

CC&Rs-Condominium Declaration
Morgan Commons Townhomes and House HOA, Inc.

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**DECLARATION OF COVENANTS,
RESTRICTIONS, AND EASEMENTS
FOR MORGAN COMMONS**

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DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR MORGAN COMMONS

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**DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR MORGAN COMMONS**

THIS DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS FOR MORGAN COMMONS (hereinafter referred to as the "Declaration") is made as of the ____ day of _____, 2006 by 20 Loaf Partners, LLC (hereinafter referred to as "Declarant").

BACKGROUND STATEMENTS:

Declarant is or was the owner of certain real property in Gwinnett County, Georgia, which is more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof.

Declarant intends to develop on lands, including the real property above, a development to be known as **MORGAN COMMONS** (hereinafter referred to as the "Development"). Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the property now or hereafter made subject to this Declaration, by the recording of this Declaration and amendments thereto. Declarant also desires to establish a method for the administration, maintenance, preservation, use and enjoyment of the property that is now or hereafter subjected to this Declaration and certain other properties described in this Declaration.

Declarant has caused the Association (as hereinafter defined) to be formed as a non-profit civic organization to perform certain functions for the common good and general welfare of the Owners (as hereinafter defined).

Declarant hereby declares that all of the real property described above shall be held, sold, and conveyed subject to this Declaration of Covenants, Restrictions, and Easements, which is for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property (as hereinafter defined). The covenants, restrictions, and easements set forth herein shall run with the Property, and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall, subject to the limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, devisees, successors and assigns and to the benefit of the Association.

THIS DECLARATION DOES NOT AND IS NOT INTENDED TO CREATE A CONDOMINIUM REGIME SUBJECT TO THE GEORGIA CONDOMINIUM ACT, O.C.G.A. SECTION 44-3-70, ET SEQ.

**ARTICLE I
DEFINITIONS**

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

1.01 Association. "Association" means Morgan Commons Homeowners Association, Inc. (a non-profit, non-stock, membership corporation organized under the Georgia Non-Profit Corporation Code) its successors and assigns.

1.02 Architectural Control Committee. "Architectural Control Committee" or "ACC" means that certain committee as empowered in accordance with Article V hereof.

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

1.04 Bylaws. "Bylaws" means the Bylaws of the Association, a copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference.

1.05 Common Property. "Common Property" means all real and personal property owned by the Association or in certain instances over which the Association has been granted permanent easements, for the common use and enjoyment of the Owners.

1.06 Declarant. "Declarant" means 20 Loaf Partners, LLC, and its successors-in-title and assigns, provided any such successors-in-title or assigns shall acquire for the purpose of development or sale all or any portion of the

remaining undeveloped or unsold portions of the real property described in Exhibit "A", or the real property which is intended to become part of the Development, and provided further, in the instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the Grantor of such conveyance, which Grantor shall be the "Declarant" hereunder at the time of such conveyance, provided, further, upon such designation of successor Declarant, all rights and obligations of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the property described in Exhibit "A", attached hereto, and which is now or hereafter subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

1.07 Development-Wide Standard. "Development-Wide Standard" means the standard of conduct, maintenance, or other activity generally prevailing in the Development. Such standard may be more specifically determined by the Board and by committees required or permitted to be established pursuant to this Declaration or the Bylaws. Such determination, however, must be consistent with the Development-Wide Standard originally established by the Declarant.

1.08 Lot. "Lot" means any parcel of land shown upon a subdivision plat recorded in the Office of the Clerk of the Superior Court of Gwinnett County, covering any portion of the Property, as such boundaries may be modified in accordance with this Declaration; provided, however, that no portion of the Common Property shall ever be a lot except as provided in Article II.

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

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

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

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

1.13 Property. "Property" means that certain real property which is more particularly described on Exhibit "A" attached hereto described, together with such additional real property as may be subjected to the provisions of the Declaration in accordance with the provisions hereof.

1.14 Residence. "Residence" means a Structure (as hereinafter defined) and the Lot on which it is situated which is intended for independent use and occupancy as a residence for a single family. A Structure and the Lot upon which it is situated shall not become a Residence until a certificate of occupancy shall have been issued by the appropriate governmental authorities as a pre-requisite to the occupancy of such Residence and until the Lot and Structure located thereon shall have been conveyed to a third party other than the builder thereof. The Owner of a Residence shall notify the Association or its designee immediately upon issuance of a certificate of occupancy for the Residence.

1.15 Restrictions. "Restrictions" means all covenants, restrictions, easements, changes, liens, and other obligations created or imposed by this Declaration.

1.16 Structure. "Structure" means:

(a) Any thing or object the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, deck, swimming pool, dock, fence, driveway, curbing, paving, wall, tree, shrub (and all other forms of landscaping), sign, signboard, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Lot;

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

(c) Any change in the grade at any point on a Lot of more than (6) inches, whether or not Subsection (b) of this Section applies to such change.

ARTICLE II COMMON PROPERTY

2.01 Conveyance of Common Property.

(a) The Declarant may, from time to time, convey to the Association, at no expense to the Association and in accordance with this Section, any Common Property for the common use and enjoyment of the Owners of Residences and, to the extent set forth in this Declaration, the general public. The Association hereby covenants and agrees to accept from the Declarant all such conveyances of Common Property and the property shall thereafter be Common Property to be maintained by the Association for the benefit of all of its Members. Any such conveyance of Common Property by Declarant to the Association will be subject to all of the covenants and restrictions set forth in this Declaration, as amended, ad valorem taxes for the current year, all easements to which the Common Property is subject, general utility easements serving or crossing the Common Property, and all easements, licenses and other rights granted in and to the Common Property pursuant to the provisions of this Declaration, as amended. The Association hereby constitutes and appoints Declarant as its agent and attorney-in-fact to accept on behalf of the Association any such conveyance to the Association and to execute on behalf of the Association any and all documents, including, without limitation, deeds and transfer tax declaration forms, necessary or convenient to effectuate and document any such conveyance to the Association. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise. The Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section and shall have no duty or obligation to convey any property or property rights to the Association regardless of whether or not any such property has been made available for the use by Owners. The Declarant may reserve, by lease, license, easement or otherwise, such rights of use and enjoyment in and to all or any portion of the property so conveyed as Declarant may reasonably require so long as such reservation is not materially inconsistent with the overall scheme of development for the Community. Neither the recordation of any subdivision plat nor the use by the Owners or maintenance by the Association of any property shall create any rights, easements or licenses in the Association or the Owners, express or implied, unless and until any such property rights, easements or licenses are conveyed by the Declarant or the Owner of such property to the Association or the Owners, as the case may be, by an instrument recorded in the Office of the Clerk of Superior Court of the county in which such property lies.

(b) It is contemplated by the Declarant that the Declarant will convey to the Association Common Property for scenic and natural area preservation and for general recreational use. The Declarant may, at Declarant's sole discretion, modify, alter, increase, reduce and otherwise change the Common Property contemplated to be conveyed to the Association in accordance with this Subsection (b) of this Section 2.01 at any time prior to conveyance of such Common Property to the Association.

(c) In addition to the property described in Subsection (b) of this Section 2.01, the Declarant may convey to the Association in accordance with this Section 2.01 such other real and personal property as the Declarant may determine to be necessary or proper for the completion of the Development.

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

(e) Detention ponds, lakes and dams may, without limitation, be included in the property that may be conveyed by Declarant and shall be accepted by the Association. Declarant shall not be required to make any improvements whatsoever to the property to be conveyed and accepted pursuant to this Section including, without limitation, dredging or otherwise removing silt from any detention pond or lake that may be conveyed.

(f) The Declarant shall have the right to dedicate or transfer fee simple title to all or any portion of the Property then owned by Declarant, including any portion thereof intended to be Common Property to Gwinnett County, Georgia, or any other public agency or authority, public service district, public or private utility, or other person, provided

that Declarant then owns any Lot or Residence primarily for the purpose of sale or has the unexpired option to add any Additional Property (as hereinafter defined) to the Development.

2.02 Types of Common Property. At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as Common Property, the Declarant shall designate in the deed of conveyance or easement that such real property is to be Common Property, and further may designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real property or any portion thereof may be used, and in such event, such real property or portion thereof shall not be used for any different purpose or purposes without the written consent of two-thirds (2/3) vote of the Members of the Association and Declarant during the period when the Declarant has the right to appoint and remove members of the Board.

2.03 Right of Enjoyment. Every Owner of a Residence shall have a right and easement to use and enjoy the Common Property, which right shall be appurtenant to and shall pass with the title to every Lot upon transfer; provided, however, that no owner shall do any act which interferes with the free use and enjoyment of the Common Property by all other Owners. The Association may permit persons who are not Owners of Residences to use and enjoy part or all of the Common Property subject to such limitations, and upon such terms and conditions, as it may from time to time establish. The right and easement of enjoyment granted or permitted by this Section is subject to suspension by the Association as provided in Sections 2.05 and 3.05. The rights and easements of enjoyment of Owners in and to the Common Property as expressed in this Article shall be subject to the right of the Declarant as expressed in this Declaration.

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

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

(a) Promulgate, modify or delete, without a vote of the Members, rules and regulations applicable to the Development or relating to the use, operation, and maintenance of the Common Property. Such rules and regulations shall be distributed to all Owners prior to the date they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled or modified by the Board or by a majority vote of the Members of the Association;

(b) Borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof, to encumber by deed to secure debt, mortgage or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees, and other sources; and provided, however, that, the Association shall not deed, grant or convey to anyone any mortgage, deed to secure debt or other security interest on or in Common Property constituting real estate without approval by a two-thirds (2/3) vote of the Members of the Association and Declarant during the period when the Declarant has the right to appoint members of the Board;

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

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

(e) Suspend, pursuant to Section 3.05, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.03;

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

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

(h) Maintain any and all landscaping treatments previously installed by the Declarant, to the extent that such landscaping is not otherwise maintained by the appropriate county and/or municipal entity having jurisdiction over the roads serving the Property.

2.06 Maintenance by Association. Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Property, which responsibility shall include the maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the Common Property, including, but not limited to, the maintenance, repair, and replacement of: (i) all roads, walks, trails, parking lots, landscaped areas, recreational areas, and other improvements made by Declarant or the Association situated within the Common Property; (ii) such security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of the Common Property and which are not maintained by a public authority, public service district, public or private utility, or other person; (iii) all lawns, trees, shrubs, hedges, grass, and other landscaping and all lakes and ponds situated within or upon the Common Property; and (iv) all retention areas and facilities constructed by Declarant wherever located.

In addition, the Association shall maintain grass and other landscaping located along or in dedicated rights-of-way which were installed and maintained by Declarant, to the extent permitted by the applicable governmental authority, and shall maintain all entry features, lakes and retention ponds for the Development. The foregoing maintenance shall be performed consistent with the Development-Wide Standard. Despite anything contained in this Declaration to the contrary, the Association shall have no obligation to maintain and keep in good repair any grass, landscaping, or any other form or any other Structure which is placed by an Owner or Occupant within that portion of such Owner's or Occupant's Lot which is either included within or abuts any Common Property or any dedicated rights-of-way; but nothing contained in this sentence shall be deemed to give any Owner or Occupant the right to place any landscaping, grass or other Structure within such Common Property or dedicated rights-of-way contrary to any other provisions of the Declaration.

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

Owners, Occupants and their guests shall use the Common Property and any other space maintained by the Association at their own risk and shall assume sole responsibility for their personal belongings used or stored there. The Association shall not be liable for injury or damage to any person or property: (A) caused by the elements or by any Owner or any other person; (B) resulting from any rain or other surface water which may leak or flow from any portion of the Common Property; or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of the Common Property or any other portion of the Property. 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 to 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 improvements or repairs 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, the obligation to pay such assessments being a separate and independent covenant on the part of each Owner.

ARTICLE III MORGAN COMMONS HOMEOWNERS ASSOCIATION

3.01 Purpose, Powers, and Duties of the Association. The Association has been formed as a non-profit civic organization for the sole purpose of performing certain functions for the common good and general welfare of the people of the Development. The Association shall have no power or duty to do or perform any act or thing other than those acts and things which will promote, in some way, the common good and general welfare of the people of the Development. To the extent, and only to the extent, necessary to carry out such purpose, and subject to any limitations contained in this

Declaration, the Association: (a) shall have all of the powers of a corporation organized under the Georgia Non-Profit Corporation Code; and (b) shall have the power and duty to exercise all of the rights, powers, and privileges and to perform all of the duties and obligations of the Association as set forth in this Declaration.

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

3.03 Voting Rights.

(a) Each Owner of a Lot, with the exception of Declarant, shall be a Class A Member and shall be entitled to one (1) Class A vote per Lot owned by such Owner. Where such Owner is a group or entity other than one individual person, the vote on behalf of such Owner shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the secretary of the Association.

(b) The Declarant shall be the sole Class B Member and shall be entitled to three (3) votes for each Lot owned; provided, however, that in no event shall the Class B Member have less than the total number of Class A votes plus one (1). The Class B Membership shall cease and be converted to a Class A Membership at such time as Declarant no longer retains the right to appoint and remove members of the Board and officers of the Association pursuant to Section 3.08 below.

(c) The Development may be composed of Lots to be developed in phases containing unequal numbers of Lots. Each such phase will be platted of record in the Office of the Clerk of the Superior Court of Gwinnett County. The Declarant shall notify the Association in writing when the final phase of the Development has been so platted of record. By acceptance of a deed conveying a Lot, each Owner acknowledges that, upon the annexation of additional real 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 added and in accordance with the formula set forth in Subsection (a) of this Section; provided, however, that nothing contained herein shall obligate the Declarant to develop any proposed phase of the Development unless such phase is subjected to this Declaration.

3.04 Board of Directors. The affairs of the Association shall be managed by the Board. The number of directors and the method of election of directors shall be as set forth in the Bylaws of the Association.

3.05 Suspension of Membership. The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property of any person who:

- (a) Shall be subject to the Right of Abatement, as defined in Section 8.02, or elsewhere herein;
- (b) Shall be delinquent in the payment of any assessment levied by the Association pursuant to the provisions of Article IV hereof; or
- (c) Shall be in violation of any of the rules and regulations of the Association relating to the use, operation, or maintenance of Common Property.

Such suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the a case of a violation described in Subsection (c) of this Section, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

3.06 Termination of Membership. Membership shall cease only when a person ceases to be an Owner.

3.07 Voting Procedures. The procedures for the election of directors of the Association and the resolution of such other issues as may be brought before the Membership of the Association shall be governed by this Declaration, the Georgia Non-Profit Corporation Code, the Articles of Incorporation of the Association, and the Bylaws of the Association, as each shall, from time to time, be in force and effect.

3.08 Control by Declarant.

(a) Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the Bylaws of the Association, Declarant hereby retains the right to appoint and remove any members of the Board of the Association, and any officer or officers of the Association until the first of the following events shall occur: (i) the expiration of seven (7) years after the date of the recording of this Declaration; (ii) the date upon which seventy-five (75%) percent of all of the Lots submitted or proposed to be submitted to this Declaration have been conveyed to Owners other than a person or persons constituting Declarant; or (iii) the surrender by Declarant of the authority to appoint and remove directors and officers by an express amendment to this Declaration executed and recorded by the Declarant.

(b) Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Lots; and a special meeting of the Association shall be called at such time. At such special meeting, Owners shall elect a new Board which shall undertake the responsibilities of the Board and Declarant and shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or behalf of the Association during such period which Declarant has in its possession. Each Owner by acceptance of a deed to or other conveyances of a Lot, vests in Declarant such authority to appoint and remove members of the Board as provided in this Section. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

3.09 Security. Each Owner and Occupant of a Residence, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Development. The Association may, but shall not be obligated to, maintain or support certain activities within the Development designed to make the Development safer than it otherwise might be. Neither the Association, nor the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Development, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system or measure, including any mechanism or system for limiting access to the Development, cannot be comprised or circumvented, nor that any such system or security measure undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Residence that the Association, the Board and committees, Declarant, and any successor Declarant are not insurers and that each person using the Development assumes all risks of personal injury and loss or damage to property, including Residences and the contents of Residences, resulting from acts of third parties.

**ARTICLE IV
ASSESSMENTS**

4.01 Covenants for Assessments and Creation of Lien and Personal Obligation. Each Owner of a Residence, jointly and severally, for himself, his heirs, devisees, legal representatives, successors and assigns, by acceptance of a deed for a Residence, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:

(a) To pay to the Association the annual assessments and any specific assessments which may or shall be levied by the Association pursuant to this Declaration against all Residences owned by him.

(b) To pay to the Association any special assessment or parcel assessment and other charges which may or shall be levied by the Association pursuant to this Declaration against all Residences owned by him.

(c) That there is hereby created a continuing charge and lien upon all Residences owned by him against which all such assessments are made to secure payment of such assessments and any interest thereon as provided in Section 4.08 hereof and costs of collection including reasonable attorneys' fees.

(d) That such continuing charge and lien on such Residence binds such Residence in the hands of the then Owner, and the Owner's heirs, devisees, legal representatives, successors and assigns. Such charge and lien is superior to any and all charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon such Lots whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, except: (i) such liens for taxes or other public charges as are by applicable law made superior; and (ii) any first mortgage on Lot or Lots which has been recorded prior to the date of such continuing charge and lien (hereinafter referred to as a "Prior Recorded First Mortgage"). Such continuing charge and lien shall not be affected by any sale or transfer of a Lot, except that a sale or transfer of a Lot pursuant to a foreclosure of a Prior Recorded First Mortgage shall extinguish such continuing charge and lien.

(e) That no sale or transfer at foreclosure, or in lieu of foreclosure, shall relieve any Residence from liability for any assessment thereafter assessed.

(f) That all annual, special, and specific assessments (together with interest thereon as provided in Section 4.08 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Residence owned by him during the period that he is an owner shall be (in addition to being a continuing charge and lien against such Residence as provided in Section 4.01(c) of this Declaration) a personal obligation which will survive any sale or transfer of the Residence owned by him; provided, however, that such personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by such successor.

4.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of providing for the common good and general welfare of the people of the Development, including, but not limited to, security, the acquisition, construction, improvement, maintenance, and equipping of Common Property, the enforcement of the Restrictions contained in this Declaration, the payment of operation costs and expenses of the Association, and the payment of all principal and interest when due on all debts owed by the Association.

4.03 Initiation Fee and Annual Assessment.

(a) Each Residence shall be subject to an initiation fee as may be set by the Board, from time to time, and which shall not be prorated, and an initial maximum annual assessment as may be set by the Board from time to time in accordance with the procedures set forth herein, and which may be prorated in accordance with the number of days in the Assessment Year (as hereinafter defined) such Residence existed and as may be adjusted pursuant to Sections 4.03(b) and (c), below. The words "Assessment Year," as used herein, shall mean the calendar year, and the words "First Assessment Year" shall mean the year in which Declarant has completed all improvements it deems necessary or desirable, in Declarant's sole discretion.

(b) Commencing with the First Assessment Year and continuing thereafter, without a vote of the Membership, the annual assessment may be increased at any time and from time to time during each Assessment Year by not more than thirty-three and one-third percent (33.33%) above the annual assessment for the previous Assessment Year.

(c) Commencing with the First Assessment Year and continuing thereafter, the annual assessment for each Assessment Year may, at any time, and, from time to time, be increased more than the amount permitted in Section 4.03(b), if such increase is approved by a two-thirds (2/3) vote of the Members who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions of the Bylaws of the Association.

4.04 Special and Parcel Assessments.

(a) In addition to the annual assessments authorized by this Article IV, the Association may levy, in any Assessment Year and with such frequency as the Association shall deem necessary, special assessments for the purpose of paying, in whole or in part, any unanticipated operating expenses, as well as the cost of any construction, reconstruction, repair or replacement of a capital improvement on the Common Property. Such special assessments may be levied by the Board in any Assessment Year without the approval of the Members, which special assessments in the aggregate do not exceed an amount equal to the annual assessment then in effect. Special assessments exceeding said amount shall require the approval of a two-thirds (2/3) vote of the Members.

(b) The Association shall also be authorized to levy, in any Assessment Year and with such frequency as the Association shall deem necessary, Parcel Assessments for the purpose of paying, in whole or in part, the cost of estimated expenses for the sole benefit of a particular Parcel, which Parcel Assessments shall be allocated equally among the Residences in a Parcel.

4.05 Assessment Procedure.

(a) The Board shall establish the annual assessment for each Assessment Year at an amount not in excess of the maximum annual assessment as determined by the provisions of this Article IV. The annual assessment shall be due and payable on January 1 of each year (such date is hereinafter referred to as the "Due Date"). The Board shall also establish an annual budget which shall list the estimated operating expenses and shall contain an amount to be set aside each year into a reserve allowance to be used for future repair and replacement of the Common Property; provided, however, that in no event shall the Board be required to provide for a reserve sufficient to cover all such future repair and replacement of the Common Property, it being intended that a portion of such costs will be covered by Special Assessment. The Board shall cause the Association to send to each Owner written notice setting forth the amount of the annual assessment and the Due Date at least thirty (30) days in advance of the Due Date. The annual assessment shall become due on the thirtieth (30th) day following such written notice or the Due Date, whichever is later. The Board may establish reasonable payment procedures to allow or require payment of the annual assessment in installments during the Assessment Year. The Board shall also establish payment procedures for payment of any special assessments for capital improvements which may be levied in accordance with the provisions of this Article.

(b) All Members shall be given written notice by the Board not less than thirty (30) nor more than sixty (60) days in advance of any meeting of the Members at which the Board shall propose taking action pursuant to Section 4.03(c) or Section 4.04 of this Article. Such written notice shall specify under which Section or Sections the Board will propose action. At such meeting, the presence of Members or proxies entitled to cast fifty percent (50%) of the total votes outstanding shall constitute a quorum. If the required quorum is not present at such meeting, a second meeting may be called by the Board subject to the same notice requirement and the required quorum at such second meeting shall be thirty percent (30%) of the total votes outstanding. No such second meeting shall be held more than sixty (60) days following the first meeting. If the required quorum is not present at the second meeting, the Board may take such action without approval of the Members. Notwithstanding the required quorum requirements stated herein, a minimum vote of fifty-one percent (51%) of all of the votes of the Association shall be required to disapprove the Association's annual budget.

(c) Notwithstanding anything to the contrary contained herein, no special or parcel assessment shall be made without the Approval of Declarant for so long as Declarant has the right to appoint and remove members of the Board.

4.06 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Residences within the Development. Parcel assessments must be fixed at a uniform rate for all Residences within a parcel.

4.07 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 and shall not constitute a waiver of the Board's rights 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. The Board may specifically assess Owners for the following expenses, except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association as provided herein:

(a) Expenses of the Association which benefit less than all of the Residences, which may be specifically assessed equitably among all of the Residences which are benefited according to the benefit received;

(b) Expenses incurred by the Association pursuant to Article V or Article VI hereof;

(c) Reasonable fines as may be imposed in accordance with terms of the Declaration and Bylaws.

4.08 Effect of Non-Payment of Assessments. Any assessment which is not paid on or before the Due Date shall bear interest after the Due Date at the lower of the highest legal rate of interest which can be charged or the rate of

eighteen (18%) percent per annum or at such rate as the Board may from time to time establish, provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the State of Georgia. In the event of default in the payment of any one or more installments of an assessment, the Board may declare any remaining balance of the assessment at once due and payable. In the event that an Owner shall fail to fully pay any portion of any assessment prior to the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with interest and costs of collection, including reasonable attorneys' fees, shall be a binding personal obligation of such Owner as well as a lien on such Owner's Residence enforceable in accordance with the provisions of this Declaration. The Association may file a claim of lien with the Office of the Clerk of Superior Court of the county where the Lot is located, but no such claim of lien shall be required to establish or perfect the lien for unpaid assessments. In addition to all other remedies the Association may have either in law or in equity, and not in limitation thereof, the Association may, as the Board shall determine, institute suit to collect such past due assessments 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 other liens for the improvement of real property. 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. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including by way of illustration, but not limitation, abandonment of the Lot. 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, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

4.09 Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of annual assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amounts of the annual assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purpose.

4.10 Declarant Exemption and Budget Deficits During Declarant Control. For so long as the Declarant has the authority to appoint the directors and officers of the Association, Declarant shall not be liable for the payment of any assessments; provided, however, that during said period Declarant may: (a) advance funds to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves), and the sum of the annual, special and specific assessments collected by the Association in any fiscal year, and such advances shall be evidenced by promissory notes from the Association in favor of the Declarant; or (b) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for such a loan in the local area of the community. The Declarant, in its sole discretion, may guarantee repayment of such loan, if required by the lending institution.

4.11 Certificate of Payment. Upon written demand by an Owner, the Association shall, within a reasonable period of time, issue and furnish to such Owner a written certificate stating that all assessments (including penalties, interest and costs, if any) have been paid with respect to any Lot owned by said Owner as of the date of such certificate, or that all assessments, interest and costs have not been paid, setting forth the amount then due and payable. The Association may impose a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser of, or lender on, the Lot in question.

**ARTICLE V
ARCHITECTURAL CONTROL**

5.01 Architectural Control Committee - Creation and Composition.

(a) An Architectural Control Committee (the "ACC") shall be established consisting of not less than three (3) nor more than five (5) individuals, provided, however, that the ACC shall always have an uneven number of members. Notwithstanding anything to the contrary contained herein, Declarant shall have the right, but not the obligation, to appoint all members of the ACC until the plans for all of the Residences for all of the Lots in the Development have been approved by the ACC. Thereafter, the Board shall appoint the members of the ACC. All costs of operating the ACC, may, at the discretion of Declarant, be born by the Association.

(b) Each initial member of the ACC shall be appointed for a term expiring on December 31. Thereafter, each member of the ACC shall be appointed for a calendar-year term. If any vacancy shall occur in the membership of the ACC by reason of death, incapacity, resignation, removal or otherwise, the remaining members of the ACC shall continue to act and such vacancy shall, subject to the provisions of Section 5.01(a), be filled by the Declarant (or Board if at the time the Board has the right to appoint members of the ACC) at the earliest possible time. Any ACC member may resign at any time by giving written notice of such resignation to the Chairman of the ACC and such resignation shall take effect on receipt thereof by the Chairman. Any member of the ACC may be removed at any time with or without cause by the Declarant while the Declarant has power to appoint members of the ACC pursuant to the provisions of Section 5.01(a) hereof (or by the Board if at the time the Board has the right to appoint members of the ACC).

5.02 Purpose, Powers, and Duties of the ACC. The purpose of the ACC is to assure that any installation, construction or alteration of any Structure on any Lot shall be submitted to the ACC for approval (i) as to whether the proposed installation, construction or alteration is in conformity and harmony of external design and general quality with the existing standards of the neighborhood and with the standards of the Development, and (ii) as to the location of Structures with respect to topography, finished ground elevation, and surrounding Structures. To the extent necessary to carry out such purpose, the ACC shall have all of the powers and duties to do each and every thing necessary, suitable, convenient or proper for, or in connection with, or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot.

5.03 Officers, Subcommittees, and Compensation. The members of the ACC shall appoint a Chairman from among their number and may appoint from among their number such other officers and subcommittees of members of the ACC as they shall from time to time determine necessary. The members of the ACC shall be reimbursed by the Association for traveling expenses and other reasonable out-of-pocket costs incurred in the performance of their duties as members of the ACC.

5.04 Operations of the ACC.

(a) **Meetings:** The ACC shall hold regular meetings at least annually or more often as may be established by the ACC. Special meetings may be called by the Chairman at any time, and shall be called by the Chairman upon the written request of a majority of the members of the ACC then in office. Regular and special meetings of the ACC shall be held at such time and at such place as the ACC shall specify. Notice of each regular or special meeting of the ACC shall be mailed to each member thereof at his residence or at his usual place of business at least three (3) days prior to the day the meeting is to be held. Notice of regular and special meetings need not specify the purpose or purposes for which the meeting is called. Notice of a meeting need not be given to any member of the ACC who signs a waiver of notice either before or after the meeting. Attendance of a member of the ACC at a meeting shall constitute a waiver of notice of such meeting and shall constitute a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when the member states, at the beginning of the meeting, any such objection or objections to the transaction of business. At each meeting of the ACC, the presence of a majority of the members then in office shall constitute a quorum for the transaction of business. Except as otherwise provided herein, the act of a majority of the members of the ACC present at any regular or special meeting thereof at which a quorum is present shall constitute the act of the ACC. In the absence of a quorum, any member of the ACC present at the time and place of the meeting may adjourn the meeting from time to time until a quorum shall be present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

The ACC shall maintain both a record of votes and minutes for each of its meetings. The ACC shall make such records and minutes available at reasonable places and times for inspection by Members of the Association and by the Secretary of the Association. Any action required to be taken at a meeting of the ACC, or any action which may be taken at a meeting of the ACC, may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all the members of the ACC and be filed within the minutes of the proceedings of the ACC. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document filed by the ACC.

(b) **Activities:**

(i) The ACC shall adopt and promulgate the Design Standards (as hereinafter defined) described in Section 5.05 hereof and shall, as required, make findings, determinations, rulings, and orders with respect to the conformity with said Design Standards of plans and specifications to be submitted for approval to the ACC pursuant to the provisions of this Declaration. The ACC shall, as required, issue permits, authorizations or approvals, which may include specified requirements or conditions, pursuant to the provisions of the Declaration.

(ii) Any two (2) or more members of the ACC may be authorized by the ACC to exercise the full authority of the ACC with respect to all matters over which the ACC has authority as may be specified by resolution of the ACC, except with respect to the adoption or promulgation of the Design Standards. The unanimous action of the two (2) or more members with respect to the matters specified shall be final and binding upon the ACC and upon any application for an approval, permit or authorization, subject, however, to review and modification by the ACC on its own motion or to appeal by the applicant to the ACC as provided in this paragraph (ii). Written notice of the decision of such two (2) or more members shall, within five (5) working days thereof, be given to any applicant for an approval, permit or authorization. The applicant may, within ten (10) days after receipt of notice of any decision which he deems to be unsatisfactory, file a written request to have the matter in question reviewed by the ACC. Upon the filing of any such request, the matter with respect to which such request was filed shall be submitted to, and reviewed promptly by, the ACC, but in no event later than thirty (30) days after the filing of such request. The decision of a majority of the members of the ACC with respect to such matter shall be final and binding.

5.05 Design Standards.

(a) The ACC shall, from time to time, adopt, promulgate, amend, revoke and enforce guidelines (herein referred to as the "Design Standards") for the purpose of:

- (i) Governing the form and content of plans and specifications to be submitted to the ACC for approval pursuant to the provisions of the Declaration;
- (ii) Governing the procedure for such submission of plans and specifications;
- (iii) Establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of Structures and all other matters that require approval by the ACC pursuant to this Declaration; and
- (iv) Assuring the conformity and harmony of external design and general quality of the Development.

(b) The ACC shall make a published copy of its current Design Standards readily available to Members and prospective Members and to all applicants seeking the ACC's approval.

5.06 Submission of Plans and Specifications. No Structure shall be commenced, erected, placed, moved onto, or permitted to remain on any Lot nor shall any existing Structure upon any Lot be re-painted a color different than its original color or altered in any way which materially changes the exterior appearance of the Structure or Lot, unless plans and specifications therefor shall have been submitted to and approved in writing by the ACC. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the ACC in the Design Standards, including, without being limited to:

- (a) A site plan showing the location of all proposed and existing Structures on the Lot including building setbacks, open space, and driveways, walkways and parking spaces including the number thereof and all siltation and erosion control measures;
- (b) A foundation plan;
- (c) Exterior elevations of all proposed Structures and alterations to existing Structures as such Structures will appear after all back-filling and landscaping are completed;
- (d) Specification of materials, color scheme, and other details affecting the exterior appearance of all proposed Structures and alterations to existing Structures;
- (e) A floor plan; and
- (f) Plans for landscaping and grading.

5.07 Approval of Plans and Specifications. Upon approval by the ACC of any plans and specifications submitted pursuant to this Declaration, two (2) copies of such plans and specifications, as approved, shall be deposited for permanent record with the ACC and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot or Structure of any plans and specifications shall not be deemed a waiver of the ACC's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Lot or Structure. Approval of any such plans and specifications relating to any Lot or Structure, however, shall be final as to that Lot or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

5.08 Disapproval of Plans and Specifications. The ACC shall have the right to disapprove any plans and specifications submitted pursuant to this Declaration because of any of the following:

- (a) The failure to include information in such plans and specifications as may have been reasonably requested;
- (b) The failure of such plans or specifications to comply with this Declaration or the Design Standards; or
- (c) Any other matter which, in the judgment of the ACC, would be likely to cause the proposed installation, construction or alteration of a Structure: (i) to fail to be in conformity and harmony of external design and general quality with the standards for the Development as set forth in the Design Standards or the Development-Wide Standard; or (ii) as to location to be incompatible with topography, finished ground elevation, or surrounding Structures. In any case in which the ACC shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the ACC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

5.09 Obligation to Act. The ACC shall take action on any plans and specifications submitted as herein provided within thirty (30) days after receipt thereof. Approval by the ACC, if granted, together with any conditions imposed by the ACC, shall be placed in writing on the plans and specifications and shall be returned to the applicant. Failure by the ACC to take action within thirty (30) days after receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications.

5.10 Inspection Rights. Any employee or agent of the Association or the ACC may, after reasonable notice, at any reasonable time or times, enter upon any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and neither the Association, nor the ACC, nor any such agent shall be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided such inspection is carried out in accordance with the terms of this Section.

5.11 Violations. If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the ACC pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the ACC such violation shall have occurred, the ACC shall notify the Association and the Board shall take appropriate measures to correct the violation; and the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within thirty (30) days after the mailing of the aforesaid notice of violation, then the Association shall have the Right of Abatement as provided in this Declaration.

5.12 Certification of Compliance.

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

(b) 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 shall in no way be construed to certify the acceptability, sufficiency or approval by the ACC of the actual construction of the Structure or of the workmanship, or to represent or warrant to anyone the quality, function or operation of the Structure or of any construction, workmanship, engineering, materials or equipment.

The issuance of the Certificate 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 or in accordance with every detail on the approved plans and specifications.

5.13 Fees. The ACC may impose and collect a reasonable and appropriate fee to cover the cost of review of plans and specifications and of inspections performed pursuant to Section 5.10. The fee shall be established from time to time by the ACC and published in the Design Standards.

5.14 Non-Discrimination by ACC. The ACC shall not discriminate against any applicant requesting its approval of plans and specifications because of such applicant's race, color, sex, religion, age, or national origin. Further, the ACC, in the exercise of its powers granted pursuant to this Declaration, shall not take any action the intent or effect of which is to discriminate against persons of a particular race, color, sex, religion, age or national origin.

5.15 Disclaimer as to ACC Approval. Plans and specifications are not reviewed for engineering or structural design or quality of materials or compliance with any local, state, or federal law including, but not limited to, local building codes and zoning ordinances, and by approving such plans and specifications neither the ACC, 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 ACC, 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 non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans and specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the ACC, the Board, or the officers, directors, members, employees, and agents of any of them to recover any such damages and hereby releases, remises, quit-claims, and covenants not to sue for 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.

5.16 Approval of Architect and Builder. No improvements of any nature whatsoever shall be commenced, constructed, altered, added to or maintained upon any part of the Property (except for Residences and other improvements which are constructed by Declarant and for improvements which pursuant to this Article do not require the consent of the ACC) unless and until the ACC has approved in writing the proposed architect (if any) and builder of such improvements.

ARTICLE VI GENERAL COVENANTS AND RESTRICTIONS

6.01 General. This Article, beginning in Section 6.02, sets out certain use restrictions which must be complied with by all Owners and Occupants of Lots. These use restrictions may only be amended in the manner provided herein regarding amendment of this Declaration. In addition, the protective covenants set forth upon any plat or future plats of units in Morgan Commons, which said plats shall be recorded in the Plat Records of the Clerk of Superior Court, Gwinnett County, Georgia, as may be amended or revised from time to time, are expressly referenced hereby and incorporated herein and shall pertain and apply to all Lots and to all Structures erected or placed thereon as if fully set forth therein. The Board may also, from time to time, without consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Development. Such rules and regulations shall be distributed to all Owners and Occupants prior to the date that they are to become effective shall thereafter be binding upon all Owners and Occupants until and unless overruled, cancelled, or modified in a regular or special meeting by a majority of the Members eligible to vote.

6.02 Residential Use. The Lots within the Development shall be and are restricted exclusively to single-family residential use and no trade or business of any kind may be conducted in or from a Lot or any part of the Development either as a primary or accessory use of either the Lot or any portion of the Development; provided, however, that an Owner or Occupant may conduct such business activities within a dwelling located thereon so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the dwelling unit; (b) the business activity does not regularly involve persons or vehicles coming into the Development who do not reside in the Development; (c) the business activity does not involve having any tools of a particular trade stored or placed in any area which can be seen from another Lot or the Common Property; (d) the business activity conforms to all zoning requirements for the Development; (e) the business activity is consistent with the residential character of the Development; (f) the business activity does not require use of Common Property utilities; and (g) the business activity does not constitute a nuisance or a hazardous or offensive use, as may be determined in the sole discretion of the Board. 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 or compensation or other form of consideration, regardless of whether: (i) the activity is engaged in full or part time; (ii) the activity is intended to or does generate a profit; or (iii) a license is required for the activity. Leasing of a Lot shall not be considered a business or business activity. The Board may issue rules regarding permitted business activities.

6.03 Vehicles. The term "vehicles", as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, trucks, campers, buses, vans and automobiles. Vehicles may not be parked in yards or on the streets. Unless, and except to the extent that, the Occupants of a Lot shall have more vehicles than the number of parking areas within the garage, all vehicles shall be parked within a garage.

No vehicle may be left upon any portion of the Development, except in a garage or other area designated by the Board, for a period longer than five (5) days if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five (5) day period, such vehicle shall be considered a nuisance and may be removed from the Development. No commercial vehicles with a hauling capacity in excess of one (1) ton shall be permitted upon any portion of the Development including, but not limited to, the streets, Lots or Common Area, at any time; vehicles parked in violation of this provision shall be considered a nuisance and may be removed from the Development. No towed vehicle, boat, recreational vehicle, motor home, or mobile home shall be temporarily kept or stored in the Development for any period in excess of twenty-four (24) hours unless kept in a garage or other area designated by the Board; vehicles parked in violation of this provision shall be considered a nuisance and may be removed from the Development. Trucks with mounted campers which are an Owner's or Occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal.

No motorized vehicles shall be permitted on pathways or unpaved Common Property except for public safety vehicles and vehicles authorized by the Board.

6.04 Traffic Regulations. All vehicular traffic on all streets and paved areas within the Development shall be subject to the laws of the State of Georgia and Gwinnett County, Georgia concerning operation of motor vehicles in public streets and paved areas. The Association is hereby authorized to promulgate, administer and enforce rules and regulations governing vehicular and pedestrian traffic, including reasonable safety measures and speed limits, within the Common Property. The Association shall be entitled to enforce such rules and regulations by establishing such enforcement procedures as it deems appropriate, including levying of fines for any violations thereof. All vehicles of any kind and nature which are operated on the streets or paved area within the Development shall be operated in a careful, prudent, safe and quiet manner and with due consideration for the rights of all Owners and Occupants of Lots.

6.05 Leasing. Lots may be leased for residential purposes. All leases shall have a minimum term of at least one (1) year. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, and Bylaws. The lease shall also obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property.

6.06 Occupants Bound; Fines. 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 all Occupants of Lots even though Occupants are not specifically mentioned. Reasonable fines may be levied by the Board against either Owners or Occupants for violation of this Declaration, the Bylaws or any rules, regulations, use restrictions or design guidelines promulgated pursuant hereto. The procedure for fining shall be set forth in the Bylaws. If a fine is first levied against an Occupant and is not paid timely, the fine may then be levied against the Owner.

6.07 Animals and Pets. No animals, pets, livestock, birds or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats and other usual household pets may be kept by an Owner on his respective Lot and within his respective dwelling provided they are not kept, bred or maintained for any commercial purpose and do not endanger the health of or unreasonably disturb Owners of Lots within the Development. The Board shall have the right to adopt reasonable rules and regulations governing animals and pets kept by Owners of Lots in the Development, including the right to prohibit animals of a certain size, weight or type. No Structure for the care, housing or confinement of any pet or animal shall be constructed or maintained on any part of the Common Property, and any such structures maintained on a Lot must be approved by the ACC pursuant to Article V of this Declaration. Pets and animals shall be on a leash at all times when walked or exercised in any portion of the Development, except on the Owner's Lot. The Owner of any pet or animal shall immediately remove such pet's or animal's excrement from any portion of the Common Property or any Lot. In the event an animal or pet is deemed by the Board to be a nuisance or to be kept in violation of this Declaration, the Board shall have the right to require the Owner of such animal or pet to remove such animal or pet from the Development. The animal control authority shall be permitted to enter the Development to patrol and remove all pets and animals which are in violation of such animal control regulations or this Declaration.

6.08 Nuisance. 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 within the Development shall be used, in whole or in part, for the storage of any property, animal, or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, animal, thing, or material be kept that will emit foul or noxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No obnoxious or offensive activity shall be carried on within the Development, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property within the Development. There shall not be maintained 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 Development. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon any Lot or the exterior of any Structure unless required by law.

6.09 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical

devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken in any part of the Development.

6.10 Antennas or Similar Equipment. No exterior antenna, receiving dish or similar apparatus of any kind for receiving or transmitting of radio or video signals shall be placed, allowed or maintained upon any portion of the Development, including a Lot, without the prior written consent of the ACC or its designee; provided, however, that no such approval shall be necessary to install: (a) antennas designed to receive direct broadcast satellite services, including direct-to-home satellite services, that are one meter or less in diameter; (b) antennas designed to receive video programming services via multi-point distribution services that are one meter or less in diameter or diagonal measurement; or (c) antennas that are designed and intended to receive television broadcast signals. Owners shall install any permitted antennae on the rear of the dwelling not visible from the street in front of the Residence unless an acceptable quality signal cannot otherwise be obtained.

6.11 Minimum Size. No dwelling, single story or two story, shall be constructed or maintained on any Lot which dwelling shall have less than the minimum square footage of heated floor space, exclusive of garages, porches and terraces required in the applicable zoning ordinance and resolution.

6.12 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. No Owner other than the Declarant shall change or modify the grade or drainage of any Lot after such Lot is graded without the consent of the ACC. No Owner or Occupant of a Lot may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across all Development property for the purpose of altering drainage and water flow. Rights exercised pursuant to such reserved easement 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.

6.13 Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where this would create a traffic or sight problem.

6.14 Clotheslines, Garbage Cans, Woodpiles, Storage Shed, etc. No clotheslines shall be placed, allowed or maintained upon any portion of the Development, including any Lot. All garbage cans, woodpiles, swimming pool pumps, filters, and related equipment and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property. No separate or detached storage sheds shall be constructed, placed or erected on any Lot except as may be approved in advance by the ACC for design and location.

6.15 Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board or its designee. Declarant, however, hereby expressly reserves the right to subdivide and/or revise and re-record the subdivision plat of any Lot(s) and to approve the revision and re-recording of any plat of any Lot(s) owned by any builder or developer including, but not limited to, changing any Lot to Common Property or creating a public or private street over any Lot or property that was formerly a Lot, without the consent of the Board, its designee or any Owner other than the Owner(s) of such Lot(s). Any such division, boundary line change, or re-platting shall not be in violation of the applicable subdivision and zoning regulations.

6.16 Firearms. The use of firearms in the Development is prohibited. The term, "firearms", includes "B-B" guns, pellet guns, paint ball guns and firearms of all types.

6.17 Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Development, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

6.18 Air Conditioning Units. Except as may be permitted by the ACC, no window air conditioning units may be installed.

6.19 Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any Structure or on any Lot. Exterior sculptures, fountains, monuments, yard ornaments, flags,

and similar items must be approved by the ACC. No awnings, shades or window boxes shall be attached to or otherwise placed on the exterior of any Structure on a Lot without prior written approval of the ACC.

6.20 Energy Conservation Equipment. No solar collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ACC or its designee.

6.21 Standard Mailboxes. All Residences in the Development shall have standard mailboxes conforming to postal regulations and the guidelines for such mailboxes adopted by the ACC.

6.22 Swimming Pools. No swimming pool shall be permitted in the yard of a Residence without the express prior written approval of the ACC. In the event the ACC approves such swimming pool, same shall be permitted only in an area designated by the ACC in the rear yard of the Residence and in a location not readily visible from the street upon which the Residence is located. In no event shall an above ground swimming pool be permitted.

6.23 Compliance With Laws. All dwellings shall comply with and be constructed in accordance with all applicable state, county and municipal building codes, ordinances, rules and regulations.

6.24 Driveways and Garages. Except as may be permitted by the ACC, all driveways shall be paved with concrete and all garages shall be two (2) car garages and shall be directly attached to the dwelling which they serve and shall not be separate even if attached by a covered walkway or breezeway. Garage door or doors shall be kept closed except for reasonable amounts of time to provide access for residents and vehicles.

6.25 Trailers, Modular or Pre-Fab Homes. No trailer/mobile homes, modular homes, prefabricated homes, or portable structures shall be constructed, placed or kept on any Lot.

6.26 Fences. No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the ACC of plans and specifications for such fence or wall. Guidelines relating to the design, location and uses of fences and walls may be included in the Design Standards of the ACC. In no event shall chain link fences be allowed on any Lot. No fences may be erected within any building line fronting any street or road, nor may any fences be erected in the front yard of any Residence; it being intended that all permitted fences are to be located in the rear yard only of any Residence. Nothing contained in this Section shall prohibit the Declarant from erecting any fences on the Property as desired by the Declarant in the exercise of its sole discretion.

6.27 Exposed Concrete Block. No dwelling shall have exterior exposed concrete block. All exposed concrete block and foundation shall be finished by covering same with the siding or other materials substantially similar to those used to complete the front of the dwelling.

6.28 Permitted Siding. All fronts, sides, and rears of dwellings in the Development shall be of either brick, stucco, stacked stone, fieldstone, or hardy-plank, masonite-type or vinyl siding.

6.29 Draperies. All draperies, blinds, window dressings or other window treatments in a Residence which shall be visible from the exterior of the front of such Residence shall be only either white in color or another color approved in advance in writing by the ACC. Notwithstanding the foregoing, in no event shall any windows be covered by unsightly coverings, including, but not limited to, paper, foil or sheets.

6.30 Lighting. Except as may be permitted by the ACC, exterior lighting visible from the street shall not be permitted except for: (a) approved lighting as originally installed on a Lot; (b) street lights in conformity with an established street lighting program for the Development; or (c) seasonable decorative lights at Christmas. Seasonal Christmas decorative lights and Christmas ornaments visible from the exterior of any Residence shall be erected or placed no earlier each year than the day Thanksgiving is ordinarily and customarily celebrated in the United States of America and shall be removed from a Residence or Lot no later than January 15 of the following year.

6.31 Maintenance. In addition to those certain covenants incorporated hereinabove, each Owner shall keep and maintain each Lot and Structure owned by him, as well as all landscaping located thereon, in good condition and repair, including, but not limited to: (i) the repairing and painting (or other appropriate external care) of all Structures; (ii) the

seeding, watering and mowing of all lawns; and (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians of street traffic. Notwithstanding the foregoing, the maintenance required hereunder shall also extend from the boundary of a Lot to the curb of the street bordering said Lot. If in the opinion of the ACC, any Owner shall fail to perform the duties imposed by this Section, then the ACC shall give written notice to the Owner to remedy the condition, in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner shall fail to take reasonable steps to remedy the condition within ten (10) days after the mailing of said written notice by certified mail, then the Association shall have the Right of Abatement as provided in Section 8.02 hereof. Guidelines relating to the maintenance of Structures and landscaping may be included in the Design Standards of the ACC.

6.32 Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the ACC of plans and specifications for the prevention and control of such erosion or siltation. The ACC 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 and otherwise changing the natural landscape and required landscaping as provided for below. Guidelines for the prevention and control of erosion and siltation may be included in the Design Standards of the ACC.

6.33 Landscaping. No construction or alteration of any Structure or Lot shall take place without the prior written approval by the ACC of plans and specifications for the landscaping to accompany such construction or alteration. Guidelines for the landscaping to accompany the construction or alteration of any Structure may be included in the Development Guidelines of the ACC.

6.34 Trees. No tree having a diameter of five (5) inches or more (measured from a point two (2) feet above ground level) shall be removed from any Lot unless such removal is in conformity with approved landscaping plans and specifications submitted pursuant to the provisions of this Declaration hereof or unless such removal is required due to disease. Guidelines relating to the preservation of trees or other natural resources and wildlife upon the Property may be included in the Design Standards of the ACC.

6.35 Temporary Structures and Use of Outbuildings. Other than temporary facilities as might be installed by Declarant or a Builder/Owner, with the Declarant's consent, no structure of a temporary character, shall be erected or allowed to remain on any Lot and no trailer, tent, shack, garage, barn or other out building or structure of a similar nature, shall be permitted, maintained or used on any Lot at any time as a residence or for any other purpose, either temporarily or permanently.

6.36 Signs.

(a) No signs whatsoever (including, but not limited to, commercial and similar signs) shall, without the prior written approval of the ACC of plans and specifications therefore, be installed, altered or maintained on any Lot, or on any portion of a Structure visible from the exterior thereof, except:

(i) such signs as may be required by legal proceedings;

(ii) not more than one "For Sale" or "For Rent" sign, such sign having a maximum face area of four square feet; provided that such sign may only be displayed in the front yard of a Lot; and, provided, further, that if, at the time of any desired use of such sign, the Association is making "For Sale" or "For Rent" signs available for the Owners use, the signs made available by the Association must be used; and

(iii) directional signs for vehicular or pedestrian safety in accordance with plans and specifications approved by the ACC; except that Declarant during any period in which Declarant retains the right to appoint and remove any members of the Board shall have the sole right to erect and locate directional signs without the consent or approval of either the ACC or the Association.

(b) In no event during approved construction of any Structure shall more than one job identification sign be approved by the ACC and such job identification sign shall be in conformity with the standards set by the ACC for such signage from time to time.

(c) Notwithstanding the foregoing, the restrictions of this Section shall not apply to Declarant.

6.37 **Roads and Driveways.** No road or driveway shall be constructed or altered on any Lot without the prior written approval of the ACC of plans and specifications for such roads and driveways. Guidelines relating to the design and location of roads and driveways may be included in the Design Standards of the ACC.

6.38 **Recreational Equipment.** No recreational or playground equipment including, but not limited to, swing sets, jungle gyms, play houses, tennis courts, and basketball goals, shall be constructed upon, erected upon, placed, allowed or maintained on any Lot without the prior written approval of the ACC as to form, type, style, color, and location. The ACC shall approve such recreational equipment to be placed only upon the rear of a Lot. Notwithstanding the foregoing, the ACC may, in its discretion, approve basketball goals to be placed adjacent to the driveway. All portable basketball goals approved by the ACC shall not be left out on any public road or private driveway, but rather shall be stored away or pulled to the rear of the Residence when not in use. Further, notwithstanding the foregoing, the ACC may, in its discretion, approve tennis courts to be located in the side yard no closer to the street than the front plane of the Residence. In addition to the above approvals required by the ACC, the fencing, netting, lighting, and landscaping of the tennis court must be approved by the ACC.

6.39 **Solid Waste.**

(a) No person shall dump or bury rubbish, garbage, or any other form of solid waste on any Lot or on Common Property. No burial of construction materials, waste or debris (including, but not limited to, trees, stumps or building materials) is permitted on any Lot or on Common Property. All construction debris, rubbish, trash and garbage shall be regularly removed and shall not be allowed to accumulate.

(b) Except during approved construction and as approved by the appropriate governmental authority, no person shall burn rubbish, garbage or any other form of solid waste on any Lot or on Common Property.

(c) Except for building materials employed during the course of construction on any Structure approved by the ACC, no lumber, metals, bulk materials or solid waste of any kind shall be kept, stored or allowed to accumulate on any Lot unless screened or otherwise handled in a manner set forth in the Design Standards.

(d) If rubbish, garbage or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open on any day that pick-up is to be made, in order to provide access to persons making such pick-up. At all other times such containers shall be screened or enclosed in a manner set forth in the Design Standards. Guidelines relating to the type of containers permitted, the manner of storage and the place for pick-up may also be included in the Design Standards.

ARTICLE VII
EASEMENTS, ZONING AND OTHER RESTRICTIONS

7.01 **Easements for Improvements and Repairs.**

(a) Declarant hereby expressly reserves to Declarant, the Association, and their respective successors and assigns, for so long as the Declarant owns any Lot within the Development, and after which, solely to the Association, blanket perpetual easements in, on, over and under any part of the Property, as is determined in the sole discretion of the Declarant, the Association, and their respective successors and assigns, for completing improvements or effecting repairs within the Development, including, by way of example, and not limitation, the following:

(i) The erection, installation, construction and maintenance of wires, lines, conduits and poles and the necessary or proper attachments and guy wires in connection with the transmission of electricity, telephone, cable television cables and other utilities and similar facilities;

(ii) The erection, installation, construction and maintenance of storm-water drains, land drains, public and private sewers, retention ponds, irrigation systems, pipelines for supplying gas and water, and for any other public or quasi-public facility, service or function;

(iii) Slope control purposes, including the right to grade and plant slopes and prevent the doing of any activity which might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow; and

(iv) The planting or replanting of hedges, shrubbery, bushes, trees, flowers and plants of any nature.

(b) In addition there is hereby reserved to Declarant the right to impose on any Lot or other property within the Development any other easements necessary or appropriate for the development, maintenance and sale of Lots within the Development as well as the right to release or abandon any easements in favor of Declarant.

7.02 Easement for Entry. The Board shall have the right, but shall not be obligated, to enter upon any property within the Development for emergency, security, and safety, which right may be exercised by the manager, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. It is intended that this right of entry shall include (and this right of entry shall include) the right of the Board to enter to cure any condition which 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 upon request by the Board.

7.03 Easement for Entry Features. There is hereby reserved to the Declarant, its successors and assigns, and the Association a perpetual, transferable and alienable easement over and upon each Lot which is located at the corner of a street intersection, for the installation, construction, landscaping and maintenance of entry features and similar streetscapes for the Development. The easement and right herein reserved shall include the right to erect, maintain, repair and replace entrance monuments, signs and lighting, and the right to cut, remove and plant trees, shrubbery, flowers, grass and other vegetation around such entry features and streetscapes and the right to grade the land under and around the entry features and streetscapes.

7.04 Easement for Maintenance. There is hereby reserved to the Declarant, its successors and assigns, and the Association, a perpetual, transferable and alienable easement across such portions of the Development, determined in the sole discretion of Declarant or the Association, as are necessary to allow for the maintenance of retention ponds and other items required by this Declaration to be maintained by Declarant or the Association. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owners' 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.

7.05 Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of any Structure constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than 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; provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, Occupant, or the Association.

7.06 Pedestrian Easement. There is hereby reserved for the benefit of Declarant, its successors and assigns, and the Association, a nonexclusive perpetual easement, right, and privilege of pedestrian passage and use, on, over, and across all sidewalks or pedestrian walkways for the Development as now existing or hereafter constructed on the Property.

7.07 Vehicular Easement. There is hereby reserved for the benefit of Declarant, its successors and assigns, and the Association, a nonexclusive, perpetual easement, right, and privilege of vehicular ingress, egress, access, passage and use, on, over, and across all roads, streets and drives for the Development as now existing or hereafter constructed on the Property.

7.08 Easements for Utilities and Public Services. There is hereby reserved for the benefit of Declarant, its successors and assigns, and the Association, the alienable, transferable, and perpetual right and easement, as well as the power to grant and accept easements to and from Gwinnett County, Georgia, or any other public authority or agency, public service district, public or private utility, or other person, upon, over, under and across: (i) all of the Common Property; and (ii) those portions of all Lots and all Residences as are reasonably necessary, for the purpose of installing, replacing,

repairing, maintaining and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers, drainage systems, and retention ponds and facilities for the development of any portion thereof, and electrical, gas, telephone, water and sewer lines, provided that such easements shall not unreasonably affect the developability, marketability or value of any such Lot or Residence. Such easements may be granted or accepted by Declarant, its successors or assigns, provided, however, that for so long as Declarant owns any Lot or Residence primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to the Development, the Association must obtain the written consent of Declarant prior to granting and accepting any such easements. To the extent possible, all utility lines and facilities serving the Development and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Development so encumbered: (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes, or shrubbery; (iii) to grade, excavate, or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems; provided, however, that such utility company or other supplier or servicer shall take reasonable actions to repair any damage caused by such utility company or other supplier or servicer during the exercise of any rights conveyed under any easement granted hereunder.

The Association shall have the right to grant and accept easements as provided in this Section and to dedicate or transfer fee simple title to all or any portion of the Common Property to Gwinnett County, Georgia, or to any other public agency or authority, public service district, public or private utility, or other person, provided that any such transfer of the fee simple title must be approved by a majority of those Members present in person or by proxy at a duly held meeting of the Association and by Declarant for so long as Declarant owns any Lot or Residence primarily for the purpose of sale or has the unexpired option to add any Additional Property to the Development.

7.09 Easements for Walks, Trails, Signs, and Perimeter Wall. There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement upon, over, and across those strips of land ten (10) feet in width located along and adjacent to those exterior boundaries located adjacent to streets and roads and by lines in the interior of such Lots and Residences which are ten (10) feet from and parallel to such exterior boundaries, for the installation, maintenance, and use of sidewalks, traffic directional signs, and related improvements, provided that Declarant shall have no obligation to construct any such improvements. There is further reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable and perpetual right and easement upon, over, and across those strips of land fifteen (15) feet in width located along those boundaries of all Lots and Residences that constitute part of the perimeter boundary of the Development, such easement to be for the purpose of constructing, installing, replacing, repairing and maintaining a perimeter wall or fence around all or a portion of the perimeter boundary of the Development, provided that Declarant shall have no obligation to construct any such perimeter wall or fence.

7.10 Easements for Additional Property. There is hereby reserved in Declarant, and its successors, assigns, and successors-in-title to any additional property which is annexed in to the Development (herein referred to as the "Additional Property") (if said rights are granted by Declarant to such successors, assigns, and successors-in title), for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Property, perpetual, non-exclusive rights and easements for: (i) pedestrian and vehicular ingress, egress, and parking, across, within, and on all roads, sidewalks, trails and parking facilities, from time to time located within the Common Property or within easements serving the Common Property; (ii) the installation, maintenance, repair, replacement and use within the Common Property and those portions of Lots and Residences hereof of security systems and utility facilities and distribution lines, including, without limitation, drainage systems, storm sewers, electrical, gas, telephone, water, sewer, and master television antenna and/or cable system lines; and (iii) drainage and discharge which shall not materially damage or affect the Property or any improvements from time to time located thereon.

7.11 Environmental Easement. There is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement on, over, and across all Lots and all unimproved portions of Lots for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, and procedures from time to time promulgated or instituted by the Association or by a governmental entity, such easement to include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water, and the right to dispense pesticides.

7.12 No Trespass. The Declarant, the Association, and their respective agents, employees, successors, and assigns, and any and all other persons granted easements herein, shall have the right at all reasonable times to enter upon all parts of each easement area for any of the purposes for which such Easement Area is reserved, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and the carrying out of such purposes, provided the same are done in accordance with the provisions of this Section. The Declarant and its employees, agents, successors and assigns shall be responsible for leaving each Lot in good condition and repair following any work or activity undertaken in an easement area.

7.13 Zoning and Private Restrictions. None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules or regulations of any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

ARTICLE VIII ENFORCEMENT

8.01 Right of Enforcement. This Declaration and the Restrictions contained herein shall inure to the benefit of and shall be enforceable by: (i) the Declarant so long as it is an Owner; (ii) the Association; and (iii) each Owner, his heirs, devisees, legal representatives, successors and assigns.

8.02 Right of Abatement.

(a) Except where different notice provisions are provided in other Sections hereof, in the event of a violation or breach of any restriction contained in this Declaration, the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of said written notice, then the Association shall have the Right of Abatement.

(b) The "Right of Abatement", as used in herein, means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section, and with the cost thereof including the costs of collection (including reasonable attorneys' fees), together with interest thereon at the lower of the highest rate permitted by law or 18% to be a binding personal obligation of such Owner enforceable in law, as well as a lien on Owner's Lot, enforceable pursuant to the provisions of Section 8.04 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in manner arise or be imposed upon the Lot after such entry whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, excepting only: (i) such liens for taxes or other public charges as are by applicable law made superior; (ii) the liens created by Article IV hereof; and (iii) all deeds to secure debt given to secure a loan the proceeds of which are used: (1) to purchase a Lot or Lots (together with any and all Structures which may from time to time be placed or located thereon); and (2) to finance the construction, repair or alteration of Structures.

8.03 Specific Performance. Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the restrictions by appropriate judicial proceedings or to recover damages. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided by this Declaration; and therefore any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity to enforce the provisions hereof.

8.04 Collection of Assessments and Enforcement of Lien.

(a) If any assessment, interest, cost or other charge is not paid as required by this Declaration, the Association may bring either an action at law against the Owner personally obligated to pay the same, or an action to

foreclose any lien created by this Declaration against the Lot or Lots subject to the lien, or both, for the purpose of collecting such assessment, cost or charge, plus any interest thereon and costs of collection, including reasonable attorneys' fees.

(b) As an additional remedy, but in no way as a limitation on the remedies, if any assessment, interest, cost or other charge is not paid as required by this Declaration, each Owner hereby grants to the Association and its assigns the following irrevocable power of attorney to sell the said Lot or Lots subject to the lien at auction, at the usual place for conducting sale at the Courthouse in Gwinnett County, Georgia, to the highest bidder for cash, after advertising the time, terms and place of such sale once a week for four (4) weeks immediately preceding such sale (but without regard to the number of days) in the paper in which the Sheriff's advertisements for Gwinnett County, Georgia are published, all other notice being hereby waived by each Owner. The Association or any person on behalf of the Association, or assigns, may bid and purchase at such sale and thereupon execute and deliver to the purchaser or purchasers at such sale a conveyance of said property in fee simple, which conveyance shall contain recitals as to the happenings of the default upon which the execution of the power of sale herein granted depends, and each Owner hereby constitutes and appoints the Association and its assigns, the agent and attorney-in-fact of each Owner to make such recitals, and hereby covenants and agrees that the recitals so to be made by the Association, or its assigns, shall be binding and conclusive upon the Owner whose property is the subject matter of such sale, and the heirs, legal representatives, devisees, successors, and assigns of such Owner, and that the conveyance to be made by the Association or its assigns, shall be effectual to bar all equity of redemption of such Owner, or the successors in interest of such Owner, in and to said Lot or Lots. The Association or its assigns shall collect the proceeds of such sale, and after reserving therefrom the entire amount of assessments, interest, cost or other charge due, together with all costs and expenses of sale and fifteen (15%) percent of the aggregate amount due for attorneys' fees, shall pay any excess to such Owner, or to the heirs or assigns of such Owner as provided by law and any mortgagee of said Lot or Lots. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise and are granted as cumulative to the remedies for collections of said indebtedness provided by law.

(c) No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. No diminution or abatement of 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, order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

8.05 Waiver. EACH OWNER, BY ACCEPTANCE OF A DEED CONVEYING A LOT SUBJECT TO THIS DECLARATION, WAIVES ANY RIGHT WHICH OWNER MAY HAVE UNDER THE CONSTITUTION OR THE LAWS OF THE STATE OF GEORGIA OR THE CONSTITUTION OR THE LAWS OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS DECLARATION, AND OWNER WAIVES OWNER'S RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THIS DECLARATION ON THE GROUNDS (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING. ALL WAIVERS BY SUCH OWNER IN THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AFTER SUCH OWNER HAS FIRST BEEN ALLOWED THE OPPORTUNITY TO CONSULT LEGAL COUNSEL WITH RESPECT TO SUCH OWNER'S POSSIBLE RIGHTS.

8.06 No Waiver. The failure of the Declarant, the Association, or the Owner of any Lot, his or its respective heirs, legal representative, devisees, successors, and assigns, to enforce any Restriction herein contained shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach, or as to any violation or breach occurring prior to or subsequent thereto, or as to the same violation or breach by the Owner of any other Lot.

ARTICLE IX
DURATION AND AMENDMENT

9.01 Duration. This Declaration and the restrictions contained herein shall run with and bind the Property for a period of twenty (20) years from and after the date when this Declaration is filed for record with the Clerk of the Superior Court of Gwinnett County, Georgia, after which time this Declaration shall be automatically renewed for successive periods of ten (10) years; provided, however, that after the end of the said twenty (20) year period and during any ten (10) year renewal period (but only during such renewal period), this Declaration may be terminated by an instrument executed by the proper Association officers and recorded in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia, or in such other place of recording as may be appropriate at the time of the execution of such instrument, pursuant to a resolution approving such termination which is approved by a two-thirds (2/3) vote of the Class A Members.

9.02 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any members of the Board, Declarant may amend this Declaration by an instrument in writing, filed and recorded in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia, without the approval of any Member or mortgagee; provided, however, that: (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such owner's Lot or of the Common Property as set forth in this Declaration or if such amendment adversely affects the title to any Lot, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Members affected thereby; or (ii) in the event that such amendment would materially and adversely affect the security title and interest of any mortgagee, such amendment shall be valid only upon the written consent thereto of all such mortgagees so affected. Any amendment made pursuant to this Section shall be certified by Declarant as having been duly approved by Declarant, and such Members and mortgagees, if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section and further agrees that, if requested to do so by Declarant, such owner will consent to the amendment of this Declaration or any other instruments relating to the Development: (i) if such amendment is necessary to bring any provision hereof or thereof into compliance with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith; (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration; (iii) if such amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot subject to this Declaration; (iv) if such amendment is necessary to enable any government agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; or (v) if such amendment is necessary to correct a scrivener's error in the drafting of this Declaration.

9.03 Amendments by Association. Amendments to this Declaration, other than those authorized by Section 9.02 hereof, shall be proposed and adopted in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member of the Association.

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by Members of the Association. Such amendment must be approved by Members holding at least two-thirds (2/3) of the total votes in the Association; provided, however, that: (i) any amendment which materially and adversely affects the security title and interest of any mortgagee must be approved by such mortgagee; and (ii) during any period in which Declarant has the right to appoint and remove members of the Board, such amendment must be approved by Declarant.

(c) The agreement of the required percentage of the Owners and, where required, the Declarant and any mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice President or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

**ARTICLE X
ANNEXATION AND CONSTRUCTION AND SALE PERIOD**

10.01 Annexation. Until seven years from the date of this Declaration, or until Declarant surrenders his rights to annex real property pursuant hereto, whichever is earlier, Declarant may annex any real property without the consent of the Class A Members. Such annexation shall be accomplished by filing in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia an approved subdivision plat describing the real property to be annexed to the Property and by including on such subdivision plat a statement that expressly sets forth the Declarant's intention to make such annexed real property subject to the provisions of this Declaration; or by filing an amendment to the Declaration which shall be executed by Declarant and has been consented to by the owners of the real property to be annexed, if any portion of such real property is owned by someone other than Declarant. The provisions hereof shall be expressly subject to the provisions of Article XI of this Declaration.

(b) At the expiration of Declarant's right to appoint and remove members of the Board or after Declarant surrenders his rights to annex real property pursuant hereto, no real property may be annexed to the Property unless such annexation is approved by a two-thirds (2/3) vote of the Members who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions of the Bylaws of the Association.

(c) Declarant also reserves the right to amend this Declaration unilaterally at any time so long as it has the authority under this Article without the prior notice and without the consent of any Owner, for the purpose of removing certain portions of the Property then owned by 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 Property desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development of the Property.

10.02 Construction and Sale Period. Notwithstanding any provision contained in this Declaration, the Bylaws, Articles of Incorporation, use restrictions, rules and regulations, Design Standards, and any amendments thereto, until Declarant no longer owns any Lots as defined herein, it shall be expressly permissible for Declarant and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Development as Declarant may deem necessary, such facilities and activities as may reasonably be required by the Declarant and such builder in the Development, construction, and sales activities related to the Property, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Development; the right to tie into any portion of the Development with driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Development; the right to carry on sales and promotional activities in the Development; and the right to construct and operate business offices, signs, construction trailers, material storage areas, model residences, off-street parking areas, and sales offices. Declarant and any such builder or developer may use Residences or offices owned or leased by Declarant or such builder or developer as model residences and sales offices. Rights exercised pursuant to this reserved easement 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 any damage, at its sole expense.

The rights and easements of enjoyment of Owners in and to the Common Property as expressed in Article II shall be subject to the right of the Declarant to the exclusive use of portions of the Common Property reasonably required, convenient or incidental to the improvement and sale of Lots including, but not limited to, sales and business offices, storage areas, construction yards and signs. Such right of the Declarant may be delegated by it to the developers and builders having an interest in the Property, shall be exercised so as to avoid any unnecessary inconvenience to or infringement upon the rights of others and shall continue until such time as such persons no longer own any Lot primarily for the purpose of sale or on seven (7) years from the date of recording of this Declaration, whichever shall first occur, without affecting any Member's obligation to pay assessments coming due during such period of time or the permanent charge and lien on any Member's Lot in favor of the Association.

ARTICLE XI
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first mortgages on Residences in the Development. The provisions of this Article apply to both this declaration and to the Bylaws, notwithstanding any other provisions contained therein.

11.01 Special Mortgagee Provisions.

(a) As used in this Section, the term "Eligible Holder" shall mean a holder, insurer or guarantor of a first mortgage on a Lot which has requested notice in accordance with the provisions of Section 11.01(b).

(b) A holder, insurer or guarantor of a first mortgage, upon written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number), will be entitled to timely written notice of:

(i) Any proposed amendment of the Declaration effecting a change in: (A) the boundaries of any Lot or the exclusive easement rights appertaining thereto; (B) the interests in the Common Property or the liability for common expenses appertaining thereto; (C) the number of votes in the Association appertaining to any Lot; or (D) the purposes to which any Lot or the Common Property are restricted;

(ii) any proposed termination of the administration of the Common Property pursuant to this Declaration;

(iii) any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first mortgage held, insured or guaranteed by such eligible Holder;

(iv) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to a first mortgage held by such Eligible Holder which remains uncured for a period of sixty (60) days;

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

(vi) any proposed action which would require the consent of a specified percentage of Eligible Holders, as specified herein; and

(vii) an annual financial statement, or audit if available, of the Association for the immediately preceding fiscal year, free of charge.

(c) To the extent permissible under the law of the State of Georgia, the following provisions shall apply:

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

(ii) Any election to terminate the administration of the Common Property pursuant to this Declaration after substantial destruction or a substantial taking in condemnation of the Property must require the approval of the Eligible Holders of first mortgages on Lots to which at least fifty-one (51%) percent of the votes of Lots subject to mortgages held by such Eligible Holders are allocated.

(d) The following provisions do not apply to amendments to the constituent documents or termination of the Association pursuant to Section 11.01(c) hereof made as a result of destruction, damage, or condemnation, or to the addition of land pursuant to any plan of expansion or phased development previously approved by the Department of

Housing and urban Development (hereinafter referred to as "H.U.D.") or the Veterans Administration (hereinafter referred to as "V.A.") to the extent such approval is required by H.U.D. or the V.A.:

(i) The consent of Owners representing at least sixty-seven (67%) percent of the Class "A" votes and of the Declarant, so long as it holds any land subject to this Declaration, and the approval of the Eligible Holders of first mortgages on Lots to which at least sixty-seven (67%) percent of the votes of Lots subject to a mortgage appertain, shall be required to terminate the administration of the Property subject to this Declaration.

(ii) The consent of Owners representing at least sixty-seven (67%) percent of the Class "A" votes and of the Declarant, so long as it holds any land subject to this Declaration, and the approval of Eligible Holders of first mortgages on Lots to which at least fifty-one (51%) percent of the votes of Lots subject to a mortgage appertain, shall be required to materially amend any provisions of this Declaration, the Bylaws or the Articles of Incorporation to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

- (A) Voting;
- (B) Assessments, assessment liens or subordination of such liens;
- (C) Reserves for maintenance, repair and replacement of the Common Property;
- (D) Insurance or fidelity bonds;
- (E) Rights to use of the Common Property;
- (F) Responsibility for maintenance and repair of the several portions of the Property;
- (G) Expansion or contraction of the Property or the addition, annexation or withdrawal of land to or from the Property;
- (H) Boundaries of any Lot;
- (I) Convertibility of Lots into Common Property or of Common Property into Lots;
- (J) Leasing of Lots;
- (K) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his or her Lot; or
- (L) Establishment of self-management by the Association where professional management, if any, has been employed.

(e) The approval of Eligible Holders of first mortgages on Lots to which at least fifty-one (51%) percent of the votes of Lots subject to a mortgage appertain, shall be required to amend any provisions included in this Declaration, the Bylaws or the Articles of Incorporation which are for the express benefit of holders or insurers of first mortgages on Lots.

(f) The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from mortgagees of Owners where a larger percentage vote is otherwise required by applicable law or in any other provision in the Declaration, the Bylaws or the Articles of Incorporation for any of the actions contained in this Section.

11.02 Special FHLMC Provision. 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 at least two-thirds (2/3) of the first mortgagees or at least two thirds (2/3) of the total Members of the Association entitled to vote thereon consent, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Property which 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);

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Residence;

(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 Residences 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);

(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.

First mortgagees may, jointly or individually, pay taxes or other charges which are in default and which 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.

11.03 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 Residence in the cases of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

11.04 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 Residence.

11.05 Amendment By Board. Should H.U.D., the V.A., the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this article or make any such requirements less stringent, the Board, without approval of the Members, may cause an amendment to this article to be recorded to reflect such changes.

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

11.07 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.

ARTICLE XII
INSURANCE AND CASUALTY LOSSES

12.01 Insurance on Common Property. The Board or the duly authorized agent of the Association shall have the authority and shall obtain insurance for all insurable improvements whether or not located on the Common Property, if any, which the Association is obligated to maintain against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. This insurance, if obtained, shall provide, at a minimum, fire and extended coverage, including vandalism and malicious mischief, and shall be in an amount as to be determined by the Board, in its sole discretion. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Property shall be written in the name of, and the proceeds thereof shall be payable, to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the maintenance assessments levied by the Association.

In addition to casualty insurance on the Common Property, the Board may elect to obtain and continue in effect, on behalf of all Owners, adequate blanket casualty and fire insurance in such form as the Board deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or co-insurance, of all of the Lots, including the structural portion and fixtures thereof, owned by such Owners. Insurance premiums from any such blanket insurance coverage and any other insurance premiums paid by the Association shall be a common expense of the Association to be included in the maintenance assessments of the Owners, as levied by the Association. The insurance coverage with respect to the Lots shall be written in the name of, and the proceeds thereof shall be payable to, the Association as trustee for the Owners. The Board of the Association shall also obtain such additional amounts and types of insurance as may be required from time to time by either HUD or V.A., their successors and assigns, for similar type residential subdivision communities.

The Board shall obtain a public liability policy applicable to the Common Property covering the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall be in an amount to be determined by the Board in its sole discretion.

All insurance obtained by the Board shall be governed by the provisions hereinafter set forth:

- (a) All policies shall be written with a company authorized to do business in Georgia.
- (b) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, that no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.
- (c) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, Occupants, or their mortgagees, and the insurance carried by the Association shall be primary.
- (d) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be reviewed annually by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the county where the Development is located.
- (e) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:
 - (i) a waiver of subrogation by the insurer as to any claims against the Board, the Association's manager, the Owners and any Occupants, servants, agents, and guests;
 - (ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) that no policy may be cancelled, invalidated, or suspended on account of any one or more individual Owners;

(iv) that no policy may be cancelled, subjected to nonrenewal, invalidated, or suspended on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or Mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be cancelled, subjected to nonrenewal or substantially modified without at least thirty (30) days prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall be determined in the directors' best business judgment, and, if available, shall at least equal three (3) months assessments plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled, subjected to nonrenewal or substantially modified without at least thirty (30) days prior written notice to the Association.

12.02 Individual Insurance. It shall be the responsibility and obligation of each Owner to obtain insurance, at his own expense, affording liability coverage and/or fire, hazard and property damage coverage upon his Lot.

12.03 Damage and Destruction -- Insured by Association.

(a) General. Immediately after damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. The Board shall have the enforcement and abatement powers specified in this Declaration necessary to enforce this provision.

(b) Repair and Reconstruction. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five (75%) percent of the Members eligible to vote decide not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a special assessment against all Owners in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association.

In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then, and in that event, the undeveloped portion of the Development shall be maintained by the Association in a neat and attractive condition.

12.04 Damage and Destruction -- Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy-five (75) days after such

damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvement on the Lot and remove all debris therefrom within seventy-five (75) days after such damage or destruction. In the event of noncompliance with this provision, the Board shall have all enforcement and abatement powers specified in this Declaration.

12.05 Insurance Deductible. The deductible for any casualty insurance policy carried by the Association shall, in the event of damage or destruction, be allocated among the persons who are responsible hereunder, or under any declaration or contract requiring the Association to obtain such insurance, for maintenance of the damage or destroyed property.

12.06 Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacements of the property that may have been damaged or destroyed.

**ARTICLE XIII
MISCELLANEOUS**

13.01 No Reverter. No restriction herein is intended to be, or shall be construed as, a condition subsequent or as creating a possibility of reverter.

13.02 Severability. A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

13.03 Headings. The headings of the Articles and Sections hereof are for convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

13.04 Gender. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

13.05 Notices. All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures or consents of any kind made pursuant to this Declaration, whether made by the Declarant, the Association, the Owner, or any other person, shall be in writing. All such writings shall be sufficient if personally delivered or if deposited in the United States Mail, with sufficient postage, and sent to the following addresses:

Declarant: 20 Loaf Partners, LLC.
P.O. Box 1387
Norcross, Georgia 30091

Owners: Each owner's address as registered with the Association in accordance with the Bylaws, or if no such address has been registered, at the Owner's last known address.

The Declarant reserves the right to change its address from time to time by filing an amendment to this Declaration specifying its new address in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia.

Any written communication mailed in accordance with this Section shall be deemed received on the third (3rd) day following the day such written notice is deposited in the United States Mail.

13.06 No Liability. Declarant has, using best efforts and all due diligence, prepared and recorded this Declaration so that each and every Owner shall have the right and power to enforce the terms and provisions of this Declaration against every other Owner. However, in the event that this Declaration or any provision herein is, for any reason whatsoever, unenforceable by an Owner, or any other person in a court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owner by acceptance of a deed conveying a Lot, acknowledges that Declarant shall have no such liability. In addition, neither the Declarant nor the Association shall have any liability of any kind as a result of any failure to enforce any provision contained in this Declaration.

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

13.08 Books and Records.

(a) **Inspection by Members and Mortgagees.** This Declaration, the Bylaws, copies of rules and use restrictions, membership register, books of account, and minutes of meetings of the members of the Board and of committees shall be made available for inspection and copying by any Member or his duly appointed agent, and holder, insurer, or guarantor of any first mortgage at any reasonable time and for a purpose reasonably related to his or her interest as a Member or holder, insurer, or guarantor of a first mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.

(b) **Rules for Inspection.** The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents.

(c) **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extra copies of documents at the reasonable expense of the Association.

13.09 Merger. Upon a merger or consolidation of the Association with another association, its property, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, in the alternative, the property, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants contained herein within the Property, together with the covenants and restrictions established upon any other properties as one plan. Except as hereinafter provided, no such merger or consolidation shall affect any revocation, change of, or addition to the covenants established by this Declaration. No such merger or consolidation shall be effective, however, unless first approved by the Board and by Members entitled to cast at least two-thirds (2/3) of the votes of each class of Members. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the Bylaws of the Association, during any period in which Declarant retains the right to appoint and remove any members of the Board, Declarant may enter into a merger or a consolidation of the Association in its sole discretion, without the approval of any Member or mortgagee.

13.10 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of George W. Bush, President of the United States of America.

13.11 No Partition. There shall be no judicial partition of the Development or any part thereof, nor shall any person acquiring any interest in the Development or any part thereof seek any such judicial partition unless the Development has been removed from the provisions of this Declaration.

13.12 Notice of Sale or Lease. In the event an Owner sells or leases such Owner's Lot, the Owner shall give to the Association, in writing, prior to the effective date of such sale or lease, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require.

13.13 Agreements. Subject to the prior approval of Declarant (so long as the Class "B" Membership exists), all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully

authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development.

13.14 **Implied Rights.** The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, or any rule or regulation, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed and sealed as of the day and year first above written.

DECLARANT:

20 LOAF PARTNERS, LLC

Signed, sealed and delivered in the presence of:

E. Dorell Vance
Unofficial Witness

By: *[Signature]* (SEAL)
Print Name: Edenn D. Chatham
Title: Managing Member

Ann Dorell
Notary Public
Commission Expires: *[illegible]*
Notary Public, Gwinnett County, GA
My Commission Expires Aug. 24, 2010

ASSOCIATION ACKNOWLEDGEMENT AND CONSENT

The Association, by the execution hereof, acknowledges and agrees that the Association is hereby bound by all of the Association's obligations under this Declaration of Covenants, Restrictions, and Easements.

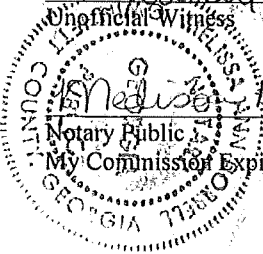
IN WITNESS WHEREOF, the Association, acting through its duly authorized Officers, has caused this Declaration to be executed and sealed as of the 20th day of September, 2006.

Signed, sealed and delivered in the presence of:

MORGAN COMMONS HOMEOWNERS ASSOCIATION, INC.

E. Daniel Young
Official Witness

By: [Signature] (SEAL)
Print Name: Glenn D. Chatham
Title: Managing Member



Ann Dorell
Notary Public, Gwinnett County, GA
My Commission Expires Aug. 24, 2010

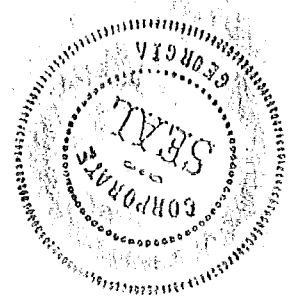


EXHIBIT A

All that tract or parcel of land lying and being in Land Lot 138 of the 7th Land District, Gwinnett County, Georgia, being more particularly described as follows:

To find the true point of beginning, begin at the point of intersection of the easterly right of way of State Route 324, (also known as Gravel Springs Road) and the southernmost right of way of Morgan Road Extension, as shown on that Right of Way Deed recorded in Deed Book 40200, page 80-81, Gwinnett County Records, thence leaving said right of way, traveling North 48 degrees 47 minutes 12 seconds East a distance of 775.77 feet to a point, traveling thence South 47 degrees 16 minutes, 30 seconds West a distance of 484.59 feet to a point, traveling thence North 58 degrees, 08 minutes, 31 seconds East a distance of 350.45 feet to a point on the line dividing Land Lots 137 and 138 of the 7th District, Gwinnett County, Georgia, traveling thence along said dividing line North 30 degrees 37 minutes 43 seconds West 135.65 feet to a point, being the TRUE POINT OF BEGINNING, traveling thence North 30 degrees, 39 minutes 33 seconds West 1116.95 feet to a point at the intersection of the land lot line dividing Land Lots 137 and 138 and the southern right of way of Interstate 85, thence departing said land lot line traveling thence northeast along the southerly right-of-way of Interstate 85 along the arc of a curve, an arc distance of 1260.96' to the end of said curve at the point of curvature of a curve to the right having a radius of 23,068.31 feet, a chord bearing of N 63 degrees, 08 minutes 55 seconds East a chord distance of 1260.81 feet; traveling thence North 61 degrees, 34 minutes 57 seconds East a distance of 274.23 feet to a point; traveling thence North 61 degrees 34 minutes 01 seconds East a distance of 149.86 feet to a point, traveling thence North 61 degrees 41 minutes 05 seconds East a distance of 753.63 feet to a point, traveling thence South 72 degrees 53 minutes 45 seconds East a distance of 194.83 feet to a point, traveling thence 82 degrees 21 minutes 35 seconds East a distance of 155.48 feet to a point; traveling thence South 01 degrees 55 minutes 05 seconds East a distance of 88.53 feet to a point, traveling thence South 10 degrees 35 minutes 05 seconds West a distance of 248.77 feet to a point, traveling thence 52 degrees 34 minutes 25 seconds East a distance of 394.41 feet to a point, traveling thence South 43 degrees 47 minutes 50 seconds West a distance of 1787.61 feet to a point; traveling thence South 88 degrees 57 minutes 50 seconds West a distance of 802.80 feet to a point, traveling thence South 50 degrees 34 minutes 13 seconds West a distance of 211.26 feet to the TRUE POINT OF BEGINNING, said tract containing 68.97 acres of land being according to that Boundary Plat dated September 24, 2004, prepared by John A Steerman, Georgia Registered Land Surveyor No. 2576.

COPY

FILED & RECORDED
CLERK SUPERIOR COURT
GWINNETT COUNTY, GA.

Please return to:
WEBB, TANNER, POWELL,
& WILSON, LLP
10 Lumpkin Street
Lawrenceville, GA 30046

2015 JUL -1 PM 1:58

RICHARD ALEXANDER, CLERK

Clerk, please cross-reference
to instruments recorded in
Deed Book 47057, Page 164,
Gwinnett County, Georgia deed
records; and Deed Book 47877,
Page 507, aforesaid records.

**SECOND AMENDMENT TO DECLARATION OF COVENANTS, RESTRICTIONS,
AND EASEMENTS FOR MORGAN COMMONS**

This Second Amendment to Declaration of Covenants, Restrictions and Easements for Morgan Commons, recorded in Deed Book 47057, Page 164, Gwinnett County, Georgia deed records, as amended by that certain Amendment to Declaration of Covenants, Restrictions and Easements for Morgan Commons recorded in Deed Book 47877, Page 507, aforesaid records (collectively, the "Declaration") is made this 1st day July, 2015, by Morgan Commons Townhomes and Houses HOA, Inc., a Georgia non-profit corporation (the "Association").

WITNESSETH

WHEREAS, the Owners and the Declarant desire to amend the Declaration and Bylaws to instate "Morgan Commons Townhomes and Houses HOA, Inc., a Georgia non-profit corporation" as the Association of Morgan Commons; and

WHEREAS, pursuant to the Declaration and Bylaws, the Declaration and Bylaws may be amended by the approval of Members holding at least two-thirds (2/3) of the total votes of the Association and the approval of the Declarant.

NOW THEREFORE, the Association hereby amends the Declaration subject to the terms and conditions hereof and all of the property now or hereafter subject to the Declaration shall be held, conveyed encumbered, used, occupied, and improved subject to the Declaration amended as follows:

1.

All undefined capitalized terms used in this Second Amendment shall have the same meaning as ascribed to them in the Declaration.

2.

The Declaration and Bylaws are hereby amended by deleting all occurrences of "Morgan Commons Homeowners Association, Inc. (a non-profit, non-stock, membership corporation organized under the Georgia Non-Profit Corporation Code)" and all variations thereof and replacing it with "Morgan Commons Townhomes and Houses HOA, Inc., a Georgia non-profit corporation". Morgan Commons Townhomes and Houses HOA, Inc., a Georgia non-profit corporation, shall by the Association referred to in the Declaration and Bylaws.

3.

The Declaration is hereby amended by deleting Section 3.08(a) in its entirety and replacing it with the following in lieu thereof:

(a) Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the Bylaws of the Association, Declarant hereby retains the right to appoint and remove any members of the Board of the Association, and any officer or officers of the Association until the first of the following events shall occur: (i) the expiration of ten (10) years after the date of the recording of the second amendment to the Declaration; or (ii) the surrender by Declarant of the authority to appoint and remove directors and officers by an express amendment to this Declaration executed and recorded by the Declarant.

4.

To the extent the terms contained within this Second Amendment conflict with the terms contained within the Declaration and the By-Laws, the terms contained herein shall control. Except as herein modified, the Declaration and the By-Laws shall remain in full force and effect, and the terms and provisions of same are hereby ratified and approved by the Association.

5.


The Association makes this Second Amendment by virtue of its authority contained in the Declaration and, by their execution affixed hereto, the undersigned President and Secretary of the Association swear that the approval of Members holding at least two-thirds (2/3) of the total votes in the Association was lawfully obtained at a duly called meeting of the Members after proper notice was given in accordance with the provisions required by the Declaration.

(Signatures Contained On Following Page)

IN WITNESS WHEREOF, the Association has caused this Amendment to be duly executed by its authorized officers under seal on the day and year first above written.

Morgan Commons Townhomes and Houses
HOA, Inc., a Georgia non-profit corporation

Signed, sealed and delivered
in the presence of:



Unofficial Witness

By:  (Seal)

Name: William A. Austin

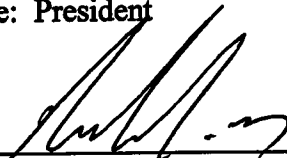
Title: President



Notary Public

My commission expires:



By:  (Seal)

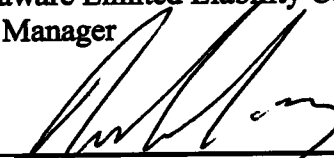
Name: William A. Austin

Title: Secretary

Declarant:

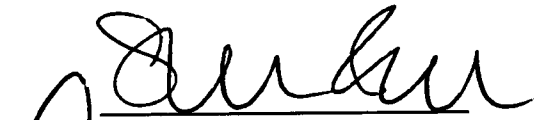
Point North Realty, LLC, a Florida limited
liability company

By: Real Property Investments, LLC a
Delaware Limited Liability Company,
It's Manager

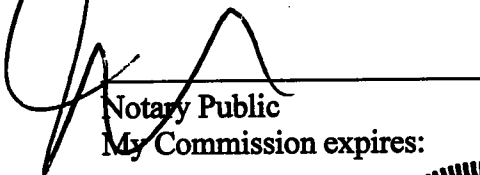
By: 

Name: William A. Austin

title: Manager

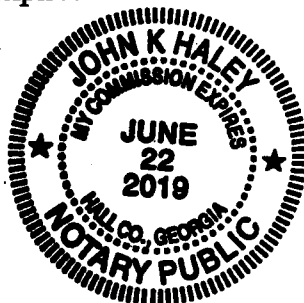


Unofficial Witness



Notary Public

My Commission expires:



Bylaws

Morgan Commons Townhomes and House HOA, Inc.

EXHIBIT "B"

BYLAWS OF
MORGAN COMMONS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The Name of the Association is **MORGAN COMMONS HOMEOWNERS ASSOCIATION, INC.** (hereinafter referred to as the "Association"). The principal office of the Association (until otherwise designated by the Board) (hereinafter referred to as the "Board") shall be located at 105 Hill Street, Suite B, Norcross, Georgia 30091, but meetings of Members and Directors may be held at such other places within the State of Georgia as may be designated by the Board.

ARTICLE II
DEFINITIONS

Unless otherwise set forth herein, the terms used in these Bylaws shall have the same meanings ascribed to such terms as set forth in the Declaration of Covenants, Restrictions, and Easements for Morgan Commons dated as of Sept. 26, 2006 (hereinafter referred to as the "Declaration"), which has been executed by 20 Loaf Partners, LLC with respect to a community known as MORGAN COMMONS, and is to be executed by duly authorized officers of the Association, and is to be filed for record in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia, as such Declaration may be amended from time to time, and which Declaration is incorporated herein by reference.

ARTICLE III
MEETINGS

3.1 **Annual Meetings of Members:** The regular annual meeting of the Members shall be held not later than six (6) months past the end of the fiscal year of the Association, on a date (which is not a legal holiday) and at such place within the State of Georgia, as shall be designated in the call of the meeting pursuant to Section 3.3 below. If no such date is designated, the annual meetings shall be held on the second Tuesday in January, if not a legal holiday, and if a legal holiday, then the next business day succeeding. The Members shall, at such annual meeting, elect a Board for the ensuing year, in the manner provided in Article IV hereof, and shall have authority to transact any and all business which may be brought before such meeting.

3.2 **Special Meeting of Members:** Special meetings of Members shall be held at such place within the State of Georgia as shall be designated in the call of the meeting. Special meetings may be called by the President at any time and must be called by the President when so requested in writing by any two (2) Directors or by twenty-five percent (25%) of the Class A Membership.

3.3 **Notice of Meetings:** Written notice of the place, date, and time of every annual or special meeting of Members shall be mailed to each Member, at least fifteen (15) days before such meetings. Each Member shall register his address with the Association, and notices of meetings shall be mailed to him at such address, and if no such address has been registered, at the last known address of the Member. If for a special meeting, such notice shall state the object or objects of the meeting. It shall not be necessary that notice of an annual meeting specify the business to be transacted at such meeting, but such notice shall specify the number of Directors to be elected at such annual meeting.

3.4 **Quorum:** Unless otherwise provided in the Declaration, a quorum at any meeting of Members, whether annual or special, shall consist of the presence at such meeting, in person or by proxy, of Members entitled to cast one-third (1/3rd) of the votes of each Class of Membership. Unless otherwise provided in the Articles of Incorporation of the Association, or in the Declaration, or in these Bylaws, a majority of the votes entitled to be cast by all Members present at a meeting shall be necessary and sufficient to decide and act upon any question which shall come before the meeting. No business shall be transacted at any meeting unless a quorum is present.

3.5 **Voting:** Voting rights of Members shall be as set forth in the Declaration. Where any Member is a group or entity other than one individual person, the vote on behalf of such Member shall be exercised by only such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such Member, and delivered to the Secretary of the Association.

ARTICLE IV DIRECTORS

4.1 **Number:** The affairs of the Association shall be managed by an initial Board of one (1) Director, who need not be a Member of the Association, and who shall be appointed and removed in accordance with Section 3.08 of the Declaration. The Board shall be increased as provided in Section 4.2 hereof, and once the control of the Association passes to the Class A Members, as provided in the Declaration, the affairs of the Association shall be managed by a Board of not less than three (3) nor more than seven (7) Directors.

4.2 **Terms of Office:** At the first annual meeting after control of the Association has passed to the Class A membership, the Board shall be increased to three (3) Directors in accordance with the following procedure. At that meeting, the Members shall elect two (2) Directors to serve an initial term of two (2) years, and one (1) Directors to serve an initial term of one (1) year. After the expiration of the initial terms, all Directors shall be elected to serve a term of two (2) years and elections shall be held accordingly each year. All Directors shall hold office until their successors have been elected. The number of Directors may be increased or decreased by vote of the Members.

4.4 **Compensation:** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5 **Action Taken without a Meeting:** The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

4.6 **Nomination:** Nomination for elected members to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

4.7 **Election:** Election to the Board shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

4.8 **Regular Meetings of Directors:** Regular meetings of the Board shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should such meeting fall upon a legal holiday, then the meeting shall be held at the same time on the next day which is not a legal holiday.

4.9 **Special Meetings of Directors:** Special meetings of the Board shall be held at such place within the State of Georgia as shall be designated in the call of such meeting. Special meetings of the Board may be called by the President at any time, in his discretion, and must be called by the President whenever so requested in writing by two (2) members of the Board.

4.10 **Notice of Meetings:** Notice of special meetings of the Board shall be given by the President or the Secretary to each member of the Board, not less than three (3) days before the time at which meetings are to convene. Said notices may be given by telephone, or by any other form of written or verbal communication. It shall not be necessary for notices of special meetings of the Board to state the purposes or objects of the meeting. Action may be taken by the Directors without a meeting if such action is consented to in writing by all of the Directors. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, waiver of all objections to the place and time of the meeting, or the manner in which it has been called or convened, except when the Director states, at the beginning of the meeting, any such objection or objections to the transaction of business.

4.11 **Quorum:** A quorum at any meeting of the Board shall consist of a majority of the members of the Board. Unless otherwise provided in the Articles of Incorporation of the Association, or in these Bylaws, or in the Declaration, a majority of those present at any meeting at which a quorum is present may decide all questions which may come before the meeting.

4.12 **Powers:** The Board shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; and
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

4.13 **Duties:** It shall be the duty of the Board to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

- (b) Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;
- (c) As more fully provided in the Declaration:
 - (1) fix the amount of the monthly assessment against each Lot; and
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessment not paid within thirty (30) days after the due date or bring an action at law against the Owner personally obligated to pay the same;
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate insurance on property owned by the Association, as provided in the Declaration;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as required by the Declaration; and
- (g) Cause the Association to carry out all of its duties and obligations under the Declaration.

**ARTICLE V
OFFICERS AND THEIR DUTIES**

5.1 **Enumeration of Officer:** The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may, from time to time, by resolution create.

5.2 **Election of Officers:** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

5.3 **Term:** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

5.4 **Special Appointments:** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

5.5 **Resignation and Removal:** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.6 **Vacancies:** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

5.7 **Multiple Offices:** The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 5.4 of this Article.

5.8 **Duties:** The duties of the Officers are as follows:

- (a) **President:** The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes.
- (b) **Vice-President:** The Vice-President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) **Secretary:** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses; and shall perform such other duties as required by the Board.
- (d) **Treasurer:** The Treasurer shall receive and deposit, in appropriate bank accounts, all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

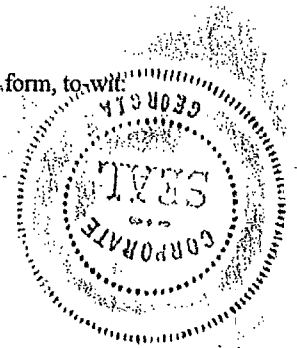
ARTICLE VI
SEAL

6.1 **Corporate Seal:** The Corporate seal of the Association shall be in the following form, to-wit:

and the seal in such form is hereby adopted as the Corporate Seal of the Association.

ARTICLE VII
MISCELLANEOUS

7.1 **The Declaration:** All provisions contained in the Declaration with regard to rights, powers, and duties of the Association, the Members thereof (including, without limitation, classes of members and qualifications and rights of the members of each class), and the Board thereof, are hereby incorporated into these Bylaws by this reference, with the same effect as if such provisions were fully set forth herein.



7.2 **Committees:** The Board shall appoint Committees as specifically provided for in the Declaration and in these Bylaws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purposes.

7.3 **Books and Records:** The books and records of the Association shall, at all times, during reasonable business hours, be open for inspection by any Member and any institutional holder, insurer or guarantor of a first mortgage.

7.4 **Indemnification:** The Association shall indemnify any person made a party to any action, suit, or proceeding, whether civil or criminal, by reason of the fact that he, his testator, or intestate, is or was a Director, officer, or employee of the Association, against the reasonable expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense of the action, suit, or proceeding or in connection with any appeal in it. This right of indemnification shall not apply in relation to matters as to which the Director, officer, or employee shall be adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of any duty to the Association. The right to indemnification conferred by this section shall not restrict the power of the Association to make any other indemnification permitted by law.

7.5 **Fiscal Year:** The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

7.6 **Parliamentary Rules:** "Robert's Rules of Order" (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, these Bylaws, or a ruling made by the person presiding over the proceeding.

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

7.8 **Notices:** Unless otherwise specified in the Declaration or Bylaws, all notices, demands, bills, statements, or other communications required or permitted to be sent under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail, postage prepaid:

- (a) If to a Member, at the address which the Member has registered in writing and filed with the Secretary, or, if no such address has been registered, at the last known address of the Member; or
- (b) If to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members.

If there are multiple Owners of a single piece of property, notice to one (1) shall be deemed to be notice to all.

7.9 **Amendment:** The provisions of the Declaration applicable to amendment of that instrument shall apply to any amendment to these Bylaws.

7.10 **Fining Procedure:** The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

- (a) **Demand:** Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:
- (i) the alleged violation;
 - (ii) the action required to abate the violation; and
 - (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a fine, if the violation is not a continuing one. The Board or its designee may demand immediate abatement in such circumstances which, in the Board's determination, pose a danger to safety or property.
- (b) **Notices:** Within twelve (12) months of such demand, if the violation continues past the period allowed in demand for abatement without penalty, or if the same rule is subsequently violated, the Board may, upon notice, impose a fine. The notice shall state:
- (i) the nature of the alleged violation;
 - (ii) that the alleged violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine;
 - (iii) that any statement, evidence, and witnesses may be produced by the alleged violator at the hearing; and
 - (iv) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of notice.
- (c) **Hearing:** If a hearing is requested, it shall be held before the Board in an executive session, and the alleged violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

7.11 **Condition to Dissolution:** The Board shall not take any action to dissolve the Association unless and until it first receives approval to do so by the Gwinnett County, Georgia, Board of Commissioners.

FILED AND RECORDED
CLERK SUPERIOR COURT
GWINNETT COUNTY GA

2007 MAY 11 PM 2:00

Return to:
Paul C. Curtis, Esq.
Curtis & Kidd, P.A.
3883 Rogers Bridge Road
Building 100
Duluth, Georgia 30097

TOM LAWLER, CLERK
CROSS REFERENCE:
Deed Book 47057, Page 164
Gwinnett County, Georgia
Records

**AMENDMENT TO THE DECLARATION OF
COVENANTS,
RESTRICTIONS AND EASEMENTS FOR MORGAN COMMONS**

This Amendment to Declaration of Covenants, Restrictions and Easements for Morgan Commons is made this 9th day of May, 2007 by Clear Creek Builders, Inc. and BLW Home Group, Inc (hereinafter the "Members").

WITNESSETH

WHEREAS, a Declaration of Covenants, Restrictions and Easements for Morgan Commons (hereinafter the "Declaration"), was filed for record on September 26, 2006 and recorded in Deed Book 47057, Page 164, Gwinnett County, Georgia records;

WHEREAS, the undersigned are the owners of all lots in Morgan Commons Subdivision (hereinafter the "Property") which is more particularly described on Exhibit "A" attached hereto and made a part hereof by reference; and

WHEREAS, the undersigned are also 100 percent of the Class A Members of Morgan Commons Homeowners Association, Inc. (hereinafter the "Association"); and

WHEREAS, the undersigned owners desire to withdraw a portion of the Property from

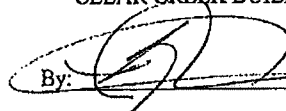
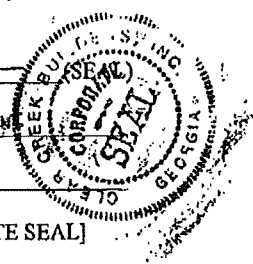
being subjected to the Declaration (such portion being hereby withdrawn is described as the "Withdrawn Tract" on Exhibit "B" attached hereto and made a part hereof by reference).

NOW THEREFORE, in accordance with Section 9.03 of the Declaration, the undersigned Members of the Association hereby amend the Declaration pursuant to a resolution of the Association approved by 100 percent of the Members to withdraw the Withdrawn Tract from the Declaration.

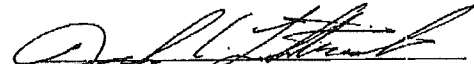
Except as expressly herein provided, all provisions of the Declaration shall remain in force and in effect.

IN WITNESS WHEREOF, The undersigned by their duly authorized officers, managers or members, have executed this amendment to Declaration under seal the date above shown.

CLEAR CREEK BUILDERS, INC.

By: 
Print name: KEITH L. JENKINS
Print title: PRESIDENT

[AFFIX CORPORATE SEAL]

Signed, sealed and delivered in the presence of:


Unofficial Witness


Notary Public
Exp. date: _____
Tanra Lyon
Notary Public
Gwinnett County, Georgia
My Commission Expires
November 12, 2010

[AFFIX NOTARY SEAL]

BLW HOME GROUP, INC.

By: [Signature] (SEAL)

Print name: Brian L. Willis

Print title: President

[AFFIX CORPORATE SEAL]

Signed, sealed and delivered in the presence of:

[Signature]
Unofficial Witness

[Signature]
Notary Public
Exp. date: _____

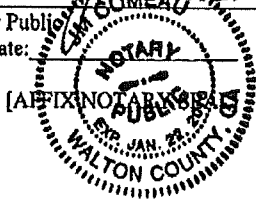


Exhibit "A"

The Property

ALL THAT TRACT or parcel of land lying and being in Land Lot 138 of the 7th District, Gwinnett County, Georgia, and being known as Morgan Commons Subdivision, as per plat recorded in Plat Book 117, Pages 290 and 291, Gwinnett County, Georgia Records, which plat is incorporated herein by reference and made a part hereof.



Exhibit "B"

The Withdrawn Tract

ALL THAT TRACT or parcel of land lying and being in Land Lot 138 of the 7th District, Gwinnett County, Georgia, being Lots 60 and 61, Block A, Morgan Commons Subdivision, as per plat recorded in Plat Book 117, Pages 290 and 291, Gwinnett County, Georgia Records, which plat is incorporated herein by reference and made a part hereof.

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