

Prepared By and Upon Filing
Please Return to:
McCorkle & Johnson, LLP
319 Tattnall Street
Savannah, Georgia 31401

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
HUNTINGTON COVE**

TABLE OF CONTENTS

	PAGE
I. DEFINITIONS.....	9
II. PROPERTY SUBJECT TO THIS DECLARATION; CONVEYANCE AND PARTITION OF COMMON PROPERTY.....	12
1. Property Hereby Subject to this Declaration.....	12
2. Other Property.....	12
3. Conveyance of Common Property by Declaration To Association.....	12
4. Conveyance of Common Property by Declarant to Chatham County.....	12
III. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS..	12
1. Membership.....	12
2. Voting.....	13
IV. ASSESSMENTS.....	13
1. Purpose of Assessment.....	13
2. Creation of the Lien and Personal Obligation for Assessments.....	14
3. Computation of Annual Assessment.....	14
4. Special Assessments.....	14
5. Specific Assessments.....	14
6. Date of Commencement of Assessments.....	15
7. Effect of Nonpayment of Assessments: Remedies Of the Association.....	15
8. Lien for Assessments.....	16
9. Budget Deficits During Declarant Control.....	16
10. Capital Budget and Contribution.....	17
11. Statement of Account.....	17
12. Surplus Funds and Common Profits.....	17
V. INSURNACE AND CASUALTY LOSSES.....	17
1. Required Coverages.....	17
2. Policy Requirements.....	18
3. Insurance Rates.....	18
4. Individual Insurance.....	19
5. Repair and Reconstruction After Casualty Damage....	19

VI.	EMINENT DOMAIN.....	20
VII.	ARCHITECTURAL STANDARDS.....	20
	1. Architectural Review Committee.....	20
	2. Architectural Standards.....	21
	3. Required Action by the ARC.....	21
	4. Appeal.....	22
	5. Condition of Approval.....	22
	6. Limitation of Liability.....	22
	7. No Waiver of Future Approvals.....	22
	8. Commencement and Completion of Construction.....	23
	9. Certification of Compliance; Notice of Violation.....	23
	10. Approval of Contractors, Landscapers and Architects...	23
	11. New Construction on Lots.....	24
	12. Enforcement.....	25
VIII.	USE RESTRICTIONS AND RULES.....	26
	1. General.....	26
	2. Residential Use.....	26
	3. Number of Occupants.....	27
	4. Subdivision and Replatting of Lots.....	27
	5. Outbuilding and Similar Structures.....	27
	6. Use of Common Property.....	27
	7. Occupants Bound.....	27
	8. Roadways.....	27
	9. Signs.....	27
	10. Vehicles and Parking.....	28
	11. Garages.....	29
	12. Yard and Garage Sales.....	29
	13. Animals and Pets.....	29
	14. Prohibition of Damage, Nuisance and Noise.....	29
	15. Unsightly or Unkempt Conditions.....	30
	16. Window Treatments.....	30
	17. Air Conditioning Units.....	30
	18. Antennas and Satellite Dishes.....	31
	19. Fences.....	31
	20. Recreational Areas.....	31
	21. Garbage Cans, Etc.....	31
	22. Tree Removal.....	32
	23. Firearms and Fireworks.....	32
	24. Abandoned Personal Property.....	32
	25. Impairment of Residence Easements.....	32
	26. Lighting.....	32
	27. Mailboxes.....	32
	28. Grilling.....	32
	29. Drainage.....	33
	30. Erosion Control; Contamination.....	33

31. Lake and Lagoon.....	33
IX. LEASING.....	34
X. MAINTANCE.....	35
1. Association's Responsibility.....	35
2. Owner's Responsibility.....	36
3. Failure to Maintain.....	37
4. Maintenance Standards and Interpretation.....	37
XI. MORTGAGEE PROVISIONS.....	37
1. Notices of Action.....	37
2. Approval of Action.....	38
3. Other Provisions for First Lien Holders.....	38
4. Amendments to Documents.....	39
5. No Priority.....	39
6. Notice to Association.....	39
7. Amendments by Board.....	39
8. Applicability of this Article.....	39
9. Failure or Mortgagee to Respond.....	40
10. FHA/VA Approval.....	40
XII. EASEMENTS.....	40
1. Easements for Encroachment and Overhang.....	40
2. Easement for Use and Enjoyment.....	40
3. Easements for Street Lights and Utilities.....	41
4. Easement for Entry.....	41
5. Easement for Association Maintenance.....	41
6. Easement for Lake Maintenance and Flood Water.....	42
7. Easement for Entry Features and Street Signs.....	42
8. Public in General.....	42
9. Easement Rights to Approved Builders.....	42
XIII. ANNEXATION OF ADDITIONAL PROPERTY.....	43
1. Annexation Without Approval of the Membership.....	43
2. Withdrawal of Property.....	43
3. Additional Covenants and Easements.....	43
4. Acquisition of Additional Common Property.....	43
5. Amendment.....	43
XIV. DECLARANT'S RIGHTS.....	43
1. Transfer of Declarant's Rights.....	43
2. Construction and Sale Period.....	43
XV. GENERAL PROVISIONS.....	44
1. Amendment.....	44
2. Duration.....	45
3. Dispute Resolution.....	45

4. No Discrimination.....	46
5. Indemnification.....	46
6. Implied Rights.....	46
7. Severability.....	46
8. Agreements.....	46
9. Right of Action.....	46
10. Captions.....	47
11. Gender and Grammar.....	47
12. Preparer.....	47

-TABLE OF EXHIBITS-

Description of the Submitted Property.....	“A”
Description of the Additional Property That May be Subject to the Declaration.....	“B”
Bylaws of Huntington Cove Property Owners Association, Inc....	“C”

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
HUNTINGTON COVE SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS (this "Declaration") is made on the date set forth below by Augusta Transport & Land Clearing, Inc., a Georgia corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Article II, Section 1 of this Declaration;

WHEREAS, Declarant desires to subject the real property described in Article II, Section 1 to the provisions of this Declaration to create a residential community of single family homes and reserves the right to submit additional real property to the provisions of this Declaration; and

NOW, THEREFORE, Declarant declares that, subject to the provisions of Article XV, Section 3 of this Declaration, the real property described in Article II, Section 1 of this Declaration, including the improvements constructed or to be constructed thereon, is subjected to the provisions of this Declaration, and shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens, set forth in this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property subject to this Declaration, and shall be binding on all persons having any right, title, or interest in all or any portion of the real property subject to this Declaration, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall be for the benefit of all owners of the property subject to this Declaration.

ARTICLE I

Definitions

The following words, when used in this Declaration or in any Supplementary Declaration (unless the context shall prohibit), shall have the following meanings:

(a) "Additional Property" shall mean all that certain real property and interests therein described on Exhibit "B" attached hereto and incorporated herein by this reference, which Declarant, in its sole discretion, may submit, but shall have no obligation to submit, to the Community, as provided in this Declaration.

(b) "Approved Builder" shall mean any Person that purchases one (1) or more Lots for the purposes of constructing a Residence and then selling the Lot and the Residence located thereon. Notwithstanding anything to the contrary stated in this Declaration, any Person that desires to be an Approved Builder must first be designated as an Approved Builder by Declarant for so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property to the Community. Any Person occupying or leasing a Lot for residential purposes shall cease to be considered an Approved Builder with respect to such Lot immediately upon occupation of such Lot for residential purposes, notwithstanding that such Person originally purchased the Lots for the purposes of constructing a Residence for later sale to consumers.

(c) "Architectural Review Committee" or "ARC" shall mean the committee established to exercise the architectural review powers set forth in Article VII of this Declaration, which shall be the Board of Directors of the Association unless by resolution the Board appoints a separate Architectural Review Committee.

(d) "Area of Common Responsibility" shall mean the Common Property, together with those areas, if any, which by the terms of this Declaration or by agreement with any other Person, become the Association's responsibility to maintain.

(e) "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of Huntington Cove Property Owners Association, Inc., a Georgia non-profit corporation, which has been filed with the Secretary of State of the State of Georgia.

(f) "Association" shall mean Huntington Cove Property Owners Association, Inc., a Georgia non-profit corporation, its successors and assigns.

(g) "Board" or "Board of Directors" shall mean the appointed or elected body of the Association, as applicable, having its normal meaning under Georgia corporate law.

(h) "Bylaws" shall mean the Bylaws of the Association, a copy of which is attached to this Declaration as Exhibit "C" and incorporated herein by this reference.

(i) "Certificate of Compliance" shall mean have the meaning more specifically set forth in Article VII, Section 9 of this Declaration.

(k) "Common Expenses" shall mean the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Community, including, but not limited to those expenses incurred for maintaining, repairing, replacing, and operating the Area of Common Responsibility, and as required under any easement agreement recorded in Official Records, which burdens or benefits the Community.

(l) "Common Property" shall mean any and all real and personal property and easements and other interests, together with the facilities and improvements located on the Community, now or in the future owned by the Association, including, but not limited to, all landscape and grassy areas not included in a Lot, all roads, sidewalks and other concrete and paved areas not included in a Lot and not dedicated to, and accepted by, Chatham County, all amenities, the Lagoon, and all personal property of the Association in any of these areas.

(m) "Community" shall mean: (i) all that certain real property and interests therein described on Exhibit "A" attached hereto and incorporated herein by this reference; and (ii) any portion of the Additional Property that is submitted as part of the Community.

(n) "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing on the Community. Such standard may be more specifically determined by the Board.

(o) "Declarant" shall mean and refer to Augusta Transport & Land Clearing, Inc., a Georgia corporation, and such of its successors-in-title who shall (i) acquire, from a predecessor "Declarant," for the purpose of development or sale, all or any portion of the real property described on Exhibits "A" and "B" hereto, and (ii) be designated as the "Declarant" in the deed of transfer by which such successors-in-title shall so acquire its interest in such real property, or by written assignment of Declarant rights in an instrument recorded in the Official Records.

(p) "Declarant Control Period" or "Class "B" Member Control Period" shall mean the period of time during which the Declarant, as the sole Class "B" Member, has the exclusive authority to appoint and remove directors and Officers of the Association as provided in Article III, Section 2, Part B of the Bylaws. The Declarant Control Period will last for so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property to the Community.

(q) "Design Guidelines" shall mean the design guidelines and application and review procedures as more specifically addressed in Article VII, Section 1 of this Declaration, as amended from time to time.

(r) "Effective Date" shall mean the date that this Declaration is recorded in the Official Records.

(s) "Electronic Document" shall mean information created, transmitted, received, or stored by electronic means and retrievable in human perceivable form.

(t) "Electronic Signature" shall mean a signature created, transmitted received, or stored by electronic means and includes but is not limited to a secure electronic signature.

(u) "Eligible Mortgage Holder" shall mean a holder of a first Mortgage secured by a Lot who has requested in writing notice of certain items under Article XIII of this Declaration.

(v) "Lagoon" shall refer to the bodies of water constituting detention ponds that are located in the Community as shown or as may be shown on the Plat.

(w) "Lot" shall mean and refer to any numbered or lettered tract of land shown on any Plat that is a part of the Community. Each Lot, as may be initially shown on a Plat, is initially created for the purpose of constructing a single family dwelling, with each separate dwelling constituting a "Residence" hereunder.

(y) "Majority" shall mean those eligible votes, Members, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

(z) "Member" shall mean any Person who owns one or more lots in the Community, but shall not mean the Association or a Mortgage Holder.

(aa) "Mortgage" shall mean any mortgage, deed to secure debt, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.

(bb) "Mortgagee" or "Mortgage Holder" shall mean the holder of a Mortgage.

(cc) "Occupant" shall mean any Person occupying all or any portion of a Residence for any period of time, regardless of whether such Person is a tenant or the owner of such property.

(dd) "Officer" shall mean an individual who is elected by the Board to serve as President, Vice President, Secretary, or Treasurer, or such other officers as the Board may determine necessary.

(ee) "Official Records" shall mean the official land records of the Clerk of the Superior Court of Chatham County, Georgia.

(ff) "Owner" shall mean and refer to the record owner, whether one (1) or more Persons, of the fee simple title to any Lot located on the Community, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation.

(gg) "Person" shall mean any natural person, as well as a corporation, joint venture, partnership (general or limited), association, trust, or other legal entity.

(hh) "Plat" shall mean the plat or plats for the Community, as amended and/or supplemented, recorded in Official Records. The Plat is incorporated herein by reference as fully as if the same were set forth in its entirety herein.

(ii) "Residence" shall mean a home intended for use and occupancy as a dwelling for a single family.

(jj) "Supplementary Declaration" shall mean an amendment or supplement to this Declaration that subjects Additional Property to this Declaration or imposes additional restrictions and obligations on the Property, or both.

(kk) "Total Association Vote" shall mean all of the eligible votes attributable to Members of the Association (including votes of Declarant), and the consent of Declarant for so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property into the Community.

Article II

Property Subject To This Declaration, Conveyance and Partition Of Common Property

Section 1. Property Hereby Subjected To This Declaration. The real property described on Exhibit "A" attached hereto and by this reference made a part of this Declaration (the "Submitted Property") is, by the recording of this Declaration, subject to the covenants and restrictions hereafter set forth and, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration.

Section 2. Additional Property. Only the real property described in Section 1 of this Article II is hereby made subject to this Declaration; provided, however, by one (1) or more Supplementary Declarations, Declarant and the Association have the right, but not the obligation, to subject the real property described on Exhibit "B" to this Declaration, as hereinafter provided.

Section 3. Conveyance of Common Property by Declarant to Association. The Declarant may transfer or convey to the Association any personal property and any improved or unimproved real property, leasehold, easement, or other property interest that is or may be subjected to the terms of this Declaration. Such conveyance shall be accepted by the Association, and the property shall be Common Property to be maintained by the Association for the benefit of all or a part of its Members. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section.

Section 4. Conveyance of Common Property by Declarant to Chatham County. The Declarant may dedicate the rights of way and roads within the Community to public use by conveying such rights of way and roads to Chatham County. Until the time of such conveyance and acceptance by Chatham County, if any, said roads shall remain private and shall be maintained, repaired, replaced, and insured by the Association.

Article III

Association Membership and Voting Rights

Section 1. Membership. Every Person who is the record owner of a fee interest in any Lot that is subject to this Declaration shall automatically be a Member in the Association. Membership shall not include Persons who hold a security interest only and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall go along with and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a Member, but in no event shall more than one (1) vote be cast nor one (1) office held for each Lot owned.

Section 2. Voting. The Association shall have two (2) classes of membership: Class "A" and Class "B".

(a) Class "A" Member. Each Owner of a Lot, with the exception of Declarant, shall be a Class "A" Member and shall be entitled to one (1) vote per Lot owned by such Owner. Except as otherwise specified in this Declaration or the Bylaws, the vote for each Lot owned by a Class "A" Member shall be exercised by the Owner. No vote shall be exercised on behalf of any Lot if any assessment for such Lot is delinquent. In any situation where there is more than one (1) Owner of such Lot, the votes for such Lot shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B" Member. The Declarant shall be the sole Class "B" Member and shall be entitled to three (3) votes for each Lot owned; provided, however, in no event shall the Class "B" Member have less than the total number of votes appurtenant to the Class "A" Members plus one (1). The Class "B" Membership shall cease and be converted to a Class "A" Membership upon expiration of the Class "B" Member Control Period. The Class "B" Member Control Period shall expire twenty (20) years from the date of recording this Declaration, or once all of the property described in Exhibit "B" attached hereto has been subjected to this Declaration and every Lot is owned by an individual or entity other than the Declarant or an Approved Builder, whichever is earlier. Rights in the Class "B" Member Control Period shall be assignable and transferrable to third parties. This right is separate and distinct from the Declarant's control of the Architectural Review Committee, as set forth in Article VII, Section 1.

Notwithstanding anything to the contrary stated herein, each Owner acknowledges and understands that the Community will be composed of Lots to be developed in phases containing unequal numbers of Lots. Each such phase will be platted of record in the Official Records. The Declarant shall notify the Association in writing when the final phase of the Community has been so platted of record. By acceptance of a deed conveying a Lot, each Owner acknowledges that, upon the annexation of Additional Property composed of Lots pursuant to this Declaration, the total votes outstanding in the Association will automatically increase based upon the number of Lots in the phases, provided, however, nothing contained herein shall obligate the Declarant to develop any additional phases of the Community.

Article IV **Assessments**

Section 1. Purpose of Assessment. The Association shall have the power to levy assessments. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Lots in the Community as may be more specifically authorized from time to time by the Board.

Section 2. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot, other than Declarant or Approved Builders, 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 (a) annual assessments or charges, (b) special assessments, such assessments to be established and collected as hereinafter provided, and (c) specific assessments against any particular Lot that are established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration.

All such assessments, together with late charges, interest not to exceed the maximum rate permitted by law per annum on the principal amount due, and costs, including, without limitation, reasonable attorneys' fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with late charges, interest, costs, including, without limitation, reasonable attorneys' fees actually incurred, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the assessment fell due. Each Owner shall be personally liable for his or her portion of each assessment coming due while he or she is the Owner of a Lot, and his or her grantee 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 its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings or deed in lieu of foreclosure.

Annual assessments shall be levied at a uniform rate per Lot and shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include monthly, semi-annually, bi-annually, or any other periodic payments as determined in the sole discretion of the Board of Directors. To the extent the Board of Directors allows periodic payments of the annual assessment, those payments can be accelerated, and the entire annual assessment declared immediately due, upon thirty (30) days written notice of a delinquency of any periodic payment of an assessment, a special assessment, specific assessment, late fee or fine. Unless otherwise provided for by the Board, the assessment shall be paid in an annual installment at the beginning of the fiscal year of the Association.

Section 3. Computation of Annual Assessment. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, including, if necessary, a capital contribution or reserve in accordance with a separately prepared reserve budget.

The common assessment to be levied against each Lot for the coming year shall be set at a level which is reasonably expected to produce total revenue to the Association equal to the total budgeted operating costs of the Association. The Board shall cause the proposed budget and assessments to be levied against each Lot for the following year to be delivered to each Member at least thirty (30) days prior to the end of the current fiscal year (or at least thirty (30) days prior to the due date of the first installment in the case of the initial budget). The budget and the assessment shall become effective unless disapproved by a Majority of the Total Association Vote. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year. The initial annual assessment shall be \$600.00.

Section 4. Special Assessments. In addition to the other assessments authorized herein, the Association may levy special assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Notwithstanding the foregoing, special assessments intended to cover unbudgeted expenses or capital improvements in any one year in an amount per Lot exceeding the amount of total annual assessments for such Lot, shall require the approval of a Majority of the Total Association Vote. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed. Notwithstanding anything to the contrary stated herein, for so long as the Declarant owns any property for development and/or sale in the Community or has the

right unilaterally to annex Additional Property to the Community, any proposed special assessment by the Association shall also require the approval of the Declarant.

Section 5. Specific Assessments. The Board shall have the power to specifically assess pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors 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. Fines levied pursuant to this Declaration and/or the Bylaws of the Association, and the costs of maintenance performed by the Association for which the Owner is responsible for under Article X, Sections 1 and 2 of this Declaration shall be specific assessments. The Board may also specifically assess Owners for the following Association expenses:

(a) expenses of the Association which benefit less than all of the Lots in the Community may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; and

(b) expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

Section 6. Date of Commencement of Assessments.

(a) Assessments shall commence as to each Lot on the day on which such Lot is conveyed to a Person other than the Declarant or an Approved Builder. Notwithstanding anything to the contrary set forth herein, Declarant and Approved Builders shall not be responsible for the payment of any type of assessment; provided, however, assessments shall commence on Lots containing occupied Residences that are owned by an Approved Builder on the first day of the month following the occupancy of the Residence. The first assessment shall be adjusted according to the number of months then remaining in that fiscal year. Subsequent assessments shall be due and payable on the first business day of the Association's fiscal year, unless provided otherwise by the Board of Directors.

(b) Any Residence that 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 Residence is approved for use as a model home and is not occupied for residential purposes.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments or installments thereof that are not paid when due shall be delinquent. Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board may from time to time determine which shall not exceed ten percent (10%) of the assessment payment. If the assessment is not paid within thirty (30) days, the balance of the annual assessment is automatically accelerated and immediately due, a lien, as herein provided, shall attach for the entire past due balance and the accelerated balance of the annual assessment, and, in addition, the lien shall include interest not to exceed the maximum rate permitted by law per annum

on the principal amount due from the date first due and payable, all late charges, all costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the same. In addition to the other remedies provided herein, the Association shall have the right to suspend the voting rights of an Owner for any period during which any assessment against such Owner's Lot that is hereby provided for remains unpaid. The Association shall also have the right to suspend the use of any Common Elements, so long as such suspension does not prohibit access to the Owner's Lot.

No Owner may waive or otherwise exempt him or herself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. The obligation to pay assessments is a separate and independent covenant on the part of each Owner, and no diminution or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

All payments shall be applied first to costs and reasonable attorneys' fees actually incurred, then to late charges, then to interest and then to delinquent assessments. Should a judgment be obtained for past due assessments, any payments received after the date of the judgment shall be first applied to any assessment that came due after the date of the judgment, then to reasonable attorneys' fees actually incurred, then to late charges, then to interest and then to any amounts included in the judgment.

Section 8. Lien for Assessments. All sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, costs, including, without limitation, reasonable attorneys' fees actually incurred, as provided herein, shall be secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for: (a) liens for ad valorem taxes; and (b) liens for all sums unpaid on a first Mortgage or on any Mortgage to Declarant duly recorded in the Official Records and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument.

All other Persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded in such records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Section 9. Budget Deficits During Declarant Control. For so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property into the Community, Declarant may elect, but shall not be obligated, to

reduce the assessment for any fiscal year by paying a subsidy on such terms and under such circumstances as Declarant in its sole discretion may decide. However, any Declarant subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget. If the Declarant elects to pay a subsidy, the amount of the subsidy shown on the budget shall be an estimate only, and the Declarant shall be obligated to fund such subsidy only to the extent of any operating deficit, if any, between the actual operating expenses of the Association and the sum of annual, common assessments, special assessments, and specific assessments collected by the Association in any assessment year. The payment of a subsidy in one (1) year shall under no circumstances obligate the Declarant to continue payment of a subsidy in future years; provided, however, the Declarant shall be responsible for assessments to the extent required by Section 6 of this Article. The Declarant, in its sole discretion, may choose to characterize all such subsidized amounts expended to offset any actual operating deficit of the Association as loans to the Association, which, at the Declarant's request shall be evidenced by a promissory note(s) from the Association to Declarant. Such promissory note(s), if any, shall be due and payable upon demand, with interest at the rate of ten percent (10%) per annum after demand, unless otherwise negotiated and agreed to by the Association and the Declarant.

The Declarant's option to subsidize the assessment may be in the form of cash, or by "in kind" contributions of services or materials, or a combination of these. The amount by which monetary assessments shall be decreased as a result of any in kind contribution shall be the fair market value of the contribution.

Section 10. Capital Budget and Contribution. The Board of Directors may annually prepare a capital reserve budget that shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital reserve contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital reserve budget, with respect both to amount and timing by equal annual assessments over the period of the budget. The annual capital reserve contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section 3 above. A copy of the capital reserve budget, if any, shall be distributed to each member in the same manner as the operating budget.

Section 11. Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against such Lot. The Association shall respond in writing within ten (10) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, not exceeding Ten Dollars (\$10) or such higher amount as may be authorized by law, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein. The Association may require an additional fee not to exceed Twenty-Five Dollars (\$25) if the Association provides a copy of the Declaration and Bylaws to any such Person in connection with a closing or otherwise upon request.

Section 12. Surplus Funds and Common Profits. Common profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, be: (a) distributed to the Owners; (b) credited to the next assessment chargeable to the Owners; or (c) added to the Association's capital reserve account.

Section 13. Working Capital Fund. The Association shall have a working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services necessary to the proper functioning of the Association. The initial working capital fund contribution shall be \$300.00 and shall be collected from the purchaser at the time of the bona-fide purchase for value of a Lot by any third party from an Owner. The working capital fund may not be more than one-half (1/2) of the annual regular assessment without approval of a majority vote of the Total Association Vote. The amounts paid into the working capital fund shall not be an advance payment of regular assessments. Purchasers of Lots pursuant to a sale by Declarant or an Approved Builder shall not be required to pay the working capital fund contribution.

Article V

Insurance and Casualty Losses

Section 1. Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonable available, or if not reasonably available, the most nearly equivalent coverages as are reasonable available:

(a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Property, if any, to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(b) Commercial general liability insurance on the Common Property, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least one million dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage, provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(c) Worker's compensation insurance and employers' liability insurance, if and to the extent required by law;

(d) Directors' and officers' liability coverage;

(e) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-quarter of the Annual Assessments on all Lots plus capital reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(f) Such additional insurance as the Board, in the exercise of its business judgment, determines advisable;

Premiums for all insurance on the Common Elements shall be Common Expenses, unless the Board reasonably determines that other treatment of the premiums is more appropriate, such as, assessing the premium as a Specific Assessment against the Lot Owner(s) responsible, through either negligence or willful misconduct, for the damage which necessitated the claim.

Section 2. Policy Requirements. The Association shall arrange for review at least every two years of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Savannah area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Article V, Section 1(b). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against Owner(s) and their Lots as a Specific Assessment.

Section 3. Insurance Rates. Nothing shall be done or kept in the Community that will increase the rate of insurance on any portion of the Community insured by the Association or that would be in violation of the law. No Owner, Occupant or guest shall keep any explosive or flammable materials.

Section 4. Individual Insurance. Each Owner, by virtue of taking title to a Lot subject to the terms of this Declaration, covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Lot and all structures constructed thereon, including, but not limited to, a Residence, and a liability policy covering damage or injury occurring on a Lot. If reasonably available, the casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an "all-risk" policy, including vandalism and malicious mischief, 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. If all-risk coverage is not reasonably available, Owners shall obtain, at a minimum, fire and extended coverage on his or her Lot and structures constructed thereon, including, but not limited to, a Residence. The policies required hereunder shall be in effect at all times. Upon request by the Association, an Owner shall furnish a copy of his/her insurance policy or policies to the Board. In the event that any Owner fails to obtain and maintain insurance, as required by this Section, the Association may purchase such insurance on behalf of the Owner and specifically assess the cost thereof to the Owner pursuant to Article IV, Section 5 of this Declaration, to be collected in the manner provided for collection of Common Expenses under this Declaration.

Section 5. Repair And Reconstruction After Casualty Damage. In the event of damage to or destruction of all or any part of the Common Property as a result of fire or other casualty, unless the Declarant and eighty percent (80%) of the Owners vote not to proceed with the reconstruction and repair of the structures, the Board or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structures. In the event of substantial

damage or destruction, each institutional holder of a first Mortgage on the Common Property, if any, shall be entitled to written notice of the damage.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to the Common Property, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board determines to be necessary.

(b) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, a special assessment shall be made against all of the Owners without the necessity of a vote of the Members or compliance with Article IV, Section 4 above. If, after repair and reconstruction is completed, there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Common Property was originally constructed, except where changes are necessary to comply with current applicable building code. To the extent insurance proceeds are available, the Association may reconstruct or repair additional improvements to the Common Property damaged as a result of fire or other casualty.

(d) Encroachments. Encroachments upon or in favor of Lots that may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the owner of the Lot upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Common Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Lots on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section 9, to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), owners and/or personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board.

(f) Damage to or Destruction of Residences. In the event of damage to or destruction of structures on a Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structures in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article VII of this Declaration. Unless otherwise approved in writing by the Board, the Owner of the damaged Lot shall complete all restoration and rebuilding of the improvements on the Lot within six (6) months of the date of the casualty, damage or destruction of the improvements. The Owner shall pay any costs of repair or reconstruction that is not covered by insurance proceeds.

Article VI **Eminent Domain**

In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after the taking, Owners holding at least eighty percent (80%) of the Total Association Vote other than Declarant and the Declarant otherwise agree, the Association shall restore or replace the improvements taken on the remaining land included in the Common Property to the extent lands are available. The Declarant's vote is required hereunder only during the Declarant Control Period. The provisions of Article V, Section 4, above, applicable to Common Property improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

Article VII **Architectural Standards**

Section 1. Architectural Review Committee. The Architectural Review Committee ("ARC") shall constitute a standing committee of the Association. The ARC shall consist of the Board unless the Board delegates to other Persons the authority to serve on the ARC. The ARC shall prepare the initial design and construction guidelines and application and review procedures (the "Design Guidelines"). The Design Guidelines may contain general provisions applicable to all of the Community, as well as specific provisions which vary from one portion of the Community to another depending upon the location, unique characteristics, and intended use. The Design Guidelines may require that certain portions of certain Lots, where the configuration of such Lot makes it visible from the Common Property or another Lot, contain additional landscaping in any area of such Lot or impose additional requirements on such Lot in order to maintain the aesthetic appearance of the Community, or provide that certain types of improvements are not permissible on Lots where they cannot be effectively screened.

The ARC shall have the authority to select and employ professional consultants to assist it in discharging its duties, the cost of such consultants to be paid by the Owner of any Lot for which plans and specifications have been submitted for approval. The Owner of any such Lot shall be responsible for paying the full costs of each review, whether or not submitted plans and specifications are approved by the ARC, and the ARC may require payment of all such costs prior to approval of plans and specifications. The ARC also may charge reasonable fees to cover the cost of review or inspections performed hereunder, and any such fees may be published in the Design Guidelines.

Notwithstanding anything to the contrary contained herein, the Declarant shall act as the ARC and shall have the right to appoint all member(s) of the ARC until such time as Declarant assigns or transfers control of the appointment of member(s) to the ARC to the Association by way of written assignment recorded in the real property records of Chatham County. Prior to such assignment to the Association, Declarant may assign its right to appoint the Member(s) of the ARC to any Approved Builder. Notwithstanding the foregoing, after every Lot has a residence constructed on it and has been conveyed to a third party purchaser other than the Declarant or an Approved Builder, Declarant, or its Assignee, shall assign its control of the ARC to the Association. Following assignment of such right by the Declarant to the Association, the Board shall appoint the members of the ARC. Unless otherwise set forth herein, this Article shall not apply to any activity of Declarant or to the construction of improvements or modifications to the Common Property by or on behalf of the Association.

Section 2. Architectural Standards. Subject to Section 11 below (which pertains to all Residences, accessory structures, and other improvements originally constructed in the Community), no Owner, Occupant, or any other Person may, without first obtaining written approval of the ARC:

- (a) make any encroachment onto the Common Property;
- (b) construct any Residence or other improvement on a Lot;
- (c) make any exterior change, alteration or construction on a Lot (including changing exterior paint color, regrading or significant landscaping modifications), or any alteration of the Lot which affects the exterior appearance of the Lot, or
- (d) erect, place or post any object, sign, clothesline, playground equipment, light, storm door or window, artificial vegetation, exterior sculpture, fountains, flags or other thing on the exterior of the Lot, on the Residence, in any windows of the Residence (other than appropriate window treatments as provided herein), or on any Common Property. Notwithstanding the foregoing, reasonable seasonal decorative lights may be displayed between Thanksgiving and January 15.

Section 3. Required Action by the ARC. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the ARC may reasonably require. Except as may otherwise be determined by the Board, the ARC or its designated representative shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations. The Association, acting through the Board, shall be entitled to stop any construction that is not in conformance with approved plans. The Board or the ARC may publish written architectural standards for exterior and Common Property alterations or additions. The standard for approval of such improvements shall include, but not be limited to: (a) aesthetic consideration, (b) materials to be used, (c) compliance with the Community-Wide Standard, this Declaration, or the Design Guidelines which may be adopted by the Board or the ARC, (d) harmony with the external design of the existing Residences, Lots and structures, and the location in relation to surrounding structures and topography, and (e) any other matter deemed to be relevant or appropriate by the Board or the ARC.

If the Board or the ARC fails to approve or to disapprove such application within sixty (60) days after the application and all information as the Board or the ARC may reasonably require have been submitted, then approval will not be required and this subsection will be deemed complied with as to the items specifically identified in the application; provided, however, even if the requirements of this subsection are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, Bylaws or rules and regulations of the Association, or of any applicable zoning or other laws.

Section 4. Appeal. To the extent the Board is not acting as the ARC, and the ARC or its designated representative disapproves any application or part thereof, an Owner shall have the right to appeal the ARC's decision to the Board of Directors. The Board shall rule on the appeal within forty-five (45) days of receiving written notice requesting an appeal from the Owner. In ruling on the appeal, the Board shall consider all relevant materials presented to it by either the Owner or the ARC, the decision of the ARC, and the application of the Owner to the ARC. The Board of Directors shall have the final authority to approve, disapprove, or conditionally approve or disapprove the application of the Owner. If the Board does not receive written notice from the

Owner by certified mail requesting an appeal within fourteen (14) days from the date of the ARC's notice to the Owner of its decision, the decision of the ARC shall become final and all rights of appeal shall terminate and thereafter be void.

Section 5. Condition of Approval. As a condition of approval for a requested architectural change, modification, addition or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance to and on such change, modification, addition or alteration. In the discretion of the Board of Directors or the ARC, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

Section 6. Limitation of Liability. Plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither the ARC, the Board of Directors, the members thereof, nor the Association assumes liability or responsibility therefor, nor for any defect in any structure constructed from such plans and specifications. Neither Declarant, the Association, the ARC, the Board, nor the officers, directors, members, employees, and agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them 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 or specifications and every owner agrees that such Person or Owner will not bring any action or suit against Declarant, the Association, the ARC, the Board, or the officers, directors, members, employees, and agents of any of them 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.

Section 7. No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board of Directors and the ARC will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. Each Owner further acknowledges that the Board of Directors and ARC may adopt different architectural standards for different parts of the Community, based on street visibility and location of the proposed modification. The approval of either the Board of Directors or the ARC of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors or the ARC, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 8. Commencement and Completion of Construction. All changes, modifications and improvements approved by the ARC hereunder must be commenced within six (6) months from the date of approval. If not commenced within such time, then such approval shall be deemed revoked by the ARC, unless the ARC gives a written extension for commencing the work. All work approved by the ARC hereunder shall be completed in its entirety within twelve (12) months from the date of commencement, unless otherwise agreed in writing by the ARC. All approved changes, modifications, and improvements must be completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement.

Section 9. Certification of Compliance; Notice of Violation. Upon completion of the installation, construction or alteration of any structure on a Lot in accordance with plans and specifications approved by the ARC, the ARC shall, upon written request of the Owner thereof or upon the ARC's own initiative, issue a Certificate of Compliance, identifying such structure and Lot upon which such structure is placed, and stating that the plans and specifications have been approved and that such structure complies with such plans and specifications. A copy of said Certificate of Compliance shall be filed for permanent record with the plans and specifications on file with the ARC.

Any Certificate of Compliance issued in accordance with the provisions of this Section shall be prima facie evidence of the facts therein stated; and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such certificate shall be conclusive evidence that all structures on the Lot comply with all the requirements of this Article, provided, however, that the Certificate of Compliance shall in no way be construed to certify the acceptability, sufficiency or approval by the ARC of the actual construction of structures or of the workmanship, or to represent or warrant to anyone the quality, function or operation of the structures or of any construction, workmanship, engineering, materials or equipment. The issuance of the Certificate of Completion shall in no way be construed to certify to any party that the structures have been built in accordance with any applicable rule or regulation other than those of the ARC.

If any improvement, installation, construction, or alteration of a structure on a Lot is made in violation of this Article, the Board may record a notice of such violation in the Official Records.

Section 10. Approval of Contractors, Landscapers and Architects. Any contractor, landscaper or architect (other than Declarant or such parties working for an Approved Builder), prior to performing any work on any Lot must first be approved by the Declarant (or the ARC if there no longer is a Declarant), as to financial stability, building, landscaping or design experience and ability to build, landscape or design structures or grounds of the class and type of those which are to be built on the Community. Such approval may be granted or withheld in the sole and uncontrolled discretion of the Declarant (or ARC as applicable). Moreover, no Person shall be approved as a contractor, landscaper or architect unless such Person obtains his income primarily from construction, landscaping or design of the type which the contractor, landscaper or architect is to perform upon the Lot, and has provided the Declarant or ARC, as applicable, evidence of public liability insurance and worker's compensation insurance.

Section 11. New Construction on Lots. Notwithstanding anything to the contrary stated in this Declaration, the construction of all Residences, accessory structures, and other improvements originally constructed in the Community shall be undertaken and completed by an Approved Builder only after the following conditions have been met: (a) floor plans and specifications designated by the Declarant must be used; (b) the conditions more specifically set forth below and in the Design Guidelines must be met, unless waived by the Declarant; and (c) any additional conditions determined by the Declarant to be necessary to ensure the compatibility and harmony of the proposed Residences, structures, and improvements with existing Residences, structures, and improvements, which conditions may be more restrictive or address other issues than the conditions set forth below, must be met. Notwithstanding the foregoing, in the event that the provisions of this Section conflict with the provisions of the Design Guidelines, as amended from time to time, the provisions of the Design Guidelines shall prevail. Declarant may also charge fees, determined in Declarant's sole discretion, for use of floor plans designated by Declarant and to cover the cost of review or inspections performed hereunder.

(a) Residence Quality, Size and Design.

(i) All construction shall be carried out in compliance with the laws, codes, rules, regulations and orders of all applicable governmental agencies and authorities. All Residences shall be of quality workmanship and materials. The minimum size for single family attached Residences (limited to dual Residences located under one roof) shall be not less than two thousand (2,000) square feet including garage and covered porches and shall be under one roof, with each Residence consisting of one thousand two hundred and fifty (1,250) square feet of heated and cooled space, and with each Residence having a garage with a minimum of two (200) square feet and capable of housing a one (1) vehicle.

(ii) The primary roof pitch of the main structure shall not be less than 6/12. The first floor finished elevation of all living areas shall have be an average minimum height of eight inches (8") above the finish grade.

(b) Location of Improvements on a Lot. No building or structure shall be located on any Lot nearer than the following setback requirements or encroach upon any easement:

- (i) Front setback: Thirty feet (30');
- (ii) Side setback: Five feet (5');
- (iii) Rear setback: fifteen feet (15') for houses that are on the left side of Laguna Way as you enter the Community and ten feet (10') for houses that are on the right side of Laguna Way as you enter the Community;
- (iv) Side Street Setback: Ten feet (10');

Setback requirements shall be measured from and parallel to the property lines. The Lot lines are as shown on the Plat and are marked by property pins installed by the surveyor of record for the Community. If the property pin can not be located, it shall be the Owner's responsibility to have the pin located or reset by a Georgia Registered Land Surveyor.

(c)Garage Entrances and Driveways. All driveways and walkways shall be paved with concrete unless otherwise approved in writing by the Declarant. In order to achieve uniformity in the Community and an aesthetically pleasing perspective of Residences, the orientation of the garages and driveway entrances on Lots shall be determined by the Declarant in accordance with this Section.

(d)Exterior Finishes. All exterior finish materials shall be of a high quality and durable material, such as decay resistant wood, vinyl, fiber cement, brick, tabby, stucco and the like. A minimum of twenty-five (25) year fiberglass, multi-tab, architectural shingle is required for the main dwelling and any structure attached to the Residence or appurtenant thereto or such other upgraded roofing materials that may be approved by the Declarant. Exterior columns shall be of adequate mass and proportional to the Residence as to be aesthetically pleasing. No mill finish windows, metal-clad siding, asphalt, asbestos, T-1-11, or roll siding will be permitted on the exterior of the Residence.

(e) Modular, Industrialized or Prefabricated Housing. No modular, industrialized or prefabricated housing units shall be erected, constructed or placed upon any portion of the Community.

Section 12. Enforcement. Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Declarant, the Board or the ARC, violating Owners (including those that are designated as an Approved Builder) shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Declarant, the Board, the ARC or their respective designees shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorneys' fees actually incurred, may be assessed against the Lot on which the violation occurred, and collected as a Specific Assessment pursuant to Article IV, Section 5 of this Declaration.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Article and its decisions. Furthermore, the Board shall have the authority to record in the Official Records notices of violation of the provisions of this Article.

If any Owner (including those that are designated as an Approved Builder) makes any exterior change, alteration, or construction (including landscaping) upon the Community in violation of this Article, he or she does so at his or her sole risk and expense. The Declarant, the Board or the ARC may require that the change, alteration or construction be removed without reimbursement to the violating Owner for any expense he or she may have incurred in making the change, alteration or construction.

Article VIII **Use Restrictions and Rules**

Section 1. General. This Article, beginning at Section 2, sets out certain use restrictions that must be complied with by all Owners and Occupants of Lots. These use restrictions may only be amended in the manner provided in Article XVII, Section 1, regarding amendment of this Declaration. In addition, the Board may, from time to time, without consent of the Owners, adopt, modify, or delete rules and regulations applicable to the Community. These rules shall be distributed to all Owners prior to the date that they are to become effective and after distribution shall be binding upon all Owners and Occupants of Lots until and unless overruled, canceled, or modified, by the Declarant during the Declarant Control Period, or by a Majority of the Total Association Vote, at a regular or special meeting. Notwithstanding the above, during the Declarant Control Period, no rules and regulations that affect the Declarant or an Approved Builder may be adopted, modified, or deleted without the written consent of the Declarant.

Section 2. Residential Use. Each Lot shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot, except that the Owner or Occupant residing in a Residence may conduct such ancillary business activities within the Residence so long as:

- (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Residence;

(b) the business activity does not involve visitation of the Residence by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a residential Residence without business activity;

(c) the business activity conforms to all zoning requirements for the Community; and/

(d) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, and does not otherwise violate any other provision of the Association's legal instruments, as determined in the Board's discretion.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the use of a Lot by an on-site management company operating on behalf of the Association shall not be considered a trade or business within the meaning of this Section.

Section 3. Number of Occupants. The maximum number of Occupants in a Residence shall be limited to two (2) people per bedroom in the Residence. "Occupancy," for purposes of this Declaration, shall be defined as staying overnight in a Residence for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any calendar year. This occupancy restriction shall not apply to require the removal of any person lawfully occupying a Residence on the Effective Date of this Declaration. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

If an Owner of a Lot is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the Residence. The designated person(s) to occupy the Residence may not be changed more frequently than once every three (3) months.

Section 4. Subdivision and Replatting of Lots. No Lot may be subdivided into a smaller Lot except by the Declarant. Declarant hereby expressly reserves the right to subdivide and replat any Lot located within the Community to enable each Residence to be located on a separate Lot or convert any open spaces located within the Community into a Lot or Lots without the consent of the Association or affected Owners. Any such division, boundary line change, or replatting shall be conducted in accordance with applicable subdivision and zoning regulations.

Section 5. Outbuildings and Similar Structures. No structure of a temporary nature, unless approved in writing by the ARC, shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, carport, barn or other structure may be used as a Residence, either temporarily or permanently. Furthermore, this Section shall not be construed to prevent Declarant and those engaged in development, construction, marketing, property management or sales from using sheds, trailers or other temporary structures for any of the foregoing purposes. In addition, nothing in this Declaration shall be construed to prevent Declarant from developing, constructing, marketing, or maintaining model homes or speculative housing within the Community.

Section 6. Use of Common Property. There shall be no obstruction of the Common Property, nor shall anything be kept, parked or stored on any part of the Common Property without the prior written consent of the Association, except as specifically provided herein.

Section 7. Occupants Bound. All provisions of the Declaration, Bylaws and of any rules and regulations, use restrictions or Design Guidelines promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to Occupants even though Occupants are not specifically mentioned. The Owner shall be responsible for ensuring that an Occupant, and the guests, invitees and licensees of an Owner or Occupant strictly comply with all provisions of the Declaration, Bylaws, and any rules and regulations adopted by the Board of Directors. Fines may be levied against Owners or Occupants. If a fine is levied against an Occupant and is not timely paid, the fine may then be levied against the Owner and constitute a lien on the Lot in the same manner as an assessment.

Section 8. Roadways. The roadways located within the Community are privately owned and controlled by the Association. Drivers shall follow all applicable rules, regulations, ordinances and laws of Chatham County and the State of Georgia and shall observe the posted speed limits and traffic signs of the Association. The Board reserves the right to install and remove speed bumps, traffic signs, speed reduction devices and other traffic and safety items and may adopt additional rules and regulations related to the use of the roadways.

Section 9. Signs. Except as may be required by legal proceedings, no signs, advertising posters or billboards of any kind shall be erected or placed by an Owner or Occupant or other Person on a Lot, or permitted to remain on the Community without the prior written consent of the Board or its designee, except that professional security signs and "for sale" or "for rent" signs not to exceed 36" by 36" in size may be displayed from within a Residence. Notwithstanding the foregoing, the Board shall have the right to erect reasonable and appropriate signs on behalf of the Association, and shall have the authority to adopt regulations permitting temporary signs on Lots announcing births, birthdays or other events for limited periods of time. This Section shall not apply to the Declarant.

Section 10. Vehicles and Parking. Vehicles permitted under this Section shall be parked in areas specified herein or in designated areas authorized in writing by the Board. No Owner or Occupant may keep or bring onto the Community more than a reasonable number of vehicles, at any time, as determined by the Board. All vehicles of an Owner or Occupant shall be parked within a garage or on a driveway located on a Lot. Owners and Occupants are prohibited from parking on yard areas or along the roadways of the Community.

Disabled and stored vehicles are prohibited from being parked on any portion of the Community, except in garages. For purposes of this Declaration, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable.

Boats, trailers, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Georgia Department of Motor Vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors other than Sheriff's, Marshall's, or police officer's

vehicles marked as such, are also prohibited from being parked on the Community, except in garages. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Community during normal business hours for the purpose of serving any Lot or the Common Property; provided, however, no such vehicle shall remain on the Common Property overnight or for any purpose unless prior written consent of the Board is first obtained.

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 place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the person or entity that will do the towing or booting and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or agent of the Association may have the vehicle towed or booted in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to a Lot, is obstructing the flow of traffic, is parked on any grassy area, or otherwise creates a hazardous condition, no notice shall be required and the Board or agent of the Association may have the vehicle towed immediately. If a vehicle is towed in accordance with this Section, 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 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.

The Board shall have the power and authority to enforce these provisions, including towing and booting, regardless of whether the roads in the Community are private or dedicated and/or conveyed to a public entity. Nothing herein shall require the Association to exercise self-help, and the Board, in its sole discretion, may fine for any parking violation instead of, or in addition to, towing or booting.

Section 11. Garages. It is prohibited for an Owner or Occupant of a Residence that includes a garage to convert such garage to any other use. No Owner or Occupant of a Residence that includes a garage shall park his or her car or other motor vehicle on any portion of the Community, other than in the garage, unless the maximum number of cars or similarly sized motor vehicles that can be parked in the garage according to its design capacity are already parked in said garage.

Section 12. Yard or Garage Sales. No yard sale, garage sale, flea market, or similar activity shall be conducted in any portion of the Community without prior written Board consent. If so permitted, any such activities shall be subject to all reasonable conditions that the Board may impose.

Section 13. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot or the Common Property, except that a reasonable number of generally recognized household pets may be kept on a Lot. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose, and no structure for the care, housing, or confinement of any pet, such as dog houses and dog runs, shall be constructed or maintained on any part of the Community. Notwithstanding the foregoing, pets may be kept in fenced areas approved under Article VII or in areas where the pet is restricted by an electronic fence. Pets must

be kept on a leash at all times when on the Common Property and on the Lot of another Owner. When on the Common Property, pets must be under the physical control of a responsible person at all times. Feces left by pets upon any portion of the Community, including the Common Property and Lots, must be removed by the owner of the pet or the person responsible for the pet.

No potbellied pigs, snakes, or other animals determined in the Board's sole discretion to be dangerous may be brought onto or kept on the Community at any time. Furthermore, any pet that is permitted to roam free, or in the Board's sole discretion, endangers the health of any Owner or Occupant, makes objectionable noise, or constitutes a nuisance or inconvenience to the Owners or Occupants or to the owner of any property located adjacent to the Community, may be permanently removed by the Board from the Community upon seven (7) days' written notice to the owner of such pet. If the Owner or Occupant fails to remove the pet from the Community, the Board may remove the pet. Notwithstanding the foregoing, any pet which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any Community member may be removed by the Board without prior written notice to the pet's owner.

All Owners and Occupants keeping pets within the Community shall comply with all applicable governmental ordinances and regulations. Without prejudice to the Board's right to remove any such household pets, the Board may prohibit a household pet that has caused damage or injury from being walked in the Community. Animal control authorities shall be permitted to enter the Community to patrol and remove pets. Pets shall also be registered, licensed and inoculated as required by law. Furthermore, any Owner or Occupant who keeps or maintains any pet upon the Community shall be deemed to have agreed to indemnify and hold the Association, its directors, Officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Community.

Section 14. Prohibition of Damage, Nuisance and Noise. The Residences are built in close proximity to one another. As a result, noise and vibration may be detectable between Residences. Therefore, an Owner or Occupant shall not conduct activities within a Residence or on any portion of the Community in a manner that interferes with or causes disruption to the use and quiet enjoyment of another Residence by its respective Owner and Occupant. Furthermore, without limiting the generality of the foregoing, no horn, whistle, siren, bell, amplifier or other sound device, except for devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law. Notwithstanding the foregoing, any siren or device for security purposes shall contain a device that causes it to automatically shut off within fifteen (15) minutes.

It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. No Lot on the Community shall be used, in whole or in part, for the storage of any property or thing that will cause a Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye. Moreover, no substance, thing, or material may be kept on any portion of the Community that will discharge foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the surrounding property. Furthermore, no noxious, destructive or offensive activity shall not be conducted within any portion of the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property in the Community. No Owner or Occupant shall maintain any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community.

No damage to or waste of the Common Property, or any part thereof, shall be permitted by any Owner or member of his or her family or any invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or Occupants of his or her Lot.

Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

Section 15. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities which might tend to cause disorderly, unsightly, or unkempt conditions, including without limitation, the assembly and disassembly of motor vehicles and other mechanical devices, shall not be pursued or undertaken on any part of the Community. Clothing, clotheslines, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Residence. Only appropriate outdoor items, such as neatly stacked firewood, patio furniture and grills may be kept on the porch serving the Residence.

Section 16. Window Treatments. No foil or other reflective materials shall be used on any window for sunscreens, blinds, and shades or for any other purpose. The side of any window treatment that is visible from the outside of a Residence shall be white or off-white in color. Bed sheets and/or towels shall not be used as window treatments.

Section 17. Air Conditioning Units. Except as may be permitted by written consent of the ARC, no window air conditioning units may be installed. Unless otherwise placed on a Lot by the Declarant, condensing units for air conditioners shall only be located in the rear or along the side of a Residence.

Section 18. Antennas and Satellite Dishes. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Community; provided, however, that the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Owners:

(a) No transmission antenna, of any kind, may be erected anywhere on the Community without written approval of the Board of Directors or the ARC.

(b) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one (1) meter in diameter shall be placed, allowed or maintained upon the Community.

(c) DBS and MMDS satellite dishes or antennas one (1) meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association, both as may be amended from time to time. DBS and MMDS satellite dishes or antennas one (1) meter or less in diameter must be placed on the rear of the house or in the backyard, out of view from the street.

In the event of a transfer of a Lot which includes the satellite dish or antenna, the Grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the Bylaws and the rules and regulations regarding satellite dishes and antennas, including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

Section 19. Fences. No fence or fencing-type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Community, including any Lot, without the prior written consent of the ARC. The ARC may issue guidelines detailing acceptable fence styles or specifications and locations. All applications for fencing shall be submitted in accordance with Article VII of this Declaration. The ARC may require that all or a part of the fencing be painted in order to preserve architectural harmony within the Community.

Section 20. Recreational Equipment. No equipment (including basketball goals and trampolines) shall be erected, installed or placed on any Lot in view of the street, Common Property, or neighboring Lots without the prior written consent of the ARC.

Section 21. Garbage Cans, Etc. All garbage cans and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property. All structures and/or improvements used to conceal or screen the foregoing items shall be subject to the prior written approval of the ARC. Furthermore, all rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. No garbage or trash shall be placed on exterior portions of a Lot, temporarily or otherwise, except in garbage cans, sealed bags, or proper receptacles located or screened so as to be concealed from view of neighboring streets and property. No such can, receptacle or rubbish, trash, and garbage shall be placed upon the curb adjacent to a Lot more than twenty-four (24) hours before such items are scheduled to be collected or removed. All cans and receptacles shall be removed from the curb before sunset on the day upon which rubbish, trash, and garbage was scheduled to be collected or removal. Trash, garbage, debris, or other waste matter of any kind may not be burned within the Community except by Declarant and Approved Builders during construction.

Section 22. Tree Removal. No living tree having a diameter greater than six (6) inches, breast high, may be cut on any of the lots of areas in the Community without the written consent of the Association.

Section 23. Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Property is prohibited; provided, however, that the display of lawful firearms on the Common Property is permitted for the limited purpose of transporting the firearms across the Common Property to or from the Owner's Lot. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. The term "fireworks" shall include those items as listed in O.C.G.A. Section 25-10-1.

Section 24. Abandoned Personal Property. Personal property, except for personal property owned by the Association, is strictly prohibited from being stored, kept, or allowed to remain for a period of more than twenty-four (24) hours upon any portion of the Common Property or on the rights-of-way located within the Community. If the Board or its designee, in its sole discretion, determines that property is kept, stored, or allowed to remain on the Common Property or on the rights-of-way located on the Community in violation of this Section, then the Board may remove and either discard or store the personal property in a location which the Board may determine. If personal property is removed in accordance with this Section, neither the Association nor any Officer or agent of the Association shall be liable to any Person for any claim of damage resulting

from the removal 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 remove abandoned or improperly stored personal property, as set forth herein.

Section 25. Impairment of Residences and Easements. An Owner shall do no act nor any work that will impair the structural soundness or integrity of any Residence or impair any easement or other interest in real property, nor do any act nor allow any condition to exist which will adversely affect the other Residences or their Owners or Occupants, including, but not limited to changing the grade of the property or any activity that may affect the drainage of the Community.

Section 26. Lighting. Except as may be permitted by the ARC, exterior lighting shall not be permitted except for: (a) approved lighting as originally installed on a Residence; and (b) illumination for all exterior lighting shall be generated from clear or white light bulbs or such other light bulbs specified by the Association.

Section 27. Mailboxes. Only one (1) mailbox shall be located on each Lot. All mailboxes and mailbox posts located on Lots shall be provided by the Approved Builder and shall be in conformity with an established mailbox program for the Community as determined by Declarant. Replacement mailboxes and mailbox posts may be installed on a Lot only after the type of replacement mailbox and mailbox post has been approved in writing by the ARC.

Section 28. Grilling. Applicable state laws and local ordinances having jurisdiction over the Community shall govern the use of outdoor grills on any portion of the Community, including, without limitation, a porch located on a Lot.

Section 29. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. If drainage grating and/or headwall are located on a Lot, the Owner of such Lot shall be responsible for ensuring that such drainage grating and/or headwall is clear of obstruction and debris to allow for proper drainage flow. Furthermore, no Owner or Occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves for the benefit of Declarant and the Association and their respective successors and assigns a perpetual easement across the Community property for the purpose of altering drainage and water flow (with the permission of Glynn County, if necessary).

Section 30. Erosion Control; Contamination. No activity which may create erosion or siltation problems in any portion of the Community shall be undertaken on any Lot without the prior written approval of the Board of Directors or its designee of plans and specifications for the prevention and control of such erosion or siltation. Such plans and specifications shall be designed by a professional engineer licensed in the State of Georgia and all costs and expenses related thereto shall be borne exclusively by the Lot Owner. The Board of Directors or its designee may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include, by way of example and not of limitation, physical devices for controlling the run-off and drainage of water, special precautions in grading, clean-up activities and requiring landscaping as provided for herein. No activity which results in contamination of or any damage to any stream, water course or any other Lot shall be conducted on any Lot, and each Owner shall be liable for all resulting damages from such activity and for restoration of a property damaged from contamination resulting from or attributable to such activity.

Section 31. Lagoon. This Section and the rules and regulations adopted by the Board and the ARC, to the extent applicable, shall govern the use of the Lagoon.

(a) No Owner shall take any action, including, but not limited to, polluting the Lagoon, adding chemicals or detergent to the Lagoon, placing debris and/or vegetation in the Lagoon, or taking or failing to take such actions that would detrimentally affect the condition of the Lagoon. No Owner shall take any action to either increase the amount of siltation entering the Lagoon or reduce or raise the levels of the Lagoon.

(b) Ice skating, swimming, boating, or any recreational activities, unless expressed permitted herein below are specifically prohibited in the Lagoon.

(c) Retaining walls and similar structures shall not be installed without the prior written approval of the ARC.

(d) Owners and Occupants may fish in the Lagoon; provided; however, the Association may adopt rules and regulations restricting fishing in the Lagoon, including, without limitation, imposing quotas on the number of fish that may be caught. No Person shall stock the Lagoon with fish or other wildlife without the written approval of the Board.

(e) No boats are permitted in the Lagoon. No structures shall be built in or around the Lagoon;

(f) Owners are prohibited from withdrawing water from the Lagoon for irrigation of the lawns and gardens located on a Lot; provided, however, Declarant and the Association may withdraw water from the Lagoon for irrigation of the Common Property or other areas which are the maintenance responsibility of the Association.

(g) No geothermal devices used for the purpose of heating a Residence or other improved structure located on a Lot shall be installed or placed in the Lagoon.

Declarant, the Owners, the Association, the Board, and the officers, directors, members, employees, and agents of any of them, shall not be held liable in any manner whatsoever for, and hereby disclaims any and all such liability and responsibility for, any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the Lagoon. Each Owner of a Lot, by acceptance of a deed therefore, on behalf of such Owner and such Owner's family members, guests, and invitees, hereby agrees not to bring any action or suit against Declarant, other Owners (and such Owners' family members, guests, and invitees), the Association, the Board, or the officers, directors, members, employees, and agents of any of them, and hereby releases, remises, quitclaims, and covenants not to sue any or all of the foregoing, for any claims, demands, and causes of action arising out of or in connection with the authorized or unauthorized use of the Lagoon 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.

Notwithstanding anything contained in this Declaration to the contrary, the Board or the ARC, in enforcing the use restrictions contained in this Article or in promulgating, adopting or enforcing rules and regulations, may apply a stricter standard to any Lot which adjoins, abuts or contains any portion of the Lagoon, if, in the discretion of the Board or the ARC, such is necessary to uphold the appearance of the Community, and the appearance and functionality of the Lagoon.

ARTICLE IX

Leasing

Residences may be leased for residential purposes only. Except for Residences owned by the Declarant, all leases shall have a minimum term of nine (9) months and a copy of all leases shall be given to the Board of Directors by the Owner of the Residence within thirty (30) days of entering into the lease. All leases shall require that the lessee acknowledge receipt of a copy of the Declaration, Bylaws and rules and regulations of the Association and shall also obligate the lessee to comply with these documents.

Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto by the lessee, any Occupant, or any person living with 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. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be specifically assessed against the Lot and the Owner thereof, such being deemed hereby as an expense which benefits the leased Residence and the Owner thereof.

When an Owner (other than the Declarant) who is leasing his or her Lot fails to pay any annual or special assessment or any other charge 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, lessee shall pay to the Association all unpaid annual and special 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's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to Owner. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under Article IV herein 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.

This Article shall not apply to any leasing transaction entered into by the holder of any first Mortgage on a Lot who becomes the Owner of a Lot through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage.

Article X

Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, which shall be deemed to include the following:

(a) maintenance, repair, and replacement subject to any insurance then in effect, of the Common Property;

(b) maintenance and repair of all water and sewer pipes or facilities that serve more than one (1) Lot to the extent that such pipes and facilities are not maintained by the Owner as set forth below or by public, private, or municipal utility companies;

(c) maintenance and repair of all road ways and right-of-ways within the Community to the extent said road ways and right-of-ways are not publically dedicated; and,

(d) the Lagoon and shorelines located within the Community.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any other person, or resulting from any utility, rain, snow or ice that may leak or flow from any portion of the Area of Common Responsibility or from any pipe, drain, conduit, appliance or equipment that the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner of any Lot or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property that may be stored in or upon any of the Common Property. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section 1 where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements that are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order to directive of any municipal or other governmental authority.

The Association shall repair incidental damage to any Lot resulting from performance of work that is the responsibility of the Association. Repairs to improvements on a Lot shall be completed only to the extent of being "paint-ready." Such repair and subsequent cleaning shall be performed based on a reasonableness standard and at the sole discretion of the Board of Directors. In performing its responsibilities hereunder, the Association shall have the authority to delegate such Persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association, is caused through the willful or negligent act of an Owner, his or her family, guests, lessees, or invitees, and is not completely covered or paid for by insurance, then the Association may perform the maintenance, repair or replacement at the expense of the Owner, and all costs shall be specifically assessed against the Owner and shall be added to and become a part of the assessment obligation of the Owner and shall become a lien against the Lot.

In performing its responsibility hereunder, the Association shall have the authority to delegate to such persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

Section 2. Owner's Responsibility. Except as provided in Section 1 above, all maintenance of the Lot shall be the responsibility of the Owner thereof. In addition, the Owner shall maintain all pipes, lines, ducts, conduits, or other apparatus that serve only the Lot located within the Lot's boundaries or, if located outside the Lot's boundaries, the portion of the pipe from the cutoff valve serving the Lot (including all gas, electricity, water, sewer and other apparatus and the cut off valves for same serving only the Lot). The Owner shall also maintain and repair all structures on their Lot. Such maintenance shall be performed consistent with this Declaration and the Community-Wide Standard established pursuant hereto. Any maintenance that involves an exterior change, including, without limitation, landscaping and planting or repainting of the exterior of improvements in a different color, shall require prior approval of the Board or its designee pursuant to Article VII of this Declaration.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Property by an Owner or Occupant that is the responsibility of the Association hereunder (including, but not limited to, landscaping of Common Property) shall be performed at the sole expense and risk of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

Each Owner also shall be obligated:

- (a) To perform his or her responsibility in such manner so as not to unreasonably disturbs other persons in other Lots.
- (b) To promptly report to the Association or its agent any defect or need for repairs, for which that the Association is responsible.
- (c) Not to make any alterations or do anything with respect to the exterior or interior of the Lot that might jeopardize or impair the safety or soundness of any Lot without first obtaining the written consent of the Board of Directors of the Association and all Owners and Mortgagees or the Lots affected, nor shall any Owner impair any easement without first obtaining written consent of the Association and of the Owner or Owners and their Mortgagees for whose benefit such easement exists.
- (d) To pay for the cost of repairing, replacing or cleaning up any item that is the responsibility of the Owner but that responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, his or her family, tenants or guests, with the cost thereof to be added to and become part of the Owner's next chargeable assessment.
- (e) To aid and assist the Association and its agents and employees as requested by the Association or its agents and employees, including, without limitation, removing, covering, shielding, or otherwise protecting any and all personal property in the areas to be maintained or repaired by the Association and its agents and employees in order for the Association and its agents and employees to conduct its maintenance and repair obligations in the Community. The

Association and its agents and employees shall not be liable for any injury, damage or loss to such personal property that is not removed, covered, shielded or otherwise protected by the Owner or Occupant of the Lot on which such personal property is located as requested by the Association or its agents and employees.

Section 3. Failure to Maintain. If the Board of Directors determines that: (a) any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair or replacement of items of which he or she is responsible hereunder; or (b) that the need for maintenance, repair, or replacement which is in the Area of Common Responsibility is caused through the willful or negligent act of any Owner, his or her family, guests, lessees, or invitees, and is not covered or paid by insurance, in whole or in part, then the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Lot, and shall be collected as provided herein for the collection of assessments.

Section 4. Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary as the composition of the Board of Directors changes. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Article. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

Article XI **Mortgagee Provisions**

The following provisions are for the benefit of holders of first Mortgages on Lots in the Community. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number) (therefore becoming an "Eligible Mortgage Holder") will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss that affects a material portion of the Community or that affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Mortgage Holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Mortgage Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws of the Association that is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) any proposed action that would require the consent of a specified percentage of Mortgage holders.

Section 2. Approval of Action. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless two-thirds (2/3) of the first Mortgagees and Owners other than the Declarant give their consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Property that the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Property shall not be deemed a transfer within the meaning of this subsection (a)) other than personal property of the Association;

(b) change the method of determining the obligations, assessments, dues, or other charges that may be levied against an Owner;

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Property (The issuance and amendment of architectural standards, procedures, rules, and regulations or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this subsection (c));

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

Nothing contained in this Section 2 shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration for any of the acts set out in this Section 2.

First Mortgagees, after written notice to the Association, may, jointly or singly, pay taxes or other charges that are in default and that may or have become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 3. Other Provisions for First Lien Holders. To the extent possible under law:

(a) Any restoration or repair of the Community after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Mortgage Holders to which at least fifty-one (51%) percent of the votes of Lots subject to Mortgages held by such Eligible Mortgage Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Mortgage Holders to which at least fifty-one (51%) percent of the votes of Lots subject to Mortgages held by such Eligible Mortgage Holders are allocated.

Section 4. Amendments to Documents. The approval of Eligible Mortgage Holders on Lots to which at least fifty-one (51%) percent of the votes of Lots subject to a Mortgage appertain, shall be required materially to amend any provisions of the Declaration, By-Laws, or Articles of

Incorporation, or to add material provisions thereto which establish, provide for, govern, or regulate any of the following:

- (i) expansion or contraction of the Community or the addition, annexation, or withdrawal of property to or from the Community;
- (ii) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Lot;

Section 5. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

Section 6. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 7. Amendments by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements that necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes. Additionally, upon the expiration of the Declarant Control Period, the Board may submit the Community to the Georgia Property Owners Association Act, O.C.G.A. § 44-3-220, et seq. ("Act"), without a vote of the members, by recording in the land records for Chatham County and amendment to this Declaration stating the intention to be governed by the Act.

Section 8. Applicability of this Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Georgia law for any of the acts set out in this Article.

Section 9. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

Section 10. FHA/VA Approval. As long as there is a Class "B" membership, the following actions shall require the prior approval of the Federal Housing Administration or the Veterans Administration, if either such agency is insuring or guaranteeing the mortgage on any Lot: annexation of additional property other than that described on Exhibit "B," dedication of Common Property or mortgaging of Common Area.

Article XII

Easements

Section 1. Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and adjacent portion of the Common Property or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered (in accordance with the terms of this Declaration). The easement shall be five (5) feet, as measured from any point on the

common boundary between each Lot and the adjacent portion of the Common Property or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point. However, an easement for encroachment shall not exist if the willful conduct by an Owner, Occupant, or the Association caused the encroachment.

Section 2. Easements for Use and Enjoyment.

(a) Every Owner of a Lot shall have a right and easement of entry and exit, use and enjoyment in and to the Common Property that shall be appurtenant to and shall pass with the title to his Lot, subject to the following provisions:

(i) the right, but not the obligation, of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his or her family, tenants, guests, and invitees;

(i) the right of the Association to suspend the voting rights of an Owner and the right of an Owner to use the recreational facilities in the Community for any period during which any assessment against his or her Lot that is provided for herein remains unpaid and for a reasonable period of time for an infraction of the Declaration, Bylaws, or rules and regulations;

(ii) the right of the Association to borrow money as may be set forth in the Bylaws; 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 any Lot or Owner, or the holder of any Mortgage, irrespective of when executed, encumbering any Lot or other property located within the Community (Any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the holder thereof 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 any Lot or Owner, or the holder of any Mortgage, irrespective of when executed, encumbering any Lot or other property located within the Community.);

(iii) the right of the Association to dedicate or grant permits, licenses or easements over, under, through and across the Common Property to governmental entities for public purposes; and

(iv) the right of the Association to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the Members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the affirmative vote of the Owners of at least two-thirds ($\frac{2}{3}$) of the Lots (other than Lots of Declarant so long as the consent of Declarant is required) and the consent of Declarant (so long as Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property to the Community).

(b) Any Owner may delegate his or her right of use and enjoyment in and to the Common Property and facilities located thereon to the members of his or her family, his or her tenants and guests. An Owner shall be deemed to have made a delegation of all these rights to the Occupants of the Owner's Lot, if leased.

Section 3. Easements for Street Lights and Utilities. There is reserved to the Declarant, and

the Association, blanket easements upon, across, above and under all Lots on the Community for access, ingress, egress, installation, repairing, replacing and maintaining all utilities and services, including, but not limited to, any irrigation system and all street lights serving the Common Property, and reading meters for: (a) all utilities serving the Community or any portion of the Common Property, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, (b) water runoff and storm drainage systems, (c) street lights, and (d) any other services such as, but not limited to, a master television antenna system, cable television system, master satellite system or security system that may be installed to serve the Community. It shall be expressly permissible for the Declarant, the Association, or the designee of either, to do or to authorize the installation, repairing, replacing, and maintaining of the wires, conduits, cables, bulbs and other equipment related to providing any such utility or service. Should a party furnishing any such utility or service request a specific license or easement by separate recordable document, the Declarant or Board, as applicable, shall have the right to grant such easement.

Section 4. Easement for Entry. In addition to the right of the Board to exercise self-help as provided in the Association's legal instruments, the Board shall have the right, but not the obligation, to enter upon any property on the Community for emergency, security, and safety reasons. This right may also be exercised by the agents of the Association, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Board to enter to cure any condition that may increase the possibility of a fire, slope erosion, or other hazard in the event an Owner or Occupant fails or refuses to cure the condition after request by the Board.

Section 5. Easement for Association Maintenance. Declarant expressly reserves a perpetual easement for the benefit of the Association across such portions of the Community, including Lots, determined in the sole discretion of the Association, as are necessary to allow for the maintenance required under this Declaration, including, without limitation: (a) an easement over Lots on which landscape easements, sign easements or utilities easements are located as shown on the Plat for maintenance of such easement areas; (b) an easement over Lots to perform maintenance as provided in Article XI, Section 1; and (c) an easement over Lots to allow for maintenance of the Lagoon and shorelines located within the Community. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owners' property, reasonable steps shall be taken to protect the property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 6. Easements for Lagoon Maintenance and Flood Water. The Declarant reserves for itself and the Association, and their designees the nonexclusive right and easement, but not the obligation, to enter upon the Lagoon located within the Community to construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water, and remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. The Declarant, the Association, and their designees shall have an access easement over and across any of the Lots abutting any portion of the Lagoon to the extent reasonably necessary to exercise their rights under this Section. In order to allow the exercise of rights created pursuant to this easement concerning the maintenance of the Lagoon, no tree or structure may be placed within fifteen (15) feet of the line formed by the highest normal pool elevation of the Lagoon without the prior written approval of the Board or its designee.

There is further reserved herein for the benefit of the Declarant, the Association, and their designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Property and Lots (but not the Residences located thereon) adjacent to or within

twenty (20) feet of the low-water mark of the Lagoon in order to (a) temporarily flood and back water upon and maintain water over such portions of the Community; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the Lagoon; (c) maintain and landscape the slopes and banks pertaining to the Lagoon; and (d) enter upon and across such portions of the Lots for the purpose of exercising their rights under this Section. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

Section 7. Easement for Entry Features and Street Signs. There is hereby reserved to the Declarant, the Association, and the designee of either, an easement over and upon all of the Community for ingress to, egress from, installation, construction, landscaping and maintenance of entry features and street signs 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 all entry features and the right to grade the land under and around the entry features.

Section 8. Public in General. The easements and rights created in this Article do not, are not intended to, and shall not be construed to create any easements or rights in or for the benefit of the general public; provided, however, that nothing set forth herein shall in any way limit or restrict any existing easements or rights already granted to the public as such easements or rights are previously recorded in the Official Records. The Board of Directors hereby reserves the right to close temporarily, to the extent reasonably practicable, upon fifteen (15) days' prior written notice (that may be given by posting in conspicuous locations upon the relevant portion of the Community), all or any portion of the Community that, in the reasonable opinion of the Board, may be legally necessary to prevent a dedication thereof, or any accrual of any rights therein, in the general public or in any Person other than the Persons for which such easements are expressly created in this Declaration.

Section 9. Easement Rights to Approved Builders. Approved Builders shall have the same easement rights as Declarant necessary for the construction and sales activities of Lots, including, without limitation, those easement rights granted to Declarant in Article XVI, Section 2 of this Declaration.

Article XIII **Annexation of Additional Property**

Section 1. Annexation Without Approval of the Membership. The Declarant shall have the unilateral right, privilege, and option, from time to time at any time until all property described on Exhibit "B" attached hereto, has been subjected to this Declaration or twenty (20) years from the date of the recording of this Declaration, which is earlier, subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the Additional Property described on Exhibit "B". The Declarant shall have the unilateral right to transfer to any other Person the right, privilege, and option to annex Additional Property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer or Approved Builder of at least a portion of the real property described on Exhibit "A" or Exhibit "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration annexing such Additional Property in the Official Records. Such Supplemental Declaration shall not require the consent of other Owners, but shall require the consent of the owner of such property, if other than

Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Section 2. Withdrawal of Property. The Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the Community pursuant to this Article, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Community then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community.

Section 3. Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the Community submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than the Declarant.

Section 4. Acquisition of Additional Common Property. Declarant may convey to the Association additional real estate, improved or unimproved, which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 5. Amendment. This Article shall not be amended without the prior written consent of Declarant for so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property into the Community.

ARTICLE XIV **Declarant's Rights**

Section 1. Transfer of Declarant's Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or in the Bylaws, as applicable. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Official Records.

Section 2. Construction and Sale Period. Notwithstanding any provisions contained in this Declaration, the Bylaws, the Articles of Incorporation, use restrictions, rules and regulations, Design Guidelines, and any amendments thereto, for so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property to the Community, Declarant reserves an easement across all property in the Community for Declarant and Approved Builder(s) to maintain and carry on, upon such portion of the Community as Declarant or Approved Builder(s) may reasonably deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's or Approved Builder's development, construction, and sales activities related to property described on Exhibit "A" and Exhibit "B" of this Declaration, including, but without limitation:

(a) the right of access, ingress and egress for vehicular and pedestrian traffic, parking, and construction activities over, under, on or in the Community, including, without limitation, any Lot;

(b) the right to tie into any portion of the Community with driveways, parking areas and walkways;

(c) 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 that provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community;

(d) the right to grant easements over, under, in or on the Community, including, without limitation, the Lots, 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;

(e) the right to carry on sales and promotional activities in the Community;

(f) the right to erect and maintain signs, and

(g) the right to construct and operate business offices, construction trailers, model Residences, and sales offices. Declarant and Approved Builder may use Residences, offices, or other buildings owned or leased by Declarant or Approved Builder as model Residences and sales offices.

Notwithstanding anything to the contrary stated herein, for so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property to the Community, Declarant and Approved Builder(s) shall have the right to keep open any gates leading into the Community during the sales office's hours of operation.

Rights exercised by the Declarant pursuant to the easements reserved herein shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense. For so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property to the Community, the Association shall neither amend this Article, nor seek to regulate, tax, limit or abridge Declarant's rights and easements without the Declarant's express written consent

Article XV

General Provisions

Section 1. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant for so long as the Declarant owns any Property in the Community or owns any Additional Property.

After the Declarant no longer owns any property for development and/or sale within the Community or has the right to unilaterally annex additional Property in to the Community, the Board of Directors, without the necessity of a vote from the Owners, may amend this Declaration for the purpose of electing to be governed by and thereafter complying with the provisions of the Georgia Property Owner's Association Act, O.C.G.A. § 44-3-220, et. seq., or to comply with any

applicable state, city or federal law, including, but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association, the Department of Housing and Urban Development and the Veteran's Administration.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least two-thirds (2/3) of the Lots and the consent of Declarant (so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property to the Community).

Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein. Notwithstanding the foregoing, no provision of this Declaration which benefits, reserves or grants special rights to the Declarant shall be amended, modified, altered or deleted without the Declarant's prior written approval so long as the Declarant owns any property for development and/or sale in the Community or has the right unilaterally to annex Additional Property to the Community.

Any lawsuit challenging any aspect of an amendment to this Declaration must be filed in the Official Records within one (1) year of the date of recordation of such amendment.

Section 2. Duration. The covenants, restrictions and easements of this Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent permitted by law. However, so long as Georgia law limits the period during which covenants restricting lands to certain uses may run, any provision of this Declaration affected by the law shall run with and bind the land so long as permitted by the law, after which time the provisions shall be automatically extended for successive periods of twenty (20) years, unless fifty-one percent (51%) of the Owners execute a document to terminate the covenants containing a legal description of the entire area affected by the covenant, a list of all Owners affected by the covenant and a description of the covenant to be terminated or such other requirement as provided in O.C.G.A. § 44-5-60. A written instrument reflecting any termination must be recorded no sooner than, but within two (2) years immediately preceding the beginning of a twenty (20) year renewal period. Every purchaser or grantee of any interest (including, without limitation, a security interest) in any interest (including, without limitation, a security interest) in any real property subject to this Declaration, by acceptance of a deed or other conveyance, agrees that provisions of this Declaration may be extended and renewed as provided in this Section.

Section 3. Dispute Resolution. Any Owner or Occupant must give written notice to the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute before that Owner or Occupant files any lawsuit against the Association, the Board, any director, or any agent of the Association. The Owner or Occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date no less than seven (7) or more than twenty-one (21) days from the date of receipt of the notice of hearing by the person requesting the hearing.

Section 4. No Discrimination. No action shall be taken by the Association or the Board of Directors that would unlawfully discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or handicap.

Section 5. Indemnification. In accordance with the Georgia Nonprofit Corporation Code, and to the full extent allowed by Georgia law, the Association shall indemnify every person who was or is a party or who is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association), by reason of the fact that such person is or was serving as a director or Officer of the Association, against any and all expenses, including reasonable attorneys' fees actually incurred or imposed upon in connection with any action, suit, or proceeding, if such person acted in a manner reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Any indemnification shall be made by the Association only as authorized in a specific case upon a determination that indemnification of the person is proper under the circumstances.

Section 6. Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it or reasonably necessary to effectuate the right or privilege.

Section 7. 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 that can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

Section 8. Agreements. Subject to the prior approval of Declarant (during the Declarant Control Period) 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.

Section 9. Right of Action. All Owners hereby acknowledge and agree that the Association shall not be entitled to institute any legal action against anyone on behalf of any or all of the Owners which is based on any alleged construction defect (as such term is defined in O.C.G.A. § 8-2-36) in any Lot, Residence, or the Common Property, or any damage allegedly sustained by any Owner by reason thereof, except the Association may bring an action against a contractor, other than the Declarant, to recover damages resulting from construction defects in any of the Common Property. Such action may only be maintained after:

(i) A vote or written agreement of the Owners of at least a majority of the Total Association Vote;

(ii) The Board and contractor have met in person and conferred in a good faith attempt to resolve the Association's claim or contractor has definitively declined or ignored the requests to meet with the Board; and

(iii) The Association has otherwise satisfied all of the pre-action requirements for a claimant to commence an action as set forth in O.C.G.A. § 8-2-35, et seq.

Section 10. Captions. The captions of each Article and Section of this Declaration, 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.

Section 11. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 12. Preparer. This Declaration was prepared by Robert L. McCorkle, III and Colby E. Longley, McCorkle & Johnson, LLP, 319 Tattnall Street, Savannah, Georgia 31401.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, being the duly appointed representative of Declarant herein, have executed this instrument and affixed the corporate seal this 12 day of April, 2016.

DECLARANT:

AUGUSTA TRANSPORT & LAND
CLEARING, INC., a Georgia corporation

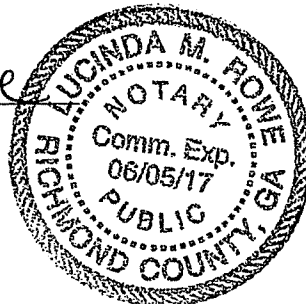
By: [Signature]
Its: President

Signed, sealed and delivered
in the presence of:

[Signature]
Unofficial Witness

Lucinda M. Rowe
Notary Public
My Commission Expires:

[Notary Seal]



[Corporate Seal]



The foregoing Declaration of Covenants, Conditions, Restrictions and Easements for Huntington Cove ("Declaration") are hereby consented to by Faircloth Homes of Savannah, Inc. Any Lots making up part of the Submitted Property owned by Faircloth Homes of Savannah, Inc., are hereby submitted to the Declaration.

DEVELOPER:

FAIRCLOTH HOMES OF SAVANNAH,
INC., a Georgia corporation

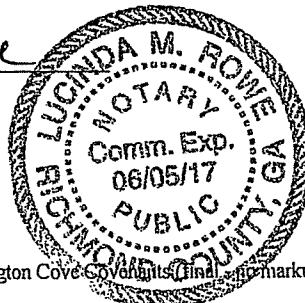
By: [Signature]
Its: President

Signed, sealed and delivered
in the presence of:

[Signature]
Unofficial Witness

Lucinda M. Rowe
Notary Public
My Commission Expires:

[Notary Seal]



[Corporate Seal]



**BY-LAWS OF
HUNTINGTON COVE PROPERTY
OWNER'S ASSOCIATION, INC.**

**ARTICLE I
Name, Location and Applicability**

Section 1. Name. The Name of the Association is **HUNTINGTON COVE PROPERTY OWNER'S ASSOCIATION, INC.** (hereinafter referred to as the "Association").

Section 2. Principal Office. The principal office of the Association (until otherwise designated by the Board, as hereinafter defined) shall be located at P.O. Box 212428, Augusta, Georgia 30917 but meetings of Directors may be held at any location within the State of Georgia, as may be designated by the Board of Directors.

Section 3. Registered Office. The registered office of the Association shall be located at 319 Tattnall Street, Savannah, Georgia, 31401 or such other offices as the Board of Directors shall select. The initial registered agent shall be Robert L. McCorkle, III.

Section 4. Other Offices. The Association may also have offices at such other places both within and without the State of Georgia as the Board of Directors may from time to time determine or the business of the Association may make appropriate.

Section 5. Applicability. These By-Laws, as amended from time to time, are binding on all present or future owners, tenants, residents, and other persons occupying or using the facilities at Huntington Cove Subdivision in any manner. The mere acquisition, rental or act of occupancy of any part of said Townhouses or property subjects said owner, tenant or occupant to these By-Laws, as well as that certain "Declaration of Covenants, Conditions and Restrictions for Huntington Cove Subdivision," recorded in Deed Book _____, Page _____, of the Office of the Clerk of Superior Court of Chatham County, Georgia (the "Declaration"). All capitalized terms not otherwise defined herein shall have the meaning assigned thereto in the Declaration.

**ARTICLE 2
Membership**

Section 1. Members. Every Owner shall be a Member of the Association pursuant to the Declaration.

Section 2. Establishment of Membership. Membership shall be established by the acquisition of title to a Lot within the Property subject to the Declaration (the "Huntington Cove Subdivision"), whether by conveyance, devise, judicial decree or otherwise. The membership of any party shall be automatically terminated upon his being divested of all title to such Lot,

except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more Lots, so long as such party shall retain title to a Lot.

Section 3. Membership Interest. The interest of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Lot. The funds and assets of the Association shall belong solely to the Association subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration and in the Articles of Incorporation of the Association.

Section 4. Membership Rights. Exercise of membership rights in the Association is contingent upon the payment of all assessments levied by the Association, the obligation of which is imposed upon each Owner of, and becomes a lien upon, the Property against which such assessments are made as provided by the Declaration.

Section 5. Suspension of Membership Rights. The membership rights of any Member of the Association may be suspended by action of the Directors during the period when any the assessments remain unpaid pursuant to the terms of the Declaration; but, upon payment of such assessments, his or her rights and privileges shall be automatically restored. If the Directors shall have adopted and published rules and regulations governing the use of the common elements and facilities and personal conduct of any person thereon, the Directors may, in their reasonable discretion, suspend the rights of such person for violation of such rules and regulations as provided in the Declaration. The Directors may, in their reasonable discretion, suspend the Membership rights of any Member violating the Declaration or these Bylaws.

ARTICLE 3 **Meetings of Members**

Section 1. Location of Meetings. All meetings of Members shall be held at such place within Chatham County, Georgia as may be from time to time fixed by the Board of Directors or as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or at the Association's registered office if not so fixed or stated.

Section 2. Annual Meetings. Annual meetings of Members shall be held during the first quarter of each year on a date and time determined by the Board of Directors.

Section 3. Special Meetings. Unless otherwise prescribed by law, by the Declaration, or by the Articles of Incorporation, special meetings of Members may be called for any purpose or purposes by the Board of Directors, the President of the Association, or by written request to the Board of Directors by Members presently holding fifteen percent (15%) or more of the total eligible votes of the Association.

Section 4. Notice of Meetings. Written notice of a meeting stating the place, day and hour of meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered via U.S. Mail, hand delivery and/or electronic mail, not less than ten (10) days nor more than sixty (60) days before the date of the meeting.

Section 5. Business of Meetings. At an annual meeting of Members, any matter relating to the affairs of the Association, whether or not stated in the notice of meeting, may be brought up for action (unless otherwise provided by law). Unless a majority of the Members of this Association entitled to vote are present and specifically agree thereto in writing, no matter that was not stated in the notice of a special meeting of Members shall be brought up for action at such a special meeting.

Section 6. Quorum. The presence of five (5%) percent of the interests entitled to vote, present in person or by proxy, shall constitute a quorum at all meetings of Members for the transaction of business except as otherwise provided by law. If a quorum shall not be present, the Members present in person or by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such reconvened meeting, any business may be transacted which might have been transacted at the adjourned meeting.

Section 7. Majority. If a quorum is present, the affirmative vote of a majority of the Members entitled to vote and represented at the meeting shall be the action of the Members, except that unanimous vote of all Members entitled to vote and represented at the meeting shall be required to approve matters at a special meeting of Members with respect to which matters no notice had been given in the notice of such special meeting.

Section 8. Voting.

(a) Anything herein to the contrary notwithstanding, all voting contemplated by these Bylaws shall be governed by the Declaration and any reference herein to the voting rights of any Member shall be governed by the relevant provisions of the Declaration.

(b) To the extent not in conflict with the Declaration the following provisions shall apply. Each Member shall be entitled to one vote per lot on each matter submitted to a vote at a meeting of Members. A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Any proxy must be in writing, signed by the owner (or owners as provided below) and submitted to the President, Secretary or other designated officer prior to the calling of the meeting to order. If any Lot is owned by a corporation, partnership, trustee or other entity or by a group of owners in any form of joint tenancy, the vote allocated to such Lot shall be exercisable by such owner or owners only as provided by the Declaration as amended from time to time. Unless the holder of a valid proxy, a mere lessee of all or any portion of a Lot shall have no right to vote and shall in no respect be

deemed a Member of the Association. In all elections for directors, every Member entitled to vote shall have the right to vote, in person or by proxy, the number of Lots owned by him for as many persons as there are directors to be elected and for whose election he has the right to vote, but Members may not cumulate their votes.

Section 9. Action Taken Without a Meeting. In the Board of Directors' discretion, any action that may be taken by the Members at any annual, regular, or special meeting may be taken without a meeting, including, without limitations amendments to the Declaration or these Bylaws, if the Board of Directors delivers a written consent form or written ballot to every Member entitled to vote on the matter.

(a) Ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the 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 Board may deliver ballots and consent forms by personal delivery, U.S. Mail, facsimile transmission, e-mail, or other electronic means. Owners shall deliver their vote by signed ballot or consent from by whatever means is specified by the Board.

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 Board in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its file for at least three (3) years.

(b) Written Consent. Approval by written consent shall be valid only when the number of written consents setting forth the actions taken is received and equals or exceeds the requisite voting power required to pass such action at a meeting held on the date that the last consent is executed. Executed written consents shall be included in the minutes or filed with the Association's records. If an action of the Members is approved by written consent hereunder, the Board of Directors shall issue written notice of such approval to all Members who did not sign written consents. Membership approval shall be effective ten (10) days after written notice is issued; provided, however, if the consent is to an amendment to the Declaration or Bylaws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

ARTICLE 4

Directors

Section 1. Number; Election. The number of directors shall be no fewer than three (3) nor more than five (5) individuals, provided, however, that so long as Declarant maintains its Class "B" Member Control Period, the number of directors may be one (1) individual, appointed by the Declarant. After the Class "B" Member Control Period expires, Directors must be Members of the Association in good standing to be eligible for election. If a Director is no longer a Member or becomes more than sixty (60) days delinquent in paying assessments, he or she is automatically removed as a Director without need for further action by the Directors or Members. If an Owner is a corporation or institution, one or more of its principal officers, directors, manager, or Members may serve as a director. The directors shall be elected at the annual meeting of Members, and each director elected shall serve until the next succeeding annual meeting and until its successor shall have been elected and qualified, provided, however, that the Declarant shall appoint all directors pursuant to the terms of the Declaration until such time as Declarant's Class "B" Member Control Period is terminated.

Section 2. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors even though the remaining directors may constitute less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired portion of the term of his predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors present at a meeting even though less than a quorum of the board of directors is present. A director elected to fill a newly created directorship shall serve until the next election of directors by the Members and the election and qualification of his successor.

Section 3. Powers. The business and affairs of the Association shall be managed by its Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things as are not by law, the Declaration, the Articles of Incorporation or these Bylaws directed or required to be exercised or done by the Members, including, but not limited to, the following:

(a) To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of the Members representing fifteen percent (15%) of the total eligible votes of the Association.

(b) To appoint and remove at pleasure all officers, committees, agents and employees of the Association, prescribe their duties, fix their compensation (if any), and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any

Member, officer or director of the Association in any capacity whatsoever.

(c) To establish, levy, assess and collect the assessments or charges referred to in the Declaration.

(d) To adopt and publish rules and regulations governing, among other things, the use of the common areas and recreational facilities, the construction of improvements and alterations on the Property, the installation or removal of landscaping on the Property, and the personal conduct of the Members and their employees and guests on the Property.

(e) To maintain insurance as provided in the Declaration.

(f) To exercise for the Association all powers, duties and authority vested in or delegated to this Association in the Declaration and Articles of Incorporation or these By Laws, except those reserved to the meeting or to Members in the Declaration, if any.

(g) To contract for the management of the Huntington Cove Subdivision and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration to have approval by the Board of Directors or Membership of the Association.

(h) To enforce the provisions of the Declaration, the Articles of Incorporation, these Bylaws of the Association and any rules and regulations governing the use of the Association Property as the same may be hereafter established.

(i) To supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed.

(j) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has or has not been paid. Such certificate shall be conclusive evidence of the matters therein certified.

(k) To assist the Architectural Review Committee in enforcing the Community Wide Standard (as defined in the Declaration).

Section 4. Compensation of Directors. The Members of the Board of Directors shall receive no compensation, except as provided in Section 5 of this Article 4.

Section 5. Indemnification. As an inducement to the officers and directors of the Association to act on the Association's behalf, the Association shall, out of its general funds or by special assessment, indemnify and hold harmless, each officer or director acting in

accordance with these Bylaws and the Declaration, including without limitation all actions taken in connection with the levying, collection and enforcement of assessments. All such indemnification shall be paid upon written request of such officer or director setting forth in reasonable detail the reason for such indemnification, which request shall be given to each of the officers of the Association.

ARTICLE 5

Meetings of the Board of Directors

Section 1. Location of Meetings. Meetings of the Board of Directors, regular or special, may be held either within or without the State of Georgia.

Section 2. First Meeting of New Board. The first meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of Members at the place where such annual meeting is held. Such meeting shall be designated as the annual meeting of the board of directors, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. Alternatively, the new Board of Directors may convene at such place and time as shall be fixed by the consent in writing of all its Members.

Section 3. Regular Meetings. Regular meetings of the Board of Directors may be held with such frequency and at such time and at such place as shall from time to time be determined by the board. If the Board has so fixed the frequency, time and place of regular meetings, no notice thereof shall be necessary. Otherwise, at least ten (10) days' notice shall be provided to each director in accordance with Article 5.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by any director on three (3) days notice to each director in accordance with Article 5.

Section 5. Notice of Meetings. Notice of meetings may be provided by U.S. Mail, hand delivery and/or electronic mail. Notice of a meeting need not be given to any director who signs a waiver of notice either before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice thereof. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. The presence of a majority of the directors shall constitute a quorum for the transaction of business unless a greater number is required by law or by the Articles of Incorporation. If a quorum shall not be present at any meeting of directors, the directors present may adjourn the meeting from time to time until a quorum shall be present, without notice of the time and place that the meeting will be reconvened other than announcement at the adjourned meeting.

Section 7. Majority. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Articles of Incorporation. Notwithstanding the foregoing, the Board of Directors may take action by telephone or by electronic mail. Casting a vote via telephone or electronic mail shall be deemed consent to, or waiver of notice of such meeting and a record of such vote shall be entered in the minutes of the Association.

ARTICLE 6

Notices

Section 1. Required Notices. Whenever, under the provisions of applicable law, the Articles of Incorporation or these Bylaws, any notice is required to be given to any director or Member, such notice shall be given in writing and delivered either personally or by first class mail, email or facsimile, addressed to such director or Member, at its address as it appears on the records of the Association. If mailed, such notice shall be deemed to be delivered three (3) business days after it was deposited in the United States mail with first class postage prepaid. Notices given by other means shall be deemed delivered when received by the addressee.

Section 2. Waiver of Notice. Whenever under the provisions of applicable law, the Articles of Incorporation or these Bylaws, any notice is required to be given to any director or Member, a written waiver thereof signed by the person or persons entitled to such notice, either before or after the time stated therein, shall be deemed the equivalent to the giving of such notice.

ARTICLE 7

Officers

Section 1. Officers; Election; Term. The officers of the Association shall be chosen by the Board of Directors and shall, at a minimum, consist of a President, a Secretary and a Treasurer. Except as otherwise provided by law, any person may hold one or more offices. Officers shall be elected at the first meeting of the Board of Directors and shall hold offices until their respective successors have been elected and shall have qualified, and if the Board of Directors shall fail in any year or years to meet and elect officers, the officers last elected shall continue to hold office. No officer need be (i) a Member of the board of directors, (ii) a resident of the State of Georgia, or (iii) an owner of any Lot.

Section 2. Additional Offices 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.

Section 3. Salaries. The officers shall receive no compensation except as provided in Section 5 of Article 4.

Section 4. Removal; Vacancies. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board at any time with or without cause by the affirmative vote of a majority of the board of directors. Officers and agents otherwise elected or appointed may be removed in accordance with Georgia law. Any vacancy occurring in any office of the Association may be filled by the Board of Directors.

Section 5. President. The President shall be the chief executive officer of the Association, shall preside at all meetings of Members and the board of directors, shall have general and active management of the business of the Association and shall see that all orders and resolutions of the board of directors are carried into effect. He or she shall have the authority and power to execute on behalf of the association bonds, mortgages, notes, contracts, leases and other documents and instruments (whether or not requiring a seal of the Association) except where such documents or instruments are required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the Association.

Section 6. Vice President. The Vice President, if any, or if there shall be more than one, the Vice Presidents, in the order determined by the board of directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. Each Vice President shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 7. Secretary and Assistant Secretaries. The Secretary shall attend all meetings of Members and the Board of Directors and shall record the proceedings of such meetings in books to be kept of that purpose, and shall perform like duties for the committees or directors when required. He or she shall give, or cause to be given, notice of all meetings of Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the board of directors or the President, under whose supervision he shall be. He or she shall have custody of the corporate seal of the Association and he shall have authority to affix it to any instrument requiring it and when so affixed it may be attested by his signature. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the board of directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers (including affixation of the Corporate Seal) of the Secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 8. Treasurer and Assistant Treasurers. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts

and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the board of directors. He or she shall disburse the funds of the Association as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Association. If required by the Board of Directors, he or she shall give the Association a bond in such sum and with surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his or her office and for the restoration to the Association, in a case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers, in the order determined by the board of directors shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE 8

Committees

Section 1. Committees. The Board may create and disband committees of board Members and/or Members for any reason, provided, however, that the Architectural Review Committee shall be a standing committee after control of the Architectural Review Board is transferred and assigned in writing to the Association. Any such committees created shall advise the board on matters pertaining to the purpose for which any committee is created and appointed, have the powers authorized by the board and shall serve at the pleasure of the board.

ARTICLE 9

General Provisions

Section 1. Checks. All checks, drafts, demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 2. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 3. Seal. The Association shall have a corporate seal which shall have inscribed thereon the name of the Association, the year of its organization and the words "Corporate Seal - Georgia." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced. The Board of Directors may from time to

time authorize any other officers to affix the seal of the Association and to attest to such affixation by his signature.

Section 4. Books and Records. The Association shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Members, Board of Directors, and committees of directors as required by Georgia Law.

Section 5. Bylaw Amendments. These Bylaws may be altered, amended, or replaced or new Bylaws may be adopted by a vote of the majority of the total eligible votes of the Association.

Section 6. Conflict. In the event of any conflict between these Bylaws and the following, the controlling language shall be found in the laws of the State of Georgia, the Declaration or the Articles of Incorporation, in the order listed.

Joinder, Consent and Subordination

The undersigned, Georgia Bank & Trust Company of Augusta ("Lender") hereby consents to the execution of the foregoing Declaration of Covenants, Conditions, Restrictions, and Easements for Huntington Cove ("Declaration") and subordinates any interest it has in property subject to the Declaration and owned by Faircloth Homes of Savannah, Inc. ("Borrower" and "Declarant"), including, but not limited to, those security interests evidenced by Deeds to Secure Debt recorded in Deed Book 713, Page 643, Deed Book 715, Page 746, Deed Book 715, Page 765, Deed Book 717, Page 267, Deed Book 717, Page 294, Deed Book 717, Page 306, and Deed Book 717, Page 318, Chatham County, Georgia records, and agrees that said property is subject to the rights, covenants, restrictions and limitations created by the Declaration. The undersigned hereby acknowledges and agrees that it has received a copy of the Declaration and all exhibits attached thereto, and has read and reviewed the terms and conditions thereof.

Signed, sealed and delivered this 12th day of April, 2016, in the presence of:

Laura Bochette
Witness

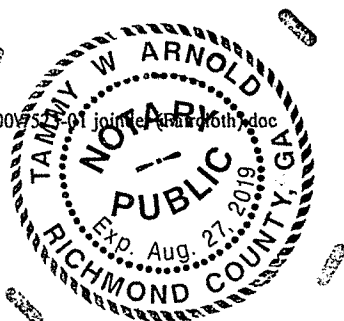
Tammy W. Arnold
Notary Public
My Commission Expires: 8/27/19
(Notary Seal)

Georgia Bank & Trust Company
of Augusta

By: Thomas C. Waller
Name: Thomas C. Waller
Title: SR. Vice President

[SEAL]

Q:\DATA\WPDATA\7500V57-01 joinder (Faircloth).doc



Joinder, Consent and Subordination

The undersigned, Georgia Bank & Trust Company of Augusta ("Lender") hereby consents to the execution of the foregoing Declaration of Covenants, Conditions, Restrictions, and Easements for Huntington Cove ("Declaration") and subordinates any interest it has in property subject to the Declaration and owned by Augusta Transport & Land Clearing, Inc. ("Borrower" and "Declarant"), including, but not limited to, that security interest evidenced by a Deed to Secure Debt recorded in Deed Book 394, Page 313, Chatham County, Georgia records, and agrees that said property is subject to the rights, covenants, restrictions and limitations created by the Declaration. The undersigned hereby acknowledges and agrees that it has received a copy of the Declaration and all exhibits attached thereto, and has read and reviewed the terms and conditions thereof.

Signed, sealed and delivered this 12th day of
April, 2016, in the presence of:

Laura B. Boretto
Witness

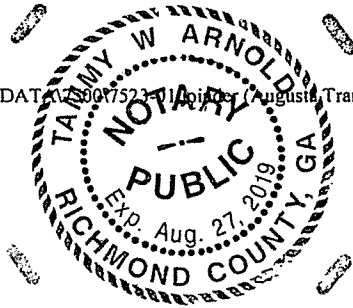
Tammy W. Arnold
Notary Public
My Commission Expires: 8/27/19
(Notary Seal)

Georgia Bank & Trust Company
of Augusta

By: Thomas C. Waller
Name: Thomas C. Waller
Title: SR. Vice President

[SEAL]

Q:\DATA\WPDATA\123007523-71\Joinder (Augusta Transport).doc



IN WITNESS WHEREOF, the undersigned, being the duly appointed representative of Declarant herein, have executed this instrument and affixed the corporate seal this 12 day of April, 2016.

DECLARANT:

AUGUSTA TRANSPORT & LAND
CLEARING, INC., a Georgia corporation

By: [Signature]
Its: President

Signed, sealed and delivered
in the presence of:

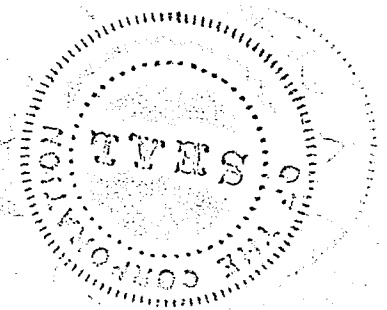
Unofficial Witness

Lucinda M. Rowe
Notary Public
My Commission Expires:

[Notary Seal]



[Corporate Seal]



The foregoing Declaration of Covenants, Conditions, Restrictions and Easements for Huntington Cove ("Declaration") are hereby consented to by Faircloth Homes of Savannah, Inc. Any Lots making up part of the Submitted Property owned by Faircloth Homes of Savannah, Inc., are hereby submitted to the Declaration.

DEVELOPER:

FAIRCLOTH HOMES OF SAVANNAH,
INC., a Georgia corporation

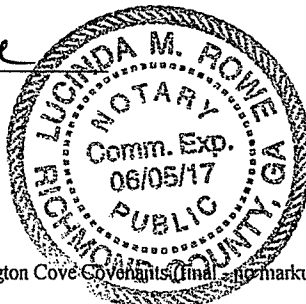
By: [Signature]
Its: President

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Lucinda M. Rowe
Notary Public
My Commission Expires:

[Notary Seal]



[Corporate Seal]

