unilateral Annexation By Declarant. As the owner thereof or, if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option from time to time at any time to subject all or any portion of the real property described in Exhibit "B" attached hereto and by this reference incorporated herein, to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Gwinnett County, Georgia land records a Supplementary Declaration describing the property being subjected. Any annexation shall be effective upon the filing for record of a Supplementary Declaration, unless a later effective date is provided therein.

Inclusion of property on Declarant's land plan or concept plan or property described in Exhibit "B" shall not obligate the Declarant to subject such property to the Declaration, nor shall exclusion of property from the land plan or concept plan bar Declarant from subjecting such

property to the Declaration. As long as covenants applicable to the real property previously subjected to this Declaration are not changed and as long as the rights of existing Owners are not adversely affected, the Declarant may unilaterally amend this Declaration to reflect the different character of any such annexed real property. If any land is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon such additional land nor shall such rights in any manner limit or restrict the use to which such additional land may be put by Declarant or any subsequent owner thereof, regardless of whether such uses are consistent with the covenants and restrictions imposed herein.

2.3 Additional Covenants, Restrictions and Easements. In addition to the provisions set forth this Declaration and the rights and obligations of the Association, the Townhome Units shall be subject to the covenants, conditions and restrictions set forth in the Townhome Declaration and shall be governed by the Townhome Association and the Detached Lots shall be subject to the covenants, conditions and restrictions set forth in the Single Family Detached Declaration and shall be governed by the Single Family Detached Association.

2.4 Annexation by Association. Upon the written consent of: (a) the owner(s) thereof; (b) the Declarant; and (c) the Owners of at least two-thirds (2/3) of the Units, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Office of the Clerk of Superior Court of Gwinnett County, Georgia a Supplementary Declaration describing the property being annexed. Any Supplementary Declaration shall be executed on behalf of the Association by the President of the Association whose signature shall be attested by the Secretary of the Association. The annexation shall be effective only upon the filing for record of such Supplementary Declaration, unless a later effective date is provided therein.

2.5 Withdrawal of Property. So long as Declarant has a right to annex additional property pursuant to Section 2.2 hereof, Declarant may amend the Declaration to remove any portion of the Community then owned by Declarant or the Association from the coverage of this Declaration and the jurisdiction of the Association, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community. Any withdrawal shall be accomplished by the filing for record of an amendment to this Declaration which: (a) describes the property to be removed; and (b) is executed by the Declarant and the Owner(s) of the property being removed if not the Declarant. Any withdrawal shall be effective upon filing for record of such amendment in the Gwinnett County, Georgia land records, unless a later effective date is provided therein.

Article 3

Association Membership and Voting Rights

3.1 Membership. Every Person who is the record owner of a fee or undivided fee interest in any Unit subject to this Declaration shall have a membership in the Association. The foregoing is not intended to include Mortgagees and the conveyance of a security interest shall not terminate an Owner's membership. No Owner, whether one or more Persons, shall have

more than one membership per Unit. Membership shall be appurtenant to and may not be separated from ownership of a Unit. The rights and privileges of membership, including the right to hold office, may be exercised by a member or the designee of a member, but in no event shall more than one office be held for each Unit owned. This Section is not intended to prohibit the same individual from being both an officer and a director of the Association. Nothing in this Section shall restrict the number of votes cast or the number of the officers and directors appointed by the Declarant.

3.2 Voting. Members shall be entitled to cast one vote for each Unit owned. When more than one Person holds an ownership interest in a Unit, the vote for such Unit shall be exercised as those Owners themselves determine and advise the Secretary prior to any meeting or referendum. The vote attributable to a Unit shall be suspended in the event more than one Person seeks to exercise it.

The Board of Directors may suspend the voting rights of an Owner for any period during which any past due special or specific assessment against any Unit of the Owner remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws or rules and regulations. In addition, the Association may, at the direction of the Townhome Association or the Single Family Detached Association, as applicable, suspend the voting rights of an Owner if any portion of assessments arising under the Townhome Declaration or the Single Family Detached Declaration remain unpaid, and for a reasonable period of time for a violation of the Townhome Declaration or the Single Family Detached Declaration, as applicable, or any rules and regulations adopted pursuant thereto.

3.3 Powers of Association Relating to Townhome Association and Single Family Detached Association. The Association may veto any action taken or contemplated by the Townhome Association or the Single Family Detached Association which the Board of Directors reasonably determines to be adverse to the Community, the interests of the Association or its members or inconsistent with the Community-Wide Standard. The Association also may require specific action to be taken by the Townhome Association or the Single Family Detached Association to fulfill its obligations under this Declaration, the Bylaws or rules and regulations. By way of explanation and not limitation, the Association may require that specific maintenance or repairs or aesthetic changes be performed by the Townhome Association or the Single Family Detached Association, as the case may be, in order to maintain the Community-Wide-Standard. If either the Townhome Association or the Single Family Detached Association fail to comply with such requirements within a reasonable period of time as specified in writing by the Association, the Association may perform such maintenance on behalf of the Townhome Association or the Single Family Detached Association and assess the costs to the Townhome Unit Owners or the Detached Lot Owners as a specific assessment as provided herein.

Article 4 Assessments

4.1 Purpose of Assessments. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners of Units, including, without limitation, the maintenance of real and

personal property, all as may be more specifically authorized from time to time by the Board of Directors.

4.2 Creation of the Lien and Personal Obligation for Assessments.

(a) General. Each Owner of a Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (i) general assessments; (ii) special assessments; and (iii) specific assessments. General assessments and special assessments shall be paid to the Association by the Townhome Association and the Single Family Detached Association, respectively, as provided in Section 4.7 hereof

(b) Creation of the Lien. All special and specific assessments, together with late charges (in an amount equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the assessment or installment not paid when due), interest (at a rate set of ten percent (10%) per annum on the principal amount due) and costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, shall, from the time the sums become due and payable, be a charge on the land and a continuing lien in favor of the Association on the Unit against which each assessment is made. The recording of this Declaration shall constitute record notice of the existence of the lien and no further recordation of any claim of lien shall be required. Each assessment, together with late charges, interest and costs of collection, shall also be the personal obligation of the Person who was the Owner of the Unit at the time the assessment fell due. Each Owner shall be personally liable for the portion of each special and/or specific assessment coming due while the Owner of a Unit, and each grantee of an Owner shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of the grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings.

(c) No exemption from Assessments. No Owner may waive or otherwise be exempt from liability for the assessments provided for herein for any reason, including, by way of illustration and not limitation, the following: (i) abandonment of the Unit; (ii) nonuse of the Common Property; (iii) the Association's failure to perform its obligations required under the Declaration; or (iv) inconvenience or discomfort arising out of the Association's performance of its duties.

No diminution or abatement of any assessment shall be claimed or allowed by reason of any failure of the Association to take some action or perform some function required to be taken or performed by the Association, the obligation to pay assessments being a separate and independent covenant on the part of each Owner. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments. As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall also include costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-11(a)(2).

4.3 Operating Budget. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year. At least thirty (30) days

prior to the end of each calendar year or as otherwise determined by the Board, the Board shall deliver a copy of the budget to the President of the Townhome Association and the President of the Single Family Detached Association, respectively, for inclusion in the Townhome Association budget and the Single Family Detached Association budget, as applicable. The budget and the general assessment shall become effective unless disapproved at a meeting (or by action in lieu of a meeting as provided in the Bylaws) by: (a) a majority of the Owners of Townhome Units; (b) a majority of the Owners of Detached Lots; and (c) Declarant so long as it owns any property in the Community or any property which may be added to the Community. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for any period, then and until such time as a budget has been determined, as provided herein, the budget in effect shall continue.

4.4 General Assessments. General Assessments shall be levied equally on all Units and shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration, upon ten (10) days' written notice for delinquents. Unless otherwise provided by the Board of Directors, the general assessment shall be paid in one annual installment. General assessments include any sums the Board determines necessary for the continued ownership, operation and maintenance of the Common Property, improvements to the Common Property, operating expenses of the Association, payment for any items of betterment and the establishment of reserve funds as the Board shall deem proper. General assessments may include, without limitation, the following: (a) sums for property taxes for the Common Property; (b) insurance premiums; (c) legal and accounting fees; (d) management fees; (e) costs to maintain the Community entry features, including electricity and irrigation expenses associated therewith; (f) landscape maintenance; (g) costs to maintain the private Community alleys, sidewalks and street signs; (h) costs to maintain the storm water detention/retention pond(s) and storm water drainage facilities serving the Community, if any; (i) costs to maintain the Community clubhouse; (j) costs to maintain and inspect the retaining walls in the Community; and (k) expenses and liabilities incurred as provided herein and in the Articles of Incorporation and Bylaws for the indemnification of officers and directors and in connection with the enforcement of rights and duties of the Association against Owners and others.

4.5 Special Assessments. The Association, acting through the Board of Directors, may levy a special assessment against all Owners in the Community for unbudgeted or unanticipated expenses or expenses in excess of those budgeted. So long as the total amount of special assessments allocated to a Unit in a single fiscal year does not exceed the amount of the annual general assessment for the Unit in such fiscal year, the Board may impose the special assessment without a vote of the Owners. Except for special assessments levied pursuant to Section 9.3 hereof, any special assessment which would cause the amount of the special assessments allocated to a Unit in a single fiscal year to exceed the amount of the annual general assessment must be approved by two-thirds (2/3) of the Total Association Vote and the Declarant in order to be effective. Special assessments shall be paid as determined by the Board. The Board may permit a special assessment to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

4.6 Specific Assessments. The Board shall have the power to levy specific assessments as, in its discretion, it shall deem appropriate. The failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. By way of explanation and not limitation fines levied pursuant to this Declaration shall constitute a specific assessment.

In addition to the above, the Board of Directors may also specifically assess Owners for Association expenses as follows: (a) expenses of the Association which benefit less than all of the Units may be specifically assessed equitably among all of the Units which are benefited according to the benefit received; (b) expenses of the Association which benefit all Units, but which do not provide an equal benefit to all Units may be specifically assessed equitably among all Units according to the benefit received; and (c) expenses of the Association which are attributable to or incurred by a particular Owner or the Occupants, guests, tenants, invitees or licensees of the Owner may be specifically assessed against the Unit of such Owner.

4.7 Collection of Assessments by Townhome Association and Single Family Detached Association. Unless otherwise directed in writing by the Board of Directors, the Townhome Association and the Single Family Detached Association shall each collect the general assessment, any special assessment and the working capital contribution, as provided in Section 4.14 hereof, due from the members of the Townhome Association and Single Family Detached Association, respectively, and pay all such assessments to the Association in full within ten (10) days of the due date thereof.

In the event that a member of the Townhome Association or Single Family Detached Association fails to pay any portion of the assessments required under the Townhome Declaration or Single Family Detached Declaration, including, without limitation, all or any portion of the annual assessment or any special assessment provided herein, the total amount of any annual and/or special assessment applicable to all of the Townhome Units or Detached Lots, as applicable, due under this Declaration shall nevertheless be due and payable in full by the Townhome Association or the Single Family Detached Association to the Association. All costs of collection incurred by the Townhome Association or the Single Family Detached Association to collect amounts due under this Declaration shall be borne by the Townhome Association or the Single Family Detached Association, as applicable, to the extent not collected from the defaulting Owner.

4.8 Subordination of Liens to Mortgages. Notwithstanding anything to the contrary in this Declaration or any other document related thereto or executed in connection therewith, the lien of all assessments authorized herein is hereby made subordinate to the lien of any first Mortgage placed on a Unit, if, but only if, all assessments and charges with respect to such Unit authorized herein having a due date on or prior to the date of the Mortgage as filed of record have been paid. The lien hereby subordinated is only such lien as relates to assessments and charges authorized hereunder having a due date subsequent to the date such Mortgage is filed of record and prior to the satisfaction, cancellation or foreclosure of such Mortgage. Such subordination is merely a subordination and: (a) shall not relieve an Owner of the personal

obligation to pay all assessments coming due during such period of ownership; (b) shall not relieve such Unit from the lien provided for herein (except to the extent a subordinated lien is extinguished as a result of such subordination as against a Mortgagee or such Mortgagee's transferee by foreclosure); and (c) no sale or transfer of such Unit to the Mortgagee or to any other Person pursuant to a foreclosure, or pursuant to any other proceeding in lieu of foreclosure, shall relieve any existing or previous Owner of such Unit of any personal obligation or relieve such Unit or any Owner of such Unit from liability for any assessment authorized hereunder that becomes due after such sale and transfer.

4.9 Remedies of the Association. Any assessments or installments thereof which are not paid when due shall be delinquent. In addition to the lien rights, the personal obligation of the then Owner to pay any assessment shall remain such Owner's personal obligation and shall also pass to such Owner's successors-in-title. Such Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which such Owner was obligated to pay immediately preceding the transfer or conveyance; and such Owner and such successors-in-title shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such Owner and such successors-in-title creating any indemnification of the Owner or any relationship of principal and surety as between themselves.

Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge (in an amount equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the assessment or installment not paid when due) and interest (at a rate of ten percent (10%) per annum on the principal amount due). As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall also include costs of collection, which shall include, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-11(a)(2). The Association may cause a notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date. In the event that any assessment remains unpaid after sixty (60) days, the Association may institute suit to collect such amounts and/or to foreclose its lien. The Association may file a claim of lien with the Office of the Clerk of Superior Court of Gwinnett County, Georgia, but no such claim of lien shall be required to establish or perfect the lien for unpaid assessments.

Each Owner, by acceptance of a deed, vests in the Association the right and power to bring all actions against such Owner personally, for the collection of such charges as a debt or to foreclose the lien. The lien provided for in this Declaration shall be in favor of the Association and shall be for the benefit of all Owners. The Association shall have the power to bid on the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

The Association may also: (a) suspend the membership rights of the delinquent Owner, including the right to vote; (b) suspend the right of a delinquent Owner to use and enjoy the Common Property (other than access to such Owner's Unit); and (c) suspend the right of an Owner to receive and enjoy such services and other benefits as may then be provided by the Association, including, without limitation, the suspension of any utilities or services provided by the Association, if any. Any suspension shall not affect an Owner's obligation to pay

assessments coming due during the period of such suspension and shall not affect the permanent lien on such Unit in favor of the Association.

4.10 Date of Commencement of Assessments. Assessments shall commence when the Board of Directors first determines a budget and levies assessments. The assessments provided for herein shall commence as to a Unit on the date that such Unit has been improved with a dwelling for which a certificate of occupancy has been issued and has been conveyed to an Owner who intends to occupy the dwelling, or, if the dwelling is occupied as a residence before such conveyance, the date of such occupancy. Any Unit which has been approved by Declarant for use as a model home for marketing and sales purposes shall not be deemed to be occupied for residential purposes and shall not be subject to assessments under this Declaration whether owned by Declarant or any other Person, so long as such Unit is approved for use as a model home and is not occupied for residential purposes.

4.11 Budget Deficits During Declarant Control. For so long as the Declarant has the authority to appoint and remove the directors and officers of the Association, Declarant may, but shall have no obligation to: (a) advance funds or contributions of services or materials or a combination of services and materials, rather than money (herein collectively called an "in kind contribution"), or a combination of these, to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves), and the sum of the general, special and specific assessments collected by the Association in any fiscal year (such advances shall be evidenced by promissory notes from the Association in favor of the Declarant); or (b) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for similar loans in the local area of the Community; provided, however, no Mortgage secured by the Common Property or any of the structures or improvements maintained by the Association shall be given in connection with such loan unless the loan has been approved by Owners of at least two-thirds (2/3) of the Units as provided in Section 10.2(c) hereof.

4.12 Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

4.13 Estoppel Letter. Any Owner, Mortgagee or Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by such Unit shall be entitled, upon written request, to a statement from the Association or its managing agent setting forth the amount of assessments past due and unpaid, including late charges, interest and fines, or other charges against that Unit. Such request shall be delivered to the registered office of the Association and shall state an address to which the statement is to be directed. The Association shall, within five (5) business days after receiving a written request therefor certify to the amount of any unpaid assessments constituting a lien on a specified Unit. The Association may charge a reasonable fee as a prerequisite to the issuance of such statement as may be permitted by law. A certification letter signed by an officer of the Association or the Association's managing agent, if

any, as to the amount of assessments due with respect to a Unit shall be binding upon the Association. It is the intent of this provision to comply with O.C.G.A. Section 44-14-15(c), as amended.

4.14 Working Capital Contribution. Upon the sale of each and every Unit after it has been improved with a dwelling for which a certificate of occupancy has been issued, a working capital contribution in an amount determined by the Board from time to time, but not to exceed the amount of the general assessment to be paid by each Unit Owner for the year of such conveyance, shall be collected from the new Owner at the closing of such transaction and disbursed to the Association; or if not collected at closing, shall be paid immediately upon demand to the Association. Notwithstanding the foregoing, unless otherwise provided by the Board of Directors, the Townhome Association and the Single Family Detached Association shall each be responsible for collecting the capital contribution provided for herein upon each and every sale of a Townhome Unit and Detached Lot, as applicable, and remitting the working capital contribution to the Association within ten (10) days of collecting the same from the new Owner, or such other period of time as may be agreed upon by the Association and the Townhome Association or Single Family Detached Association, respectively. In the event an Owner fails to pay all or any portion of the working capital contribution, the Association shall have all rights and remedies against such Owner for nonpayment as set forth in this Article 4 and under Georgia law.

The working capital contribution shall constitute a specific assessment against the Unit, shall be in addition to, not in lieu of, the general assessment and shall not be considered an advance payment of such assessment. The working capital contribution may be used by the Association for any purpose which provides a direct benefit to the Community, including, without limitation, for the payment of operating expenses of the Association and other expenses incurred by the Association pursuant to the provisions of this Declaration. Notwithstanding the foregoing, the working capital contribution shall not apply to the holder of any first Mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage, but shall apply to the Owner acquiring title to the Unit from the foreclosing Mortgagee.

Article 5

Maintenance: Common Property

5.1 Association's Responsibility. The Association shall maintain and keep in good repair the Common Property and all structures and improvements located thereon. The Association shall also maintain (whether or not constituting Common Property) the following: (a) all Community entry features, including entry area signage, landscaping and any irrigation system and/or lighting system, if any, serving such entry features and appurtenant landscaping, regardless of whether such entry features are located on a Unit or Common Property; (b) all storm water detention/retention ponds and storm water drainage facilities serving the Community, if and to the extent such facilities are not maintained by the owner of such facilities or a government authority and regardless of whether such storm water detention/retention ponds or storm water drainage facilities are located on a Unit or Common Property; provided, however, the Association shall not be responsible for the maintenance, repair and replacement of any storm water drainage facilities which exclusively serve a Unit; (c) all street medians and islands

located in the Community, if and to the extent the same are not maintained on an ongoing basis by a government authority or third party; (d) all private Community alleys, sidewalks and street signs; (e) the centralized mailbox area and the mailboxes located thereon; (f) all open space and green space, if and to the extent the same is not maintained by the Townhome Association pursuant to the Townhome Declaration or the Single Family Detached Association pursuant to the Single Family Detached Declaration; (f) the Community clubhouse; (g) all exterior lighting in the Community, including, without limitation, street lights, if and to the extent the same are not maintained by a governmental entity or third party; provided, however, the Association shall not be responsible for the maintenance, repair or replacement to any exterior lighting attached to, exclusively serving or located on a Unit; and (h) any retaining walls in the Community, regardless of whether they are located on a Unit or Common Property.

The Board of Directors may authorize the officers of the Association to enter into contracts with any Person or Persons to perform maintenance hereunder on behalf of the Association.

In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the Occupants, family, guests, lessees or invitees of an Owner, then the Association may perform such maintenance, repair or replacement and all costs thereof, not paid for by insurance, shall be assessed against the Owner as a specific assessment.

The Association shall have the right, but not the obligation, to maintain property it does not own, including property owned by the Townhome Association or the Single Family Detached Association, if any, regardless of whether such property is located within or outside of the Community where the Board has determined that such maintenance would benefit the Owners. In addition to the foregoing, the Board shall have the right, with the consent of the Declarant and without a vote of the members, to enter into easements and/or covenant to share costs agreements where the Board has determined that such action would benefit the Owners.

5.2 Owner's Responsibility.

(a) General. In addition to maintenance required under the Townhome Declaration or the Single Family Detached Lot Declaration, each Owner of a Unit shall maintain his or her Unit in a manner consistent with the Community-Wide Standard and this Declaration, which such maintenance obligation shall include, without limitation, the following: (i) prompt removal of all litter, trash, refuse, and waste; (ii) watering landscaped areas; (iii) keeping improvements and exterior lighting in good repair and working order; (iv) keeping driveways and walkways clean and free of debris; (v) complying with all governmental health and police requirements; (vi) maintaining grading and storm water drainage as originally established on the Unit; (vii) maintaining, repairing and replacing all storm water drainage facilities, including, all pipes, wires and conduits related thereto which exclusively serve a Unit; and (viii) maintaining, repairing and replacing all pipes, wires and conduits, including, without limitation, electrical and plumbing systems, which exclusively serve the Unit.

(b) Failure to Maintain. In the event that the Board of Directors determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such maintenance, repair or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement to be performed. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair or replacement, or, in the event that such maintenance, repair or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable period of time. If an Owner does not comply with the provisions hereof, the Association may provide such maintenance, repair or replacement to the Lot and all costs associated therewith shall be assessed against the Owner and the Lot as a specific assessment. This provision shall not apply to any Unit(s) owned by the Declarant, unless improved with a dwelling and occupied as a residence.

5.3 Conveyance of Common Property by Declarant to Association; No Implied Rights. The Declarant may transfer or convey to the Association at any time and from time to time any personal property and any interest in improved or unimproved real property. Such conveyance shall be deemed to be accepted by the Association upon delivery of any personal property or upon recordation of an instrument of conveyance of any interest in real property, and the property shall thereafter be Common Property to be used and maintained by the Association for the benefit of its members. So long as Declarant owns any property primarily for development and/or sale in the Community or owns any property which may be annexed to the Community, Declarant may, upon written notice to the Association, require the Association to reconvey to Declarant all or any portion of the Common Property, improved or unimproved, at no charge to Declarant, without a vote of the members of the Association, if all or a portion of the Common Property is: (a) found by Declarant to have been conveyed in error; (b) needed by Declarant to make adjustments in property boundary lines; or (c) needed by Declarant due to changes in the overall scheme of development for the Community.

The Association hereby constitutes and appoints Declarant as its agent and attorney-in-fact to accept on behalf of the Association any conveyance to the Association and to execute on behalf of the Association any and all documents, including, without limitation, deeds, necessary or convenient to effectuate and document any such conveyance to the Association. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise. The Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section and shall have no duty or obligation to convey any property or property rights to the Association regardless of whether or not any such property has been made available for the use of Owners. The Declarant may reserve, by lease, license, easement or otherwise such rights of use and enjoyment in and to all or any portion of the property so conveyed as Declarant may reasonably require so long as such reservation is not materially inconsistent with the overall scheme of development for the Community. Neither the recordation of any subdivision plat nor the use by the Owners or maintenance by the Association of any property shall create any rights, easements or licenses, in the Association or the Owners, express or implied, unless and until any such property rights,

easements or licenses are conveyed by the Declarant to the Association or the Owners, as the case may be, by an instrument recorded in the Gwinnett County, Georgia land records.

5.4 Partition of Common Property. The Common Property shall remain undivided and no Owner shall bring any action for partition or division of the whole or any part thereof without the written consent of: (a) all Owners of all portions of the property located within the Community; and (b) all holders of all Mortgages encumbering any portion of the property, including, but not limited to, the Units.

5.5 Condemnation. In the event of a taking by eminent domain of all or any portion of the Common Property on which improvements have been constructed, the Association shall, if reasonably possible, restore or replace such improvements on the remaining Common Property, unless within sixty (60) days after such taking, an alternative plan is approved by at least seventy-five percent (75%) of the Total Association Vote and the Declarant. The provisions of this Declaration applicable to the replacement and/or restoration of damaged improvements on the Common Property shall also apply to and govern the actions to be taken in the event that the improvements are not restored or replaced after a condemnation.

5.6 Liability. Owners, Occupants and their guests shall use the Common Property and all portions of the Community not contained within a Unit, including, without limitation, the private Community alleys, at their own risk and shall assume sole responsibility for their personal belongings used or stored thereon. All Owners and Occupants shall have an affirmative duty and responsibility to inspect the Common Property and any improvements located thereon for any defects, perils or unsafe conditions related to the use and enjoyment thereof. The Association, the Declarant and their respective officers, directors, employees, representatives and agents shall not be held liable for: (a) personal injury to any person occurring on the Common Property; (b) loss or damage to personal belongings used or stored on the Common Property or on any other portion of the Community; or (c) loss or damage, by theft or otherwise, of any other property of an Owner or Occupant.

In addition to the foregoing, the Association, the Declarant and their respective officers, directors, representatives, agents and employees shall not be liable for injury or damage to any Person or property: (a) caused by the elements or by an Owner or any other Person; (b) resulting from any rain or other surface water which may leak or flow from any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association; or (c) caused by any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair.

5.7 Provision of Services. The Association may provide or contract for services and facilities for the Owners, Occupants and their licensees, invitees and guests. The Association shall be authorized to enter into contracts or similar agreements with other entities, including Declarant or any affiliates thereof, or the Townhome Association or Single Family Detached Association, to provide such services and facilities. The cost of services and facilities provided by the Association may be funded as a common expenses or as a specific assessment if the services benefit specific Unit(s). By way of explanation, services and facilities which may be

provided by the Association include the following: (a) utilities; (b) street cleaning; (c) garbage and/or recycling collection, if and to the extent such services are not provided by the City of Duluth and/or Gwinnett County, as provided in Section 5.8 hereof; (d) landscaping; and (e) special or other promotional events. Notwithstanding the foregoing, nothing here can be relied upon as a representation as to the services and facilities, if any, which will be provided by the Association.

5.8 Trash Removal and Recycling.

(a) General. If and to the extent that trash and recycling services are not provided by the City of Duluth or Gwinnett County, the Association shall have the right, but not the obligation, to designate and contract with a private trash removal company on behalf of all Owners and Occupants in the Community to pick up all usual and customary household trash and recycling on a regular basis.

(b) Costs of Trash Removal. Upon the execution of a contract with a private trash removal company as provided above, all charges for usual and customary trash collection and recycling shall be assessed to each Unit equally as part of the general assessment in accordance with Section 4.4 hereof. While the removal of normal household trash and recycling will be covered by such contract, additional charges may be incurred for the removal of used appliances, other large items or any other extraordinary pick-up needs and such additional charges incurred by the Association may be specifically assessed against the applicable Unit pursuant to Section 4.6 hereof. If a Unit Owner, for any reason, refuses trash collection and recycling service provided by the Association, such Owner shall nevertheless still be obligated to pay the full amount of the general assessment.

(c) Rules and Regulations. Unless otherwise provided by the Board, trash and recycling receptacles shall be placed at the curb no earlier than 5:00 p.m. the day before pick-up and shall be removed within twenty-four (24) hours. When not in use, all trash and recycling receptacles shall be stored in the garage. All Community trash removal and recycling shall be subject to such further rules and regulations as the Board may adopt, including without limitation, the designation of a particular trash pick-up day throughout all or a portion of the Community.

5.9 Retaining Walls.

(a) General. The Community contains several retaining walls which help stabilize certain slopes within the development. As provided in Section 5.1 hereof, the Association shall be responsible for the maintenance, repair and replacement to and of any retaining wall located in the Community, regardless of whether all or a portion thereof is located on a Unit or Common Property, as the same may be identified on the recorded subdivision plat(s). In addition to the foregoing, the Association shall inspect the retaining walls with such frequency as may be determined by the Board in its sole discretion. The costs associated with such inspection, maintenance, repair and replacement shall be included as part of the general assessment to be paid by all Unit Owners equally; provided, however, in the event that any maintenance, repair or replacement to all or any portion of a retaining wall is caused through the willful or negligent act of an Owner, or the Occupants, family, guests, lessees or invitees of an Owner, then the

Association may perform such maintenance, repair or replacement and all costs thereof, not paid for by insurance, shall be assessed against the Unit of such Owner as a specific assessment.

The Association may not alter or change the maintenance responsibilities of the retaining walls as provided herein unless an amendment to the Declaration has been approved by: (a) Owners of at least two thirds (2/3) of the Units in the Community as provided in Section 11.6 hereof; (b) Owners of all Units upon which any portion of a retaining wall is located; and (c) the Declarant until the rights of Declarant have terminated as provided in Section 11.5 hereof.

(b) Easements Reserved. Declarant hereby grants to the Association an easement over, under, through and across the exterior portions of any Unit containing any portion of a retaining wall as may be reasonably necessary to inspect, maintain, repair, replace and improve such retaining wall as provided herein.

(c) Use Restrictions. Any modification or alteration on or to a Unit containing a retaining wall or a Unit located adjacent to a retaining wall shall be approved pursuant to Article 6 hereof. In addition to the foregoing, the Owners of any Unit which contains a retaining wall and Owners of a Unit which is located adjacent to any portion of a retaining wall: (i) may not make any changes in and around such retaining walls and Unit, including, without limitation, changes to the drainage in and around said retaining walls; (ii) may not plant or install deep rooted trees or plant materials or install an irrigation system within fifteen (15) feet of any retaining wall; or (iii) take any other action or do any other thing that may adversely affect or undermine any retaining wall, as determined by the Board in its sole discretion. Any modification or alteration to a Unit which damages any portion of a retaining wall shall be the responsibility of the Unit Owner at his or her own cost and expense.

Article 6 Architectural Standards

6.1 General. No exterior construction, alteration or addition of any improvements of any nature whatsoever (including, without limitation, staking, clearing, excavating, grading, filling, construction of impervious surfaces, building, exterior alteration of existing improvements, installing storm and screen doors, storm windows and fencing, changing the exterior color of any existing improvement and planting and removing landscaping materials) shall be commenced or placed upon any part of the Community unless: (a) installed by the Declarant or its affiliates; (b) approved in accordance with this Article; or (c) otherwise expressly permitted under this Declaration. Any Owner may remodel, paint or redecorate the interior of a structure located on a Lot without approval hereunder. However, additions and/or modifications to the interior of balconies, porches, patios, decks and similar portions of a structure which are visible from outside of a Unit shall be subject to approval. No approval shall be required to repaint the exterior of a structure located on a Unit in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. This Article shall not apply to the activities of the Declarant or its affiliates or to improvements to the Common Property made by or on behalf of the Association.

This Article may not be amended without the written consent of the Declarant until its rights have terminated as provided in Section 11.5 hereof.

6.2 Guidelines and Procedures. Except as provided above or as specifically articulated in the Architectural Guidelines established pursuant to Section 6.3 hereof, no exterior construction, addition or alteration shall be made unless and until plans and specifications shall have been submitted in writing to and approved by the Declarant. Such plans and specifications shall be of sufficient detail to allow the Declarant to make its review and to the extent required by the Declarant shall show the nature, kind, shape, height, materials and location of the proposed structure or improvement. The Declarant shall be the sole arbiter of such plans and specifications and may withhold approval for any reason, including, without limitation, purely aesthetic considerations, and it shall be entitled to stop any construction in violation of such plans and specifications, applicable Architectural Guidelines or any other provisions of the Declaration. If the Declarant fails to approve or disapprove submitted plans and specifications within forty-five (45) days after receipt of all required information, such approval shall be deemed to have been given. If construction does not commence on a project for which plans have been approved within twelve (12) months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the plans and specifications to the Declarant for reconsideration.

As a condition of approval under this Article, each Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for the maintenance, repair, replacement and insurance to and on any improvement, change, modification, addition or alteration. In the discretion of the Declarant, an Owner may be required to verify such condition of approval by a recordable written instrument acknowledged by such Owner on behalf of such Owner and such Owner's successors-in-interest. The Declarant and its representatives and/or agents shall have the right, during reasonable hours and after reasonable notice, to enter upon any property in the Community to determine whether or not these restrictive covenants have been or are being complied with and such Persons shall not be deemed guilty of trespass by reason of such entry; provided, however, nothing herein shall be construed as permitting the Association to enter any residential dwelling located on a Unit without the consent of the Owner thereof.

6.3 Architectural Guidelines. The Declarant may adopt written architectural, landscaping and fencing guidelines (collectively, the "Architectural Guidelines") and application and review procedures, which may provide for a review fee. The Declarant shall have the sole and full authority to prepare and to amend, modify, repeal or expand, in whole or in part, from time to time at its sole discretion and without notice, the Architectural Guidelines. In the event Declarant modifies, expands or repeals all or any portion of the Architectural Guidelines, said new Architectural Guidelines shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled or modified by a majority of the Total Association Vote and the Declarant. The Declarant shall make the Architectural Guidelines available to Owners and Occupants who seek to engage in construction upon all or any portion of the Community and such Owners and Occupants shall conduct their operations strictly in accordance therewith and

with the provisions of this Article 6. The Declarant shall provide, without cost, a copy of the Architectural Guidelines then in effect to any requesting Owner or Mortgagee.

All Owners and Occupants of Units are hereby notified that the use of their Units is limited by the Architectural Guidelines, as they may be amended, expanded, and otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected, that the Architectural Guidelines may change from time to time, and that such changed Architectural Guidelines may or may not be set forth in an instrument recorded in the Gwinnett County, Georgia land records.

6.4 Limitation of Liability. Plans and specifications are not approved for engineering or structural design, quality of materials or for compliance with applicable building codes, permitting requirements, zoning conditions or other applicable governmental laws, ordinances and regulations governing construction in the Community and by approving such plans and specifications the Declarant, the Association and their respective directors, officers, members, representatives, agents or employees assume no liability or responsibility therefor or for any defect in any structure or improvement constructed from such plans and specifications or for any violation of applicable building codes, zoning conditions, permitting requirements or for any other violation of governmental laws, ordinances and regulations governing construction in the Community. Neither Declarant, the Association, nor their respective officers, directors, members, employees, representatives and agents shall be liable in damages to anyone submitting plans and specifications for approval or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every Person who submits plans and specifications and every Owner agrees that such Person or Owner will not bring any action or suit against the Declarant, the Association or their respective officers, directors, members, employees, representatives and agents to recover any damages and hereby releases, remises, quitclaims and covenants not to sue for all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

6.5 No Waiver. The approval of the Declarant of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval or consent of the Declarant, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications or drawings or matters whatsoever subsequently or additionally submitted for approval or consent.

6.6 Variances. Notwithstanding anything to the contrary contained herein, the Declarant shall be authorized to grant individual variances from any of the provisions of this Declaration and the Architectural Guidelines if it determines that waiver of application or enforcement of the provision in a particular case is dictated by unique circumstances, such as, but not limited to, topography, natural obstructions, hardship, aesthetic considerations or environmental considerations. No variance issued shall: (a) be effective unless in writing; (b) be inconsistent with the overall scheme of development for the Community; or (c) estop the Declarant from

denying a variance in other similar circumstances. For purposes of this provision, the inability to obtain approval of any governmental agency or the issuance of any permit or the terms of any financing shall not be considered a hardship warranting a variance.

6.7 Enforcement. Any structure, improvement or landscaping improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from Declarant, an Owner shall, at its own cost and expense, remove such nonconforming structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant and its representatives and agents shall have the right to enter the property, remove the nonconforming structure or improvement, and restore the property to substantially the same condition as previously existed. All costs, including, without limitation, reasonable attorneys' fees actually incurred, may be assessed against the Unit as a specific assessment. In such event, neither Declarant, the Association nor their respective officers, directors, members, employees, representatives and agents shall be held liable to any Person for exercising the rights granted by this Section, including, without limitation, claims for damages resulting from the removal of the nonconforming structure or improvement in accordance with the procedures set forth herein. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Architectural Guidelines, if any, may be excluded by the Declarant from the Community, subject to any applicable notice and hearing procedures contained herein or in the Bylaws. In the event of noncompliance with this Article, the Association or Declarant, respectively, may also record in the appropriate land records a notice of violation hereunder naming the violating Owner. In addition to the foregoing, Declarant or the Association, acting through its Board, shall have the authority and standing to pursue any and all remedies available at law and equity to enforce the provisions of this Article, including, without limitation: (a) the right to levy and collect fines against non complying Owners and Occupants in accordance with the provisions of this Declaration and the Bylaws; and (b) suspend the right of such Owner and Occupant to use and enjoy the Common Property.

6.8 Architectural Review By Declarant. Until: (a) the Declarant no longer owns any property in the Community and no longer has the right to unilaterally annex additional property to the Community; and (b) each Unit has been improved with a dwelling for which a certificate of occupancy has been issued, the Declarant shall have the sole right, power and authority under this Article. Notwithstanding the foregoing, the Declarant may in its sole discretion relinquish architectural control as to certain types of improvements or modifications to the Board of Directors while retaining control over all other building and construction in the Community; provided, however, any right, power or authority of the Declarant which may be relinquished to the Board of Directors prior to the termination of the rights of Declarant hereunder shall only be by a written instrument executed by Declarant and recorded in the Gwinnett County, Georgia land records and no such right, power or authority shall be relinquished by implication or otherwise. For example and without limitation, the Declarant may relinquish control over modifications of existing structures to the Board of Directors while retaining all authority to review and approve new home construction. Upon the surrender in writing of all or a portion of such right and authority, the Board of Directors shall then have such jurisdiction over architectural control under this Article as may have been relinquished by the Declarant. The

establishment of an advisory architectural review committee shall not be deemed to be a relinquishment by Declarant of any of its right, power and authority hereunder.

After the termination or voluntary surrender of all or a portion of the rights of Declarant hereunder, the Board of Directors shall have all right, power and authority to review and approve all building and construction activity within the Community and this Article shall then be read and interpreted as if any reference to the authority of or action by the Declarant in this Article 6 were a reference to the authority of or action by the Board of Directors. The Board of Directors may, but shall have no obligation to, establish an architectural review committee ("ARC"), which shall then have such rights, powers and authority as may be granted to it by the Board of Directors. The Board of Directors may grant to the ARC all of its rights, powers and authorities hereunder, or may grant the ARC such limited rights as it deems appropriate in its sole discretion and in such event this Article or portions thereof, as appropriate, shall then be read and interpreted as if any reference to the authority of or action by the Declarant in this Article 6 were a reference to the ARC. Notwithstanding anything herein to the contrary, the Board of Directors shall have the sole right and authority to appoint and remove the members of the ARC.

Article 7

Use Restrictions and Rules

7.1 Adoption of Rules and Regulations. The Board of Directors may, from time to time, with the consent of Declarant and without a vote of the members, promulgate, modify or delete reasonable rules and regulations applicable to the Community. Such rules and regulations shall be distributed to all Owners prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled or modified by a majority of the Total Association Vote and the Declarant.

Any rules and regulations adopted by the Association shall be in addition to, not in lieu of, any rules and regulations adopted by the Townhome Association or the Single Family Detached Association. In the event of a conflict between any rules and regulations adopted by the Association and any rules and regulations adopted by the Townhome Association or the Single Family Detached Association, as applicable, the stricter standard shall control.

All Owners and Occupants of Units are hereby notified that the use of their Units is limited by the rules and regulations as they may be adopted, amended, expanded, and otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by the rules and regulations, that the rules and regulations may change from time to time, and that such changed rules and regulations may or may not be set forth in an instrument recorded in the Gwinnett County, Georgia land records.

7.2 Signs. Except for signs installed by Declarant, no sign of any kind shall be erected on the Common Property unless the same has been approved by the Board of Directors. Notwithstanding the foregoing, the Board, on behalf of the Association, or the Declarant shall have the right to install reasonable and appropriate signs in the Community which may include, without limitation, signs relating to the construction, marketing and sales of residential dwellings

located on Units. The Board of Directors shall have the right to adopt reasonable rules and regulations governing the display and placement of signs in the Community, including, without limitation, imposing reasonable time, place and manner restrictions. The Board or Declarant, as applicable, may impose a reasonable fine per day for the display of any sign which violates this provision and is not removed within twenty-four (24) hours after written demand is delivered to the Owner at that Unit. Notwithstanding anything to the contrary herein, the provisions of this Section shall not apply to any Mortgagee in possession due to foreclosure of a first Mortgage or as grantee pursuant to any deed in lieu of such foreclosure.

7.3 Vehicles; Parking.

(a) General. Vehicles shall be parked only in accordance with the provisions of this Section 7.3. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go carts, golf carts, trucks, campers, buses, vans and automobiles. All parking shall be subject to such other rules and regulations as the Board may adopt from time to time.

(b) Disabled and Stored Vehicles. No vehicle may be left upon the Common Property for any period longer than five (5) days if it is not licensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five-day period, such vehicle may be removed from the Community by the Board of Directors or the appropriate authority of Gwinnett County. Any towed vehicle, boat, personal watercraft, recreational vehicle, motor home, trailer, motorcycle, minibike, scooter, go cart, golf cart, commercial truck, camper, bus or mobile home regularly stored or temporarily kept on the Common Property, except if kept in an area designated by the Board, if any, for periods longer than twenty-four (24) hours may be removed from the Community by the Board of Directors (the temporary removal of such vehicle to break the continuity of the twenty-four (24) hour period shall not be sufficient to establish compliance with this restriction). No eighteen wheel trucks or the cabs of such trucks or trucks with a load capacity in excess of three-quarters of a ton shall be parked, kept or stored on Common Property except during the time reasonably necessary to provide service to or make a delivery within the Community.

(c) Commercial Vehicles. The term "commercial vehicles" as used herein, shall include, without limitation, any vehicle which bears any indicia of commercial use, including, but not limited to, writing, logos, advertising signs, ladders, ladder racks, vehicles displaying signage of a commercial or business nature or vehicles which are not primarily used for the transportation of passengers. Commercial vehicles shall not be permitted on the Common Property except for such period of time as is reasonably necessary to provide service or to make a delivery within the Community.

(d) Remedies of Association for Noncompliance. If any vehicle is parked on any portion of the Community in violation of this Section or in violation of the Association's rules and regulations, the Board or agent of the Association may cause the vehicle to be towed or booted, subject to compliance with applicable law, including any notice required thereby. The notice may be a general notice by signage or may be placed on the vehicle, if and as allowed under applicable law, as the case may be. If a vehicle is parked in a fire lane, is blocking another

vehicle, is obstructing the flow of traffic, is parked on any landscaped area or otherwise creates a hazardous condition, the Board or agent of the Association may have the vehicle towed immediately, subject to compliance with applicable law. If a vehicle is towed or booted in accordance with this subparagraph and applicable law, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing or booting activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

(e) Traffic Regulations. All vehicular traffic on the private Community alleys shall be subject to the provisions of state and local laws concerning the operation of motor vehicles on public streets. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including, without limitation, imposing reasonable safety measures and speed limits. The Association shall be entitled to enforce the same by establishing such enforcement procedures as it deems appropriate, including levying and collecting fines for the violations thereof. In the event of a conflict between the provisions of state and local laws and such rules and regulations promulgated by the Association, the rules and regulations of the Association shall govern. Only drivers properly licensed to operate motor vehicles on the public roads within the State of Georgia may operate any type of motor vehicle within the Community. All vehicles of any kind and nature which are operated on the private Community alleys shall be operated in a careful, prudent, safe, and quiet manner and with due consideration for the rights of all Owners and Occupants.

(f) Declarant Exemption. Notwithstanding anything to the contrary in this Section 7.3, the Declarant and its respective agents, subcontractors and assigns shall have the right, during regular business hours, to park vehicles on any and all streets within the Community as needed in order to facilitate the construction, development, maintenance and build out of the Community.

7.4 Animals and Pets. No animals, livestock or poultry of any kind shall be permitted in the Community, except for dogs, cats or other usual and common household pets in a reasonable number determined by the Board in its sole discretion. All pets shall be registered, licensed and inoculated if and as required by law. No pets shall be kept, bred or maintained for any commercial purpose. Dogs shall at all times when outside of a residential dwelling located on a Unit be kept on a leash or otherwise under the physical control of a responsible person at all times. Animal control authorities shall be permitted to enter the Community to patrol and remove unlicensed pets. An Owner shall not allow any animal waste to remain on the Common Property. All Owners must control their pets at all times, whether or not such Owner is present, in a manner that will prevent any pet from: (a) making noise at objectionable sound levels for extended periods of time, whether continuously or intermittently; (b) endangering the health or safety of other Owners, their families, guests or invitees or creating fear in other Owners as to the safety of themselves, their families, guests or invitees; or (c) otherwise constituting a nuisance or inconvenience to the Owner(s) or Occupant(s) of any other Unit; all of the foregoing as determined by the Association in its sole discretion. The Association may require that an Owner remove any animal that presents an actual threat to the health or safety of residents and require abatement of any nuisance or unreasonable source of annoyance. In the event that an Owner fails to remove an animal as provided herein, the Association shall have the right to

institute legal action to have the animal removed and all costs associated therewith shall be a specific assessment against the Unit of such Owner. The Association shall have the right to adopt reasonable rules and regulations governing animals and pets within the Community.

7.5 Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on a Unit. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No plants, animals, device or thing of any sort shall be maintained in the Community whose activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Community by other Owners and Occupants. Without limiting the generality of the foregoing, no horns, whistles, bells, or other sound devices, except security devices used exclusively for security purposes, screaming, shouting, excessively loud talking, fighting, raucous behavior, insobriety, playing loud music or television, use of any alarm, equipment, or device, mechanical or otherwise, which creates or produces excessively loud sounds or any vibrations, or any conduct which creates any noxious or offensive odors outside of a home shall be permitted, located, used or placed on any Unit or any portion thereof. The inconvenience complained of shall not be fanciful, or such as would affect only one of fastidious taste, but it shall be such as would affect an ordinary, reasonable person as determined in a particular instance by the Board. Notwithstanding anything to the contrary herein, each Owner and Occupant acknowledges that the Declarant and its respective agents, subcontractors, employees and assigns may engage in construction activities in the Community and further agrees that such construction activities shall not be deemed a nuisance as provided herein.

7.6 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken in any part of the Community.

7.7 Firearms. The discharge of firearms within the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, archery equipment and firearms of all types, regardless of size.

7.8 Abandoned Personal Property. Personal property, other than vehicles as provided for in Section 7.3 hereof, is prohibited from being stored, kept, or allowed to remain unattended upon any portion of the Common Property without prior written Board permission. If the Board determines that a violation exists, then, not less than twenty-four (24) hours after written notice is placed on the personal property and/or on the front door of the property owner's Unit, if known, the Board may remove the personal property and either discard or store it in a location which the Board may determine, and the Board shall have no obligation to return or replace such property or reimburse the owner of the property. The notice shall include the name and

telephone number of the Person which will remove the property and the name and telephone number of an individual to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

The Association and any director, officer, employee or agent thereof shall not be liable to any Person for any claim of damage resulting from the removal of any personal property in accordance with the procedures set forth herein. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

7.9 Improvements to and on Common Property. Owners shall not add trees, shrubs, bushes, plants or other vegetation or any other structures or improvements to the Common Property without the prior written consent of the Board of Directors. Any landscaping improvements originally installed by an Owner on the Common Property or a Unit, as applicable, which are not properly maintained, including, but not limited to, damaged, diseased or dead plants, shrubs and trees may, at the sole discretion of the Board of Directors, be removed from the Community. The costs associated with removing any damaged, diseased or dead plants, shrubs and trees or any structure or improvement which is not properly maintained and originally installed by an Owner may be assessed against the Owner and the Unit as a specific assessment.

7.10 Storm Water Detention/Retention Ponds. Except as herein provided, the storm water retention/detention ponds within the Community shall be used for aesthetic amenities and storm water drainage only. Boating, swimming, fishing, ice skating, playing, or use of personal flotation devices, and other recreation, shall not be permitted in any storm water detention/retention pond without the prior written consent of the Board of Directors. The Association, the Declarant and their respective representatives, agents, employees, officers or directors shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the storm water detention/retention ponds. No Owner shall have any right to place rocks, stones, trash, garbage, sewage, waste water, rubbish, debris, ashes or other refuse in the storm water detention/retention pond. Applicable governmental agencies, the Declarant and the Association, shall have the sole right to control the water level of all bodies of water located within the Community and to control the growth and eradication of plants, fowls, reptiles, animals, fish and fungi in and around any storm water retention pond within the Community. Owners shall not be permitted to withdraw water from any storm water detention/retention pond in the Community.

7.11 Drainage. Catch basins, retention ponds, detention ponds, drainage easement areas and related drainage facilities are for the purpose of controlling the natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner may obstruct or alter the drainage flow after the location and installation of catch basins, retention ponds, detention ponds, drainage swales, storm sewers or storm drains without the approval of the Board of Directors and

any approval as may be required under the Townhome Declaration or the Single Family Detached Declaration, as applicable.

7.12 Replacement of Pine Straw. Owners and Occupants shall not replace pine straw installed on a Unit with mulch, rocks, stones, pebbles, regardless of color, or any other item until the rights of the Declarant have terminated as provided herein. Thereafter, pine straw may be replaced only upon the written approval pursuant to Article 6 hereof.

Article 8 Restrictions on Leasing

8.1 General. In order to protect the equity of the individual members, to carry out the purpose for which the Association was formed by preserving the character of the Community as a residential community of predominantly owner-occupied homes and by preventing the Community from assuming the character of a renter-occupied neighborhood, leasing of Units shall be governed by the restrictions imposed by this Article.

No Owner may lease his or her Unit unless the Owner has received either a leasing permit or a hardship leasing permit, in writing, from the Board of Directors, all as may be more specifically set forth below. A leasing permit or hardship leasing permit will allow an Owner to lease his or her Unit in accordance with the terms and conditions set forth in this Section and in accordance with the rules and regulations of the Association and the covenants and conditions set forth in the Declaration. Notwithstanding anything to the contrary herein, leasing permits and hardship leasing permits shall only be valid as to a specific Owner and Unit and shall not be transferrable between Units or subsequent Owners.

For purposes of this Article 8, leasing means the regular, exclusive occupancy of a Unit by any Person(s) other than the Owner for which the Owner received any consideration or benefit, including, but not limited to, a fee, rent, gratuity or emolument. For purposes hereof the following shall not constitute leasing: (a) occupancy of the Unit by member of the Owner's family; (b) occupancy of the Unit by a roommate of an Owner-Occupant; (c) occupancy of the Unit by one or more wards if the Unit is owned by their legal guardian; or (d) occupancy of the Unit by one or more beneficiaries of a trust if the Unit is owned in trust by the trustee.

8.2 Leasing Permits. Any Owner desiring to lease a Unit shall submit a written request regarding the same to the Board of Directors. The Board of Directors shall automatically approve an Owner's request for a leasing permit and shall issue the same if less than ten percent (10%) of the Units in the Community are leased. If ten percent (10%) or more of the Units in the Community are leased, no additional leasing permits shall be issued, except for hardship leasing permits as provided below, until that number falls below ten percent (10%). Owners who have been denied a leasing permit shall be placed on a waiting list to be issued such a permit. When the number of leased Units falls below ten percent (10%), the Owner at the top of the waiting list shall be issued a leasing permit and shall have ninety (90) days to lease such Unit at which time if the Unit is not leased, the leasing permit shall be revoked and the Owner shall automatically be placed at the bottom of the waiting list. Notwithstanding anything to the contrary herein, the issuance of a

hardship leasing permit to an Owner shall not cause such Owner to be removed from the waiting list for a leasing permit.

Leasing permits are automatically revoked upon: (a) the sale or transfer of a Unit to a third party (excluding sales or transfers to an Owner's spouse); (b) the failure of an Owner to lease his or her Unit within ninety (90) consecutive days at any time after the issuance of such leasing permit; or (c) the occupancy of the Unit by the Owner.

8.3 Hardship Leasing Permits. If an Owner must lease his or her Unit to avoid an undue hardship, the Owner shall apply to the Board in writing for a hardship leasing permit. The Board may issue or deny requests for hardship leasing permits in its discretion after considering the following factors, which include, but are not limited to: (a) the nature, degree and likely duration of the hardship; (b) the harm, if any, which will result to the Community if the hardship leasing permit is approved; (c) the number of hardship leasing permits which have been issued to other Owners; (d) the Owner's role in causing the hardship or ability to cure the hardship; and (e) whether previous hardship leasing permits have been issued to the Owner.

A hardship hereunder shall include, but not be limited to, the following situations: (a) an Owner dies and the Unit is being administered by his or her estate; (b) an Owner must relocate outside metropolitan Atlanta and cannot, within six months from the date that the Unit was placed on the market, sell the Unit except at a price below the current appraised market value, after making reasonable efforts to do so; or (c) an Owner takes a leave of absence or temporarily relocates out of the metropolitan Atlanta area and intends to return to reside in the Unit within one year.

Hardship leasing permits shall be valid for a term not to exceed one (1) year. Owners may reapply for additional hardship leasing permits at the expiration of a hardship leasing permit in accordance with the procedures set forth herein.

8.4 Transient Rentals. Notwithstanding anything herein to the contrary, under no circumstances shall a Unit be leased, rented or used for short-term transient or hotel purposes or rented through short-term internet rental services, including, without limitation, VRBO, Airbnb, HomeAway, or such other similar rental services.

8.5 Leasing Provisions. Leasing authorized under this Article shall be governed by the following provisions:

(a) Notice. Within ten (10) days after executing a lease agreement for the lease of a Unit, the Owner shall provide the Board of Directors with the following information: (i) a copy of the fully executed lease agreement; (ii) the name of the lessee and all other people occupying the Unit; (iii) the phone number of the lessee; (iv) the Owner's address and telephone number other than at the Unit; and (v) other such information as the Board may reasonably require.

(b) General. Units may be leased only in their entirety; rooms, basements or fractions or portions of a Unit may not be leased without the prior written approval of the Board of Directors. All leases shall be in writing. There shall be no subleasing of Units or assignment of leases unless approved in writing by the Board of Directors. All leases must be for an initial term of at

least one (1) year, except with written approval by the Board of Directors, which shall not be unreasonably withheld in cases of undue hardship. The Owner must provide the lessee with copies of the Declaration, Bylaws and the rules and regulations and the lease shall provide that the Owner has made available to the lessee copies of the Declaration, Bylaws, and the Association's rules and regulations.

(c) Compliance: Liability for Assessments. If a Unit is leased or occupied in violation of this Article, then the Board of Directors shall be authorized, in addition to all other available remedies, to terminate the lease and occupancy, and to suspend all voting rights and the right to use and enjoy the Common Property of the Owner and any unauthorized tenants(s) or Occupant(s). Each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(i) Compliance with Declaration, Bylaws and Rules and Regulations. Lessee shall abide by and comply with all provisions of the Declaration, Bylaws and rules and regulations adopted pursuant thereto. Lessee shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure such compliance. The Owner agrees to cause all Occupants of his or her Unit to comply with the Declaration, Bylaws and the rules and regulations adopted pursuant thereto and is responsible for all violations caused by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any violation of the Declaration, Bylaws and rules and regulations adopted pursuant thereto.

In the event that the lessee or a person living with the lessee violates the Declaration, Bylaws or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine may be assessed against the lessee in accordance with the provisions contained herein. If the fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.

Any violation of the Declaration, Bylaws or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any guest of the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law.

(ii) Liability for Assessments: Assignment of Rent. If an Owner who is leasing his or her Unit fails to pay any general, special or specific assessment or any other charge owed to the Association for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board of Directors, lessee shall pay to the Association all unpaid general, special and specific assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for,

monthly rental payments unpaid at the time of the Board of Director's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board of Director's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(iii) Right to Common Property. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Property.

8.6 Exemptions. The provisions of this Article shall not apply to the Association or any Mortgagee in possession of a Unit through foreclosure or otherwise as a result of the exercise of any rights arising out of a first priority Mortgage on a Unit; provided, however, any leasing transaction entered into by the Association or any Mortgagee in possession of a Unit through foreclosure shall comply with the requirements in Section 8.5 hereof.

8.7 Rights Reserved for Declarant. Notwithstanding the restriction on the leasing of Units as described herein, Declarant may enter into a lease agreement for the lease of a Unit and the extent and duration of said lease agreement shall be determined solely by Declarant. Declarant may also grant an Owner the right to lease a Unit for any reason and the extent and duration of said privilege granted by Declarant shall be determined solely by Declarant. Under such circumstances, Declarant shall not be required to obtain a leasing permit or a hardship leasing permit as provided herein, but shall comply with the requirements in Section 8.5 hereof. Any ability to lease a Unit granted by Declarant which extends beyond the termination of Declarant's rights under this Declaration shall be valid and may not be terminated by the Association so long as the Occupants comply with the terms and conditions imposed by Declarant.

Article 9

Insurance and Casualty Losses

9.1 Insurance on Common Property. The Association shall obtain the insurance coverage necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development, as applicable to the Community. Accordingly, the Board of Directors shall obtain casualty insurance for all insurable improvements, whether or not located on the Common Property, which the Association is obligated to maintain. Insurance obtained and maintained by the Association shall provide, at a minimum, fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall obtain a public liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined

single limit of at least One Million and No/100 Dollars (\$1,000,000.00). Policies may contain a reasonable deductible as determined by the Board of Directors.

In addition to the other insurance required by this Section, the Board of Directors shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the policy is in force, or any lesser amount of fidelity coverage allowable under the applicable Fannie Mae guidelines. Fidelity coverage shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation. All such insurance coverage shall be written in the name of the Association.

9.2 Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner agrees to maintain such insurance as may be required under the Single Family Detached Declaration and the Townhome Declaration, respectively.

9.3 Damage and Destruction -- Insured by Association. Immediately after damage or destruction by fire or other casualty to any portion of any improvement covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, a proposal not to repair or reconstruct such property is approved by at least seventy-five percent (75%) of the Total Association Vote and the Declarant. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information is available; provided, however, such extension shall not exceed sixty (60) days. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the members of the Association, levy a special assessment against the Owner of each Unit. Additional assessments may be made in like manner, as necessary, at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess funds shall be deposited to the benefit of the Association. In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the property shall thereafter be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

9.4 Damage and Destruction -- Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement located on a Unit shall be repaired or reconstructed by the Owner thereof in accordance with the provisions set forth in the Single Family Detached Declaration and the Townhome Declaration, as applicable.

Article 10
Easements

10.1 General. Each Unit shall be subject to those easements, if any, shown or set forth on the recorded subdivision plats for the Community, as amended from time to time, as well as the easements now or hereafter established by the Declarant in this Declaration or by any other document recorded in the Office of the Clerk of Superior Court for Gwinnett County, Georgia.

10.2 Easements for Use and Enjoyment. Every Owner of a Unit shall have a right and easement of ingress and egress, use and enjoyment by the Owner and the Occupants of the Owner's Unit in and to the Common Property which shall be appurtenant to and shall pass with the title to each Unit, subject to the following:

(a) the right of the Association to limit the number of Persons who may use the Common Property and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by authorized users and their guests and invitees;

(b) the right of the Association to suspend the right of an Owner to use and enjoy the Common Property for: (i) any period during which any past due assessment against any Unit of the Owner remains unpaid; (ii) for a reasonable period of time for an infraction of the Declaration, Bylaws or rules and regulations, as more particularly provided herein; or (iii) at the direction of the Board of Directors of the Townhome Association or the Board of Directors of the Single Family Detached Association for nonpayment of assessments or violations under the Townhome Declaration or Single Family Detached Declaration, as the case may be.

(c) the right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for constructing, repairing or improving any facilities located or to be located thereon and, upon the affirmative vote or written consent of the Owners of at least two-thirds (2/3) of the Units (other than Declarant) and the consent of Declarant, to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property; provided, however, the lien and encumbrance of any such Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, any Owner or the holder of any Mortgage encumbering any Unit or other property located within the Community (Regardless of any contrary provision in this Declaration or in any such Mortgage given by the Association, the exercise of any rights by the holder of such Mortgage in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant or any Owner or the holder of any Mortgage encumbering any Unit or other property located within the Community.);

(d) the right of the Association, acting through the Board of Directors and without a vote of the members, to dedicate or grant licenses, permits, easements and rights-of-way over, under and through the Common Property to government entities, any quasi-governmental agency or to any utility company or cable television company;

(e) the right of the Association to dedicate, transfer or convey all or any portion of the Common Property upon the approval of the Owners of at least two-thirds (2/3) of the Units (other than Declarant) and the Declarant;

(f) all other rights of the Association, the Declarant, Owners and Occupants set forth in this Declaration, in any Supplementary Declaration or in any deed conveying Common Property to the Association; and

(g) all encumbrances, zoning conditions and other matters shown by the public records affecting title to the Common Property.

10.3 Easements for Utilities. There is hereby reserved to the Declarant and granted to the Association, the Townhome Association and the Single Family Detached Association a blanket easement upon, across, above and under all property within the Community for access, ingress, egress, installing, altering, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which the Declarant or the Association might decide to have installed to serve the Community. Declarant, the Association, the Townhome Association, the Single Family Detached Association or their respective designees may alter drainage and water flow, install, repair, replace and maintain or authorize the installation, repair, replacement and maintenance of such wires, conduits, cables and other equipment related to the providing of any utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Declarant or the Board shall have the right to grant such easement.

10.4 Easement for Emergency Entry. The Association shall have the right, but not the obligation, to enter upon any Unit for emergency, security and safety reasons and to inspect for the purpose of ensuring compliance with this Declaration, any Supplemental Declaration, the Bylaws, rules and regulations, the Townhome Declaration or the Single Family Detached Declaration, which right may be exercised by any member of the Board, the officers, agents, employees, and managers of the Association and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire, slope erosion or other hazard in an emergency situation and in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Association, but shall not authorize entry into any residential dwelling located on a Unit without the permission of the Owner.

10.5 Easement for Maintenance. Declarant hereby grants to the Association a perpetual easement across the exterior portions of all Units as may be reasonably necessary for the maintenance required hereunder. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of Units, reasonable steps shall be taken to protect such property and damage shall be repaired by the Association or its contractor(s) at their sole expense.

10.6 Easement for Entry Features and Streetscapes. There is hereby reserved to the Declarant and granted to the Association an easement for ingress, egress, installation, construction landscaping and maintenance of entry features and similar streetscapes for the Community, over and upon any portion of a Unit containing such entry features or streetscapes, if any, as may be more fully described on the recorded subdivision plats for the Community. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around entry features and streetscapes and the right to grade the land under and around the same.

10.7 Easement for Drainage. There is hereby reserved to the Declarant and granted to the Association, the Single Family Detached Association and the Townhome Association a blanket easement across all Units for creating and maintaining satisfactory storm water drainage in the Community; provided, however, such easement area shall not include any portion of a Unit within the outer perimeter of the dwelling structure. This easement shall include the right to construct and maintain catch basins, retention ponds, detention ponds, drainage swales, storm sewers, storm drains, sloping banks, cut or fill. It is anticipated that increased storm water runoff across downstream Units will result from the construction of impervious surface within or adjacent to the Community. Neither the Declarant, the Association, the Townhome Association, the Single Family Detached Association or any builder or Owner constructing according to plans and specifications approved under the Townhome Declaration or the Single Family Detached Declaration shall have any liability to any Owner due to the increased flow or increased velocity of surface water resulting from approved construction within the Community.

10.8 Easement During Construction and Sale Period. Notwithstanding any provisions now or hereafter contained in this Declaration, the Bylaws, Articles of Incorporation, use restrictions, rules and regulations and amendments thereto, Declarant reserves an easement across the Community to maintain and carry on, upon such portion of the Community as it reasonably deems necessary, such facilities and activities as in its sole opinion may be required or convenient for its development, construction and sales activities related to property hereby and hereafter subjected to this Declaration or any other property being developed by Declarant, including, but not limited to: (a) the right to place or authorize the placement of marketing and directional signs on Units or right-of-way(s) at street intersections within the Community; (b) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Community, including, without limitation, any Unit; (c) the right to tie into any portion of the Community with streets, driveways, paths, parking areas and walkways; (d) the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, cable television, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the

Community; (e) the right to grant easements over, under, in or on the Community, including without limitation the Units, for the benefit of neighboring properties for the purpose of tying into and/or otherwise connecting and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; (f) the right, without the consent of any Person, to subdivide and/or revise and re-record the subdivision plat(s) of the Community, including, without limitation, creating and/or more specifically describing any Unit, changing any Unit or portion of a Unit to Common Property or creating a public or private street over all or any portion of a Unit or other property within the Community; provided, however, the boundary lines of any Unit not owned by Declarant shall not be changed without the written consent of the Owner(s) and Mortgagee(s) of such Unit; (g) the right to construct recreational facilities, utilities and other improvements on Common Property; (h) the right to carry on sales and promotional activities in the Community; and (i) the right to construct and operate business offices, signs, construction trailers, model residences and sales offices. Declarant may use residences, offices or other buildings it owns or leases as model residences and sales offices. This Section shall not be amended without the written consent of Declarant until the rights of Declarant have terminated as provided in Section 11.5 hereof.

10.9 Easement for Private Alleys and Sidewalks. Declarant hereby grants, conveys, declares, creates, imposes and establishes a perpetual, non-exclusive right-of-way easement for vehicular and pedestrian access, ingress and egress over and across the private alleys and sidewalks located within the Community. At such time as one or more subdivision plats for the property submitted to this Declaration are recorded in the real estate records of the Office of the Clerk of Superior Court of Gwinnett County, Georgia, any reference to the private alleys shall then and thereafter mean a reference to the private alleys as actually constructed and depicted on the recorded subdivision plat. The right-of-way easement herein granted shall permit joint usage of such easement by: (a) the Owners and Occupants; (b) the legal representatives, successors and assigns of the Owners; and (c) invitees and licensees of the Owners and Occupants. Declarant hereby expressly reserves for itself, its successors and assigns, all rights and privileges incident to the ownership of the fee simple estate of any right-of-way easement area which are not inconsistent with the rights and privileges herein granted, including, without limitation, the right to maintain one or more proprietary signs on the easement area and the right to grant additional non-exclusive easements to third parties, over, under and across the easement area. Declarant hereby reserves for the benefit of itself and grants to the Association as Common Property, the perpetual nonexclusive right and easement upon, over and across those utility easement areas, private streets and alleys for the installation, maintenance, and use of such private streets, alleys, sidewalks, grading for proper drainage of said private alleys and related activities and improvements.

Article 11
General Provisions

11.1 Enforcement. Each Owner and Occupant shall comply strictly with the Bylaws, rules and regulations, Architectural Guidelines, if any, and use restrictions, as amended or modified from time to time, and with the covenants, conditions, easements and restrictions set forth in this Declaration, the recorded plat(s) for the Community and in the deed to such Owner's Unit, if any. Failure to comply with this Declaration, the Bylaws, the rules and regulations or

Architectural Guidelines shall be grounds for an action to recover sums due for damages or injunctive relief or both, including, without limitation, reasonable attorneys' fees actually incurred, maintainable by the Association, the Declarant or an aggrieved Owner. Failure by the Declarant, the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

As provided herein, the Association or the Declarant, as the case may be, shall have the right to impose sanctions and other penalties against Owners and Occupants for noncompliance with any provision of the Declaration, Bylaws, rules and regulations promulgated by the Association and Architectural Guidelines, which shall include, but not be limited to the following:

(a) imposing fines or other sanctions for violations of the foregoing, which shall be collected as provided herein for the collection of assessments; provided, however, only one fine may be imposed for a single violation such that an Owner or Occupant may not be fined by the Declarant and the Board of Directors for the same violation; and provided, further, Declarant or the Board, as the case may be, may count each day a violation continues after notice thereof as a separate violation. In the event fines or other sanctions are imposed by Declarant hereunder, Declarant shall have any and all rights to collect such fines or sanctions (which fines shall be payable to the Association) and any related charges, including, without limitation, attorneys' fees actually incurred and costs of collection, in the same manner as provided herein for the collection of assessments by the Association acting through the Board;

(b) filing liens and other actions in the Gwinnett County, Georgia land records for non-payment of assessments or fees as provided in Article 4 hereto;

(c) recording in the appropriate land records a notice of violation of the Declaration, Bylaws, rules and regulations, use restrictions or Architectural Guidelines, and to assess the cost of recording and removing such notice against the Unit of the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing;

(d) suspending an Owner's right to vote;

(e) suspending a Person's right to use the Common Property; or

(f) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in the payment of any assessment or other charge owed to the Association.

11.2 Duration. The covenants, conditions, restrictions and easements contained in this Declaration shall run with and bind the Community and shall inure to the benefit of and shall be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by law; provided, however, if and to the extent that, Georgia law limits the period during which covenants restricting land 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, after which time, any

such provision(s) shall be: (a) automatically extended for successive periods of twenty (20) years (or the maximum period allowed by Georgia law, if less), unless a written instrument signed by the then Owners of at least two-thirds (2/3) of the Units has been recorded within the two years immediately preceding the beginning of a twenty (20) year renewal period agreeing to change such provisions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated to the extent specified therein; or (b) extended, renewed, modified or terminated as otherwise provided herein or by applicable law.

11.3 Occupants Bound. All provisions of the Declaration, Bylaws, rules and regulations and use restrictions which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants and the guests and invitees of Owners and Occupants. The Owner shall be responsible for insuring that the Occupants, the guests, invitees and licensees of the Owner and Occupant strictly comply with all provisions of the Declaration, Bylaws, rules and regulations and use restrictions. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not timely paid, the fine may then be levied against the Owner.

11.4 Self-Help. In addition to any other remedies provided for herein, the Association, the Declarant, the Board or their respective duly authorized agents shall have the power to enter upon any Unit or any other portion of the Community to abate or remove any structure, thing or condition which violates this Declaration, the Bylaws, the rules and regulations or the use restrictions. Unless an emergency situation exists, the violating Owner shall be given ten days' written notice of the intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after giving any notice required by law. All costs of self-help, including, without limitation, reasonable attorneys' fees actually incurred, shall be assessed against the violating Owner as a specific assessment.

11.5 Termination of Rights of Declarant. The rights of Declarant to take, approve or consent to actions under this Declaration, the Articles of Incorporation and the Bylaws shall cease and be of no further force and effect upon the earlier of: (a) the date that the Declarant no longer owns any property in the Community, no longer owns any property which may be added to the Community as provided herein and a certificate of occupancy has been issued for a dwelling on each Unit in the Community; or (b) the date of recording by Declarant in the real estate records of Gwinnett County, Georgia of a written instrument terminating all of Declarant's rights hereunder.

11.6 Amendment.

(a) By the Declarant. This Declaration may be amended unilaterally at any time and from time to time by Declarant if such amendment is: (i) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation or judicial determination which shall be in conflict therewith; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Units subject to this Declaration; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase

Mortgage loans on the Units subject to this Declaration; or (iv) necessary to enable any governmental agency or private insurance company, including without limitation, the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs, to insure or guarantee Mortgage loans on the Units subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner of such Unit consents thereto in writing.

Further, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, such amendment shall not materially adversely affect the substantive rights of any Owner to use and enjoy his or her Unit hereunder nor shall it adversely affect title to any Unit without the consent of the affected Owner.

(b) By the Board. The Board of Directors, with the written consent of the Declarant, and without a vote of the members may amend this Declaration: (i) to elect to be governed by and thereafter comply with the provisions of the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220 *et seq.*; (ii) to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (iii) to enable any reputable title insurance company to issue title insurance coverage with respect to the Units subject to this Declaration; (iv) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Units subject to this Declaration; or (v) to enable any governmental agency or private insurance company, including without limitation, the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs, to insure or guarantee Mortgage loans on the Units subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner of such Unit consents thereto in writing.

(c) By the Association. In addition to the above, this Declaration may be amended upon the affirmative vote or written consent or any combination thereof of Owners of at least two-thirds (2/3) of the Units and the consent of Declarant.

Amendments to this Declaration shall become effective upon recordation unless a later effective date is specified therein. The consent of the Declarant to any amendment shall be evidenced by the execution of said amendment by Declarant. The consent of the requisite number of Owners to any amendment shall be evidenced by the execution of the amendment by said Owners, or, in the alternative, the sworn statement of the President or any Vice President or the Secretary of the Association attached to or incorporated in the amendment, which sworn statement states unequivocally that the consent of the required number of Owners was obtained and that any notices required by this Declaration, the Bylaws, the Articles of Incorporation and Georgia law were given. The amendments authorized by this Section may be of uniform or non-uniform application and Owners shall be deemed to have agreed that the Declaration may be amended as provided herein and that any rule of law requiring unanimous approval of amendments having a non-uniform application shall not apply.

11.7 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine or feminine pronoun shall include the neuter, masculine and feminine.

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

11.9 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.

11.10 No Merger. There shall be no merger of any of the covenants, conditions, restrictions or easements created or reserved hereby with the fee estate of Declarant, by reason of the fact that Declarant may own or hold the estate or interest both encumbered and benefited by such covenants, conditions, restrictions or easements and no such merger shall occur unless and until Declarant, while owning all of the estate or interests, shall execute a written statement or instrument affecting such merger and shall duly record the same.

11.11 Preparer. This Declaration was prepared by Rachel E. Conrad, Dorough & Dorough, LLC, Attorneys at Law, 160 Clairemont Avenue, Suite 650, Decatur, Georgia 30030.

11.12 Notices. Except as otherwise specifically provided in such document(s), as the case may be, notices provided for in this Declaration or the Articles or Bylaws shall be in writing, and shall be addressed to an Owner at the address of the Unit and to the Declarant and to the Association at the address of their respective registered agent on file with the Secretary of State of the State of Georgia. Any Owner may designate a different address, including an electronic mail address, for notices to such Owner by giving written notice to the Association. Owners shall keep the Association advised of their current address and phone number(s) where they can be reached. Notices addressed as above shall be mailed by United States Registered or Certified Mail, return receipt requested, postage paid, or delivered in person, including delivery by Federal Express or other reputable commercial courier service, or by electronic transmission in accordance with Chapter 12 of Title 10 of the Official Code of Georgia Annotated, the "Uniform Electronic Transactions Act". The time period in which a response to any such notice must be given or any action taken with respect thereto, shall commence to run from the date of personal delivery or date of receipt shown on the return receipt. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice sent.

11.13 Notice of Sale or Acquisition. Owners must keep the Association apprised of their name, address and telephone number. Accordingly, prior to the sale of a Unit, the Owner shall provide the Association with written notice of the name of the purchaser and such other

information as the Board may reasonably require. Upon acquisition of title to a Unit, each new Owner shall provide the Association with written notice of the name, mailing address and telephone number of the Owner and the names of the Occupants of the Unit and such other information as the Board may reasonably require. All Owners shall notify the Association of any change in name, address or telephone number.

11.14 Indemnification. To the fullest extent allowed by the Georgia Nonprofit Corporation Code, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee member against any and all expenses, including, but not limited to, attorney's fees, imposed upon or reasonably incurred by any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee member may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

11.15 Agreements. Subject to the prior approval of Declarant, all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors, shall be binding upon all Owners, their heirs, legal representatives, successors, assigns and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.

11.16 Variances. Notwithstanding anything to the contrary contained herein, the Board of Directors shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction promulgated pursuant thereto, if it determines that waiver of application or enforcement of the provision in a particular case is warranted and would not be inconsistent with the overall scheme of development for the Community.

11.17 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by at least seventy-five percent (75%) of the Total Association Vote and the consent Declarant. This Section shall not apply to: (a) actions brought by the Association to enforce the provisions of this Declaration; (b) the imposition and collection of assessments as provided herein; (c) proceedings involving challenges to *ad valorem* taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of a contract for goods or services to which the Association is a party. This

Section shall not be amended unless such amendment is made unilaterally by the Declarant as provided herein or is approved by the percentage votes necessary to institute proceedings as provided above.

11.18 No Discrimination. No action shall be taken by the Declarant, the Association or the Board of Directors which would discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or disability.

11.19 Security. ALL OWNERS, OCCUPANTS, GUESTS, LICENSEES, AND INVITEES, AS APPLICABLE, ACKNOWLEDGE THAT DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS DO NOT REPRESENT OR WARRANT THAT ANY SAFETY OR SECURITY MEASURES WILL BE IMPLEMENTED IN THE COMMUNITY OR, IF IMPLEMENTED, THAT SUCH SAFETY OR SECURITY MEASURES MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR THAT ANY SUCH SAFETY OR SECURITY MEASURES WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THEY ARE DESIGNED. EACH OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT DECLARANT, THE ASSOCIATION AND THE BOARD OF DIRECTORS ARE NOT INSURERS OR PROVIDERS OF SAFETY OR SECURITY AND SHALL HAVE NO DUTY TO PROVIDE ANY SAFETY OR SECURITY ON THE COMMON PROPERTY OR OTHERWISE; AND THAT EACH OWNER, OCCUPANT, GUEST, LICENSEE, AND INVITEE ASSUMES ALL RISKS OF PERSONAL INJURY AND PROPERTY DAMAGE AND FURTHER ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION AND THE BOARD OF DIRECTORS HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SAFETY OR SECURITY MEASURES IMPLEMENTED OR APPROVED.

11.20 Cumulative Effect: Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Townhome Declaration and the Single Family Detached Declaration and the Association may, but shall not be required to, enforce the latter; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, bylaws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of the Townhome Declaration and Single Family Detached Association or Townhome Association or Single Family Detached Association shall be subject and subordinate to those of this Declaration and the Association. In the event of a conflict between the provisions of this Declaration and the provisions of Georgia law, then to the extent that the provisions of Georgia law cannot be waived by agreement, Georgia law shall control.

11.21 Disclosures. Every Owner, by acceptance of a deed to a Unit, acknowledges that it will be subject to and bound by the terms and conditions of this Declaration, Bylaws, and any rules and regulations adopted pursuant thereto.

Each Owner and Occupant also acknowledges the following:

(a) that the Community is located adjacent to thoroughfares and may be affected by traffic and noise from time to time, and such thoroughfares may be improved or widened in the future;

(b) that the views from an Owner's Unit may change over time due to among other things, additional development and the removal or addition of landscaping;

(c) that no representations are made regarding the zoning of adjacent property or that the category to which adjacent property is zoned may not change in the future;

(d) that no representations are made regarding the schools that currently, or which may in the future, serve the Community;

(e) that because in every development there are conditions that different purchasers may find objectionable, including but not limited to traffic congestion and related noise, each Owner acknowledges that there may be conditions outside of the property that such Owner finds objectionable and that it shall be the sole responsibility of such Owner to become acquainted with neighborhood conditions that could affect the Unit; and

(f) that Declarant will be constructing portions of the Community and adjacent property and may engage in other construction activities related to other portions of the development and such adjacent property. Such construction activities may, from time to time, produce certain conditions within or in the vicinity of the Community, including, without limitation: (i) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (ii) smoke; (iii) noxious, toxic, or corrosive fumes or gases; (iv) obnoxious odors; (v) dust, dirt or flying ash; (vi) unusual fire or explosion hazards; (vii) temporary interruption of utilities; and/or (viii) other conditions that may threaten the security or safety of Persons in the Community. Notwithstanding the foregoing, each Owner agrees that such conditions in the Community resulting from construction activities shall not be deemed a nuisance or discomfort to Owner and shall not cause Declarant and its representatives or agents to be deemed in violation of any provision of this Declaration.

(g) as of the date this Declaration is recorded in the Gwinnett County, Georgia land records, Southern Railway operates an active railroad adjacent to the Community. The use of such property as a railroad may produce odors, noise or other by-products which may not be consistent or compatible with a residential development. By virtue of taking title to a Unit in the Community, each Owner and Occupant assumes all risks of personal injury or property damage arising out of the ownership or occupancy of a Unit in the Community and further acknowledges that Declarant, the Association, and their respective employees, members, representatives and agents have made no representations or warranties, nor has any Owner or Occupant relied upon any representations or warranties, express or implied, including, without limitation, any warranty of merchantability or fitness for any particular purpose, relative to the existence or absence of smell, noise or dust or other conditions which may disturb the peace, quiet, safety, comfort or serenity of the Owners and Occupants of Units in the Community arising out of the use of

adjacent property as an active railroad. All Owners and Occupants acknowledge that the Declarant, the Association and its Board of Directors shall have no duty to provide any safety or security measures arising from the fact that adjacent property is operated as an active railway.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Declarant herein has caused this Declaration to be executed under seal, this 15th day of October, 2018

DECLARANT: **LENNAR GEORGIA, INC.**, a Georgia corporation

By: *Ekatrina Schwallie*
Name: Ekatrina Schwallie
Title: Vice President

Signed, sealed, and delivered in the presence of:

[Signature]
WITNESS



Marisa Fernino
NOTARY PUBLIC

My Commission Expires

[AFFIX NOTARY SEAL]



EXHIBIT "A"

Property Description

ALL THAT TRACT OR PARCEL OF LAND lying and being in Land Lot 293, 6th District, City of Duluth, Gwinnett County, Georgia, being more particularly described as follows:

BEGINNING at the Land Lot corner common to Land Lots 292, 293, 294 and 295, that is the **POINT OF BEGINNING**; thence continuing along the Land Lot Line common to Land Lots 293 and 294 North $59^{\circ}45'57''$ East a distance of 444.27 feet to a point located on the western right of way of Hardy Industrial Blvd, aka Harris Street (40 foot right of way); thence leaving said Land Lot Line and along the western right of way of said street South $43^{\circ}57'58''$ East a distance of 190.96 feet to a point; thence leaving said right of way South $59^{\circ}40'45''$ West a distance of 164.72 feet to a point; thence South $30^{\circ}19'50''$ East a distance of 83.05 feet to a point; thence North $59^{\circ}40'10''$ East a distance of 184.86 feet to a point located on the western right of way of Hardy Industrial Blvd; thence along said right of way the following courses and distances South $43^{\circ}57'58''$ East a distance of 260.63 feet to a point; thence South $44^{\circ}19'38''$ East a distance of 52.90 feet to a point; thence South $44^{\circ}24'52''$ East a distance of 84.61 feet to a point; thence South $42^{\circ}08'35''$ East a distance of 287.39 feet to a point; thence 34.49 feet along a curve to the left, said curve having a chord of South $42^{\circ}45'30''$ East 34.49 feet and a radius of 3760.38 feet to a point located at the intersection of the western right of way of Hardy Industrial and the northern right of way of North Star Blvd (right of way varies); thence along the right of way of North Star Blvd South $44^{\circ}58'13''$ West a distance of 199.58 feet to a point located at the northern right of way of North Star Blvd and the western right of way of North Star Blvd; thence along said right of way the following courses and distances South $39^{\circ}43'09''$ East a distance of 9.97 feet to a point; thence South $42^{\circ}04'13''$ East a distance of 29.86 feet to a point; thence leaving said right of way South $44^{\circ}25'19''$ East a distance of 316.69 feet to a point located on the northwesterly right of way of Southern Railroad (200 foot right of way); thence along said right of way South $38^{\circ}25'39''$ West a distance of 611.62 feet to a point located at on the Land Lot Line common to Land Lots 292 and 293; thence along said Land Lot Line the following courses and distances North $30^{\circ}04'53''$ West a distance of 569.32 feet to a point; thence North $29^{\circ}58'11''$ West a distance of 416.86 feet to a point; thence North $30^{\circ}04'19''$ West a distance of 333.93 feet to a point; thence North $30^{\circ}15'26''$ West a distance of 83.14 feet to a point; thence North $29^{\circ}59'42''$ West a distance of 186.25 feet to a point, being the **POINT OF BEGINNING**. Said tract contains 18,504 Acres.

LESS AND EXCEPT that property conveyed by Limited Warranty Deed of Dedication from Spartan Investors I, LLC to City of Duluth, Georgia, dated 7/30/2018, filed and recorded 8/1/2013, in Deed Book 56046, Page 351, Records of Gwinnett County, Georgia.

EXHIBIT "B"

Additional Property Which May Unilaterally
Be Submitted To This Declaration by Declarant

All that tract or parcel of land lying and being in Land Lot 293 of the 5th District, City of Duluth, Gwinnett County, Georgia.

EXHIBIT "C"

BYLAWS

OF

SOUTH ON MAIN RESIDENTIAL COMMUNITY ASSOCIATION, INC.

Prepared By:
Rachel E. Conrad
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BYLAWS
OF
SOUTH ON MAIN RESIDENTIAL COMMUNITY ASSOCIATION, INC.
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BYLAWS

OF

SOUTH ON MAIN RESIDENTIAL COMMUNITY ASSOCIATION, INC.

Article 1

Name, Membership, Applicability and Definitions

1.1 Name. The name of the corporation shall be South on Main Residential Community Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2 Membership. The Association shall have one class of membership, as is more fully set forth in that certain Master Declaration of Protective Covenants, Conditions, Restrictions and Easements for South on Main (such Declaration, as amended, supplemented, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

1.3 Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

Article 2

Association: Meetings, Quorum, Voting, Proxies

2.1 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical.

2.2 Annual Meetings. There shall be an annual meeting of the members at such date, place and time as the Board of Directors shall determine to receive the reports of the outgoing Board of Directors, to install directors for the ensuing year and to transact such other business as may come before the meeting.

2.3 Special Meetings. The President or the Board of Directors may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association upon the delivery of a petition signed and dated by members entitled to cast at least twenty-five percent (25%) of the Total Association Vote and describing the purpose or purposes for which it is to be held. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose(s) thereof. No business shall be transacted at a special meeting, except those matters that are within the purpose or purposes described in the notice.

2.4 Record Date. The Board of Directors shall fix in advance a record date for a determination of members entitled to notice of and to vote at any meeting of members or any adjournment thereof, or to make a determination of members for any other purpose, such date to

be not more than seventy (70) days before the date on which the particular action requiring such determination of members is to be taken.

2.5 Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Unit of each member (as shown in the records of the Association as of the record date) a notice of each annual or special meeting of the Association stating the date, time and place where it is to be held and if and to the extent required by the Georgia Nonprofit Corporation Code (O.C.G.A. Section 14-3-101, *et seq.*) or other applicable law (the "Governing Law"), the purpose(s) thereof. If an Owner wishes notice to be given at an address other than the Unit, the Owner shall designate by notice in writing to the Secretary such other address. Notices shall be mailed or delivered not less than ten (10) days (or if notice is mailed by other than first-class or registered mail, thirty (30) days) nor more than sixty (60) days before the meeting. If any meeting of the members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If, however, a new record date is or must be fixed under the Governing Law, notice of the adjourned meeting shall be given to persons who are members of record as of the new record date.

2.6 Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, signed by the member, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of lack of notice or defective notice, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.8 Membership List. After the record date for any meeting is established by the Board of Directors, the Secretary shall prepare an alphabetical list of the names and addresses of all of the members who are entitled to notice of the meeting. Beginning at least two (2) business days after notice is given of the meeting for which the list was prepared, the list of members shall be available for inspection by any member or a member's agent or attorney at the Association's principal office or at such other reasonable place as may be specified in the notice. In addition, the list shall be available for inspection at the meeting or any adjournment thereof.

2.9 Voting. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein.

2.10 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxy appointment forms shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall

automatically cease upon: (a) receipt of notice by the Secretary of the death or judicially declared incompetence of a member; (b) receipt by the Secretary of written revocation signed by the member; (c) receipt by the Secretary of a subsequent appointment form signed by the member; (d) attendance by the member and voting in person at any meeting; or (e) the expiration of eleven (11) months from the date of the proxy appointment form.

2.11 Quorum. The presence, in person or by proxy, of members entitled to cast at least twenty-five percent (25%) of the votes entitled to be cast at the meeting shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.12 Action Without A Formal Meeting.

(a) Action by Written Consent. Any action required or permitted to be approved by the members may be approved without a meeting if one (1) or more consents, in writing or by electronic transmission, setting forth the action so taken, shall be signed, either personally or by an electronic transmission, and dated by members (including the Declarant, if the consent of the Declarant is required) holding the voting power required to pass such action at a meeting held on the record date for such action. The record date for such action shall be the date that the first member signs a consent. Such action shall be approved when the Secretary receives a sufficient number of such consents dated within seventy (70) days of the record date for such action. If less than unanimous consent is obtained, the approval shall be effective ten (10) days after the Secretary gives written notice of the approval to all members who did not sign a consent. Each consent in writing or by electronic transmission shall be included in the minutes of meetings of members filed in the permanent records of the Association. No consent in writing or by electronic transmission shall be valid unless: (1) the consenting member has been furnished the same material that, pursuant to the Nonprofit Code, would have been required to be sent to members in a notice of a meeting at which the proposed action would have been submitted to the members for action; or (2) the written consent contains an express waiver of the right to receive the material otherwise required to be furnished.

(b) Action by Written Ballot. Any action that may be taken at any annual, regular or special meeting of members may be taken without a meeting if approved by written ballot as provided herein. The Association shall deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iii) specify the time by which a ballot must be received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked. Approval by written ballot of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The results of each action by written ballot shall be certified by the

Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

Article 3

Board of Directors: Number, Powers, Meetings

3.1 Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Directors shall be natural persons who are 18 years of age or older. Except for directors appointed by the Declarant, each director must reside in the Community and be a member or the spouse of a member; provided, however, no Person may serve on the Board at the same time with such Person's spouse or any co-Owner or Occupant of such Person's Unit.

3.2 Directors Appointed by Declarant. The Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur: (a) the date on which the Declarant no longer owns any property primarily for development and/or sale in the Community or subject to annexation to the Community and each Unit has been improved with a dwelling for which a certificate of occupancy has been issued and conveyed to an Owner for occupancy as a residence; or (b) the surrender by Declarant in writing of the authority to appoint and remove directors and officers of the Association.

3.3 Number of Directors. During the period that the Declarant has the right to appoint and remove the officers and directors of the Association as provided above, the Board of Directors shall consist of from one to three members as determined by Declarant in writing from time to time. Thereafter, the Board shall consist of three members, as provided in Section 3.5 below.

3.4 Nomination of Directors. Elected directors may be nominated from the floor, if a meeting is held for the election of directors and may also be nominated by a nominating committee, if established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.5 Election and Term of Office. After the Declarant's right to appoint directors and officers terminates, the Board of Directors shall consist of three (3) members. One member of the Board shall be a member of the board of directors of the Townhome Association, as determined by the board of directors of the Townhome Association in its sole discretion. One member of the Board shall be a member of the board of directors of the Single Family Detached Association, as determined by the board of directors of the Single Family Detached Association in its sole discretion. The remaining Board member shall be elected at large at a special meeting (or by action in lieu of a meeting) of the Association and the Owner receiving the most votes shall be elected, regardless of whether such Owner is a Townhome Unit Owner or a Detached Lot Owner. Such member shall serve for a term of two (2) years. At annual meetings thereafter (or pursuant to Section 2.12 in lieu of a meeting), one director shall be elected as necessary to fill the vacant seat on the Board. All eligible members of the Association shall vote for the at-large director to be elected, and the candidate receiving the most votes shall be elected.

Notwithstanding anything herein to the contrary, the at large member of the Board of Directors shall continue in office until his or her respective successor has been elected and take office.

3.6 Removal of Directors. At any annual, regular or special meeting of the Association, any member of the Board of Directors elected by the members may be removed, with or without cause, by a majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created; provided, however, in the event that a Board member representing the Townhome Units is removed, the successor shall be another member of the board of directors of the Townhome Association and in the event that a Board member representing the Detached Lots is removed, the successor shall be another board member of the Single Family Detached Association. The notice of the meeting shall state that the purpose, or one of the purposes, of the meeting is removal of a director. A director whose removal by the members has been proposed shall be given an opportunity to be heard at the meeting. Additionally, any director who has three consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the remaining directors.

3.7 Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors; provided, however, in the event that a Board member representing the Townhome Association is removed, the successor shall be another member of the Townhome Board and in the event that a Board member representing the Single Family Detached Association is removed, the successor shall be another board member from the Single Family Detached Association, to be decided by the board of directors of the Townhome Association and the Single Family Detached Association, each in their sole discretion. Each Person so selected shall serve the unexpired portion of the term.

3.8 Organization Meetings. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after the election at such time and place as the directors may conveniently assemble.

3.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board, provided that, after the right of Declarant to appoint the directors terminates, at least four such meetings shall be held during each fiscal year with at least one per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.10 Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery (including commercial delivery service) to such director's home or office; (b) written notice by first class mail, postage prepaid; or (c) by telephone communication (including facsimile), either directly to the director or to the director's home or office. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four days

before the time set for the meeting. Notices given by personal delivery or telephone shall be given at least two days before the day set for the meeting.

3.11 Waiver of Notice. The business transacted at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes which is included in the minutes or filed with the official records of the Association. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

3.13 Compensation. No director shall receive any compensation from the Association for acting as such.

3.14 Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.15 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.16 Action Without A Formal Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if one or more consents, in writing, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records.

3.17 Telephonic Participation. One or more directors may participate in and vote during any meeting of the Board by telephone conference call or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

3.18 Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by law, the Declaration, Articles, or these Bylaws directed to be done and exercised by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparing and adopting an annual budget in which there shall be established the contribution of each member to the common expenses;
- (b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations;
- (g) opening bank accounts on behalf of the Association and designating the signatories required;
- (h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association;
- (i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (j) keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof, and specifying the maintenance and repair expenses and any other expenses incurred; and
- (k) authorizing contracts on behalf of the Association.

3.19 Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager. The term of any management agreement shall not exceed one year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days' written notice.

3.20 Borrowing. The Board of Directors shall have the power to borrow money without the approval of the members of the Association; provided, however, except as otherwise provided in the Declaration, the Board shall obtain membership approval in the same manner as

for special assessments, in the event that the total amount of such borrowing exceeds or would exceed ten percent (10%) of the annual budget of the Association.

3.21 Fining Procedure. A fine shall not be imposed (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Written notice shall be delivered to the member by personal delivery at the Unit or first-class or certified mail sent to the address of the member shown on the Association's records, specifying:

- (1) the nature of the violation, the fine to be imposed and the date, not less than ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, that the fine will take effect;
- (2) that the violator may, within ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, request a hearing, in writing, before the Board regarding the fine imposed;
- (3) the name, address and telephone number of a person to contact to request a hearing;
- (4) that any statements, evidence, and witnesses may be produced at the hearing; and
- (5) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

(b) If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. Except for the display of unapproved signs, the fine or suspension shall run from the date that a decision is made by the Board at the conclusion of the hearing or such later date as the Board may determine.

(c) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the violation recurs, the Board may, upon notice stating the nature of the violation and delivered to the member by first class or certified mail sent to the address of the member shown on the Association's records, impose a fine.

Article 4 Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among

the members of the Board of Directors. This Section shall not apply to the officers appointed by the Declarant.

4.2 Election, Term of Office, and Vacancies. Except during the period in which the Declarant has the right to appoint the officers of the Association, the officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors following the election of directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.3 Additional Officers and Agents. The Board of Directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

4.4 Salaries. The officers shall receive no compensation.

4.5 Removal. Except for officers appointed by the Declarant, any officer may be removed, with or without cause, by the Board of Directors.

4.6 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and directors. The immediate supervision of the affairs of the Association shall be vested in the President. It shall be the President's duty to attend to the business of the Association and maintain strict supervision over all of its affairs and interests. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association, and shall manage and operate the business of the Association pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

4.7 Vice President. The Vice President(s), if any, shall act in the President's absence or disability and shall have all powers, duties, and responsibilities provided for the President when so acting, and shall perform such other duties as shall from time to time be imposed upon any Vice President by the Board or delegated to a Vice President by the President.

4.8 Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors; notify the members and directors of meetings as provided by these bylaws and Georgia law; have custody of the seal of the Association; affix such seal to any instrument requiring the same; attest the signature or certify the incumbency or signature of any officer of the Association; and perform such other duties as the President, or the Board of Directors may prescribe. The Secretary shall perform the duties of the Treasurer of the Association in the absence or disability of the Treasurer.

4.9 Treasurer. The Treasurer shall keep, or cause to be kept, the financial books and records of the Association, and shall faithfully account for the Association's funds, financial assets, and other assets entrusted to the Treasurer's care and custody. The Treasurer shall make

such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the Association, and shall perform such other duties as the President, or the Board of Directors may prescribe. The Treasurer shall maintain the money and other assets of the Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association to disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Secretary of the Association in the absence or disability of the Secretary.

4.10 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article 5 Committees

Advisory committees to perform such tasks and to serve for such periods as may be designated by the Board or as provided in the Declaration are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with the rules adopted by the Board of Directors. An advisory committee shall not be authorized to exercise any authority of the Board under the Articles of Incorporation, the Declaration, these Bylaws or the Georgia Nonprofit Corporation Code.

Article 6 Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.2 Parliamentary Rules. *Roberts Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, the Declaration or these Bylaws.

6.3 Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, the Declaration and these Bylaws, the provisions of Georgia law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

6.4 Amendment.

(a) By the Declarant. The Declarant may unilaterally amend these Bylaws for any purpose; provided, however, any such amendment shall not: (a) materially adversely affect the substantive rights or obligations of any Owner; or (b) adversely affect the rights of the holder of any security interest without the written consent of such holder.

(b) By the Board of Directors. These Bylaws may be amended by the Board of Directors with the consent of the Declarant if such amendment is necessary to: (a) bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration; (c) enable an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make or purchase Mortgage loans on Lots; or (d) enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on Lots.

(c) By the members. In addition, these Bylaws may be amended upon the affirmative vote or written consent or any combination of affirmative vote or written consent of Voting Delegates representing at least two-thirds (2/3) of the Total Association Vote and the Declarant.

6.5 Electronic Records, Signatures and Documents. To the extent permitted by the Uniform Electronic Transaction Act, O.C.G.A. § 10-12-1, *et seq.*, the Nonprofit Code, the Declaration and these Bylaws, the Association and its members, officers, directors, Owners and Occupants may perform any obligation or exercise any right by use of electronic means providing sufficient security, reliability, identification and verifiability, which electronic means have been approved by the Board of Directors in its sole discretion.

6.6 Dissolution. The Association may be dissolved only upon a resolution duly adopted by the Board of Directors and the affirmative vote of members who are Owners of not less than two-thirds (2/3) of the Units, the consent of the Declarant and the approval of the Gwinnett County Board of Commissioners.