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**DECLARATION OF COVENANTS,
RESTRICTIONS, AND EASEMENTS FOR
SUMMER LAKE**

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DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR SUMMER LAKE

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**DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS
FOR SUMMER LAKE**

THIS DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS FOR SUMMER LAKE (hereinafter referred to as the "Declaration") is made as of the 27th day of September, 2005, by 20 LOAF PARTNERS, LLC (hereinafter jointly referred to as "Declarant").

BACKGROUND STATEMENT:

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 made a part hereof.

Declarant intends to develop on lands, including the real property above, a development to be known as SUMMER LAKE, (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.

**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 Summer Lake Subdivision Homeowners Association, Inc. (a non-profit, non-stock, membership corporation, organized under the Georgia Non-Profit Corporation Code) its successors and assigns.

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

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

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1.04 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.

1.05 Declarant. "Declarant" means 20 Loaf Partners, LLC, and its successors-in-title and assigns, provided that 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, that 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, and provided further, that 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.

1.06 Development. Development means that certain real property hereinabove described, together with such additional real property as may be subjected to the provisions of the Declaration in accordance with the provisions hereof.

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 a fee simple title to any Lot; provided, however, that where fee simple title has been transferred and is being held merely as security for the repayment of a loan, 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 hereinabove 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 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 or grant easements to the Association, at no expense to the Association and in accordance with this Section, real and personal property for the common use and enjoyment of the Owners of Residences (such real and personal property is hereinafter collectively referred to as "Common Property") and, to the extent set forth in the Declaration of Covenants, Restrictions, and Easements, the general public. The Association hereby covenants and agrees to accept from the Declarant all such conveyances of Common Property. Any such conveyance of Common Property by Declarant to the Association will be by limited warranty deed, 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.

(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 shall, 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 to the Development.

2.02 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 2.02 is subject to suspension by the Association as provided in Sections 2.03(f) and 3.05.

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

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

(b) Borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed to secure debt, mortgage or other security interest any or all of the Association's property including Common Property and revenues from assessments, user fees, and other sources; 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) Charge reasonable fees in connection with the admission to and use of facilities or services by Members and non-Members; provided that in setting any such fee, the Board may establish reasonable classifications which shall be uniform within each such class but need not be uniform between such classes;

(f) Suspend, pursuant to Section 3.05, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.02;

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

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

(i) Pay for all insurance payable and taxes levied with respect to the Association and the Common Property; and

(i) 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.

2.04 Conveyance of Common Property by Declarant to Association. The Declarant may transfer or convey to the Association any personal property and any improved or unimproved property, leasehold, easement or other property interest which is or may be subjected to the terms of this Declaration. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Property to be maintained by the Association for the benefit of all of its Members.

2.05 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 members of the Board.

2.06 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.

2.07 Maintenance. The Association shall maintain and keep in good repair the Common Property. This maintenance shall include, without limitation, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the Common Property. 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, however, 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.

ARTICLE III SUMMER LAKE SUBDIVISION 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.

(c) The Development will be composed of Lots to be developed in phases containing unequal numbers of Lots. Each such phase will be platted of record in the 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 (b) 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 a Board of Directors. The number of directors and the method of election of directors shall be as set forth in the Bylaws.

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 whom:

- (a) Shall be subject to the Right of Abatement, as defined in Section 7.02, 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 3.05, 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, 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, Declarant hereby retains the right to appoint and remove any members of the Board 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 who have not purchased such Lots for the purpose of the construction of a Residence for resale; 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 members of the Board 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, the Owners shall elect a new Board of Directors 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 directors and officers of the Association as provided in this Section. The Association may exercise any other right of 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 Association's Responsibility. 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 of 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, encumbering Lots or Residences; (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. 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. The Association shall also not 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. This Section is subject to the express provisions in Section 2.07, which relieves the

Association from maintaining certain landscaping, grass or other Structures which are installed by Owners or Occupants in the instances provided in such Section 2.07.

**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 for capital improvements 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 4.09 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;

(e) That 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 (a "Prior Recorded First Mortgage");

(f) That 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; and

(f) That all annual, special, and specific assessments (together with interest thereon as provided in Section 4.09 of this Declaration and costs of collection, including, without limitation, 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, and taxes and insurance on, the Common Property, the enforcement of the Restrictions contained in this Declaration, the payment of operation costs and expenses of the Association, the payment of all insurance and taxes of the Association, and the payment of all principal and interest when due on all debts owed by the Association.

4.03 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.

4.04 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 such Residence existed and as may be adjusted pursuant to Sections 4.04(b) and (c), below. The words "Assessment Year," as used herein, shall mean the calendar year, and the "First Assessment Year" shall be the calendar 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 4.04(b), if such increase is approved by a two-thirds (2/3) vote of the Members of the Association 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.

4.05 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 of the Association 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.

(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.

4.06 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 portion of such costs will be covered by Special Assessment. The Board shall cause the Association to send to each Owner at least thirty (30) days in advance of the Due Date written notice setting forth the amount of the annual assessment and 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 IV.

(b) All Members of the Association 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 of the Association at which the Board shall propose taking action pursuant to Section 4.04(c) or Section 4.05 of this Article IV. 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.

4.07 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Residences.

4.08 Declarant Liability. For so long as Declarant has the authority to appoint and remove directors and officers of the Association, Declarant shall not be liable for the payment of any assessments

4.09 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

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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 pay fully 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 a 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 liens provided for herein shall have priority as provided for in the Georgia Property Owner's Association Act O.C.G.A. Section 44-3-220, et seq.

4.10 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 for the amount then due and payable. The Association may make 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.

4.11 Approval by Declarant. Notwithstanding anything to the contrary contained herein, no special assessment shall be made without the approval of Declarant for so long as Declarant has the right to appoint members of the Board.

4.12 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, without limitation, 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 hereof; and
- (c) Reasonable fines as may be imposed in accordance with terms of the Declaration and Bylaws.

4.13 Budget Deficits During Declarant Control. For so long as the Declarant has the authority to appoint the directors and officers of the Association, 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 Development. The Declarant, in its sole discretion, may guarantee repayment of such loan, if required by the lending

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institution, but no mortgage secured by the Common Property or any of the improvements maintained by the Association shall be given in connection with such loan.

**ARTICLE V
GENERAL COVENANTS AND RESTRICTIONS**

5.01 General. This Article sets forth 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 Summer Lake, 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 herein.

5.02 Residential Use. All Lots shall be used for single-family residential purposes exclusively. No business or business activity shall be carried on, in or upon any Lot at any time except with the written approval of the Board. Leasing of a Lot shall not be considered a business or business activity. However, the Board may permit a Lot to be used for business purposes so long as such business, in the sole discretion of the Board, does not otherwise violate the provisions of the Declaration or Bylaws, does not create a disturbance and does not unduly increase traffic flow or parking congestion. The Board may issue rules regarding permitted business activities.

5.03 Vehicles.

(a) 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.

(b) 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 vehicle, 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 twelve (12) 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.

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

5.04 Leasing. Lots may be leased for residential purposes only. All leases shall have a minimum term of six (6) months. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, Bylaws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing.

5.05 Occupants Bound. All provisions of the Declaration, Bylaws, and of any rules and regulations, use restrictions or design guidelines promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants of Lots even though Occupants are not specifically mentioned. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not paid timely, the fine may then be levied against the Owner.

5.06 Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of dogs, cats or other usual and common household pets in reasonable number, as determined by the Board; provided, however, that those pets which are permitted to roam free, or in the sole discretion of the Board, endanger health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners or Occupants or the owner of any property located adjacent to the Development may be removed by the Board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside be on a leash or otherwise confined in a manner acceptable to the Board. Without prejudice to the Board's right to remove any such household pets, no household pet that has caused damage or injury may be walked in the Development. Animal control authorities shall be permitted to enter the Development to patrol and remove pets. Pets shall be registered, licensed and inoculated as required by law.

5.07 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 property. All construction debris, rubbish, trash and garbage shall be regularly removed and shall not be allowed to accumulate. No property within the Development shall be used, in whole or in part, for the storage of any property 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, 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 noxious 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 the exterior of any Lot unless required by law.

5.08 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.

5.09 Minimum Size. No dwelling shall be constructed or maintained on any Lot having less than the minimum square footage required in the applicable zoning ordinances and resolutions.

5.10. Antennas. No exterior antennas, aerials, or other apparatus of any kind for transmission or receiving of television, radio, satellite or other signals of any kind shall be constructed upon, erected upon, placed, allowed or maintained upon any portion of the Development, including any Lot, without the prior written consent of the ACC (as hereinafter defined) or its designee. In no event, however, shall a satellite dish larger than 24 inches in diameter be erected. Each Owner and Occupant of a Lot acknowledges that this

provision benefits all Owners and Occupants of Lots, and each Owner and Occupant of a Lot agrees to comply with this provision despite the fact that the erection of an outdoor antenna or similar device would be the most cost-effective way to transmit or receive the signals sought to be transmitted or received.

5.11 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.

5.12 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.

5.13 Clotheslines, Garbage Cans, Woodpiles, Storage Shed. All clotheslines, 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 placed or erected on any Lot without the prior written consent of the ACC. All construction debris, rubbish, trash and garbage shall be regularly removed and shall not be allowed to accumulate.

5.14 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 re-plot any Lot or Lots owned by Declarant. Any such division, boundary line change, or re-platting shall not be in violation of the applicable subdivision and zoning regulations.

5.15 Guns. The use of firearms in the Development is prohibited. The term, "firearms" includes, without limitation, "B-B" guns, pellet guns, and small firearms of all types.

5.16 Utility Lines. No overhead utility lines, including, without limitation, 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.

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

5.18 Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any Lot. No exterior sculptures, yard ornaments, fountains, flags, or similar items shall be erected upon, placed, allowed or maintained upon any Lot without the prior written approval of the ACC.

5.19 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed upon, erected upon, placed, allowed or maintained

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upon any Lot unless they are an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ACC.

5.20 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.

5.21 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. Notwithstanding the foregoing, however, in no event shall an above ground swimming pool be permitted.

5.22 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.

5.23 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. Said garage door or doors shall be kept closed except for reasonable amounts of time to provide access for residents and vehicles.

5.24 Trailers, Modular or Pre-Fab Homes. No trailer homes, modular homes or prefabricated homes shall be constructed upon, erected upon, placed, allowed or maintained upon any Lot.

5.25 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 fences and walls. 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 his sole discretion.

5.26 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 same type siding or other material used to complete the front of the dwelling.

5.27 Permitted Siding. All fronts of dwellings in the Development shall be of either brick, stucco, stacked stone or field stone or shall be of either concrete, masonite-type or vinyl siding and have either a brick, stucco, stacked stone or field stone accent.

5.28 Draperies. All draperies, blinds, window dressings or other window treatments in a dwelling which shall be visible from the exterior of the front of such dwelling 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 shall be covered by unsightly coverings, including, but not limited to, paper, foil or sheets.

5.29 Lighting. All exterior lights, except for seasonal Christmas decorative lights, must be approved in advance by the ACC. 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.

5.30 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 not expressly agreed to be mowed by the Association, 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 determination 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 thirty (30) days after the mailing of said written notice by certified mail, then the Association shall have the Right of Abatement as provided in Section 7.02 hereof. Guidelines relating to the maintenance of Structures and landscaping may be included in the Design Standards of the ACC.

5.31 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.

5.32 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.

5.33 Trees. No tree having a diameter of ten (10) 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.

5.34 Temporary Buildings. No temporary building, trailer, garage or building under construction shall be used, temporarily or permanently, as a residence on any Lot except as temporary sleeping or living quarters required or desirable for security purposes in accordance with plans and specifications therefore approved by the ACC.

5.35 Signs.

(a) No signs whatsoever (including, but not limited to, commercial and similar signs) shall, without the ACC's prior written approval of plans and specifications therefor, 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 use Owners, 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 directors and officers of the Association 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 from time to time set by the ACC for such signage.

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

5.36 Setbacks. In approving plans and specifications for any proposed Structure, the ACC may establish setback requirements for the location of such Structure. Guidelines for setbacks may be included in the Design Standards of the ACC. No Structure shall be constructed upon, erected upon, placed, allowed or maintained upon any Lot unless its location is consistent with such setbacks, the setbacks shown on the subdivision plat for each phase in the Development recorded in the real property records of Gwinnett County, Georgia, and consistent with all applicable governmental regulations and ordinances governing setbacks.

5.37 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.

5.38 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, but only if such goals are painted to match the house. 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 home at night. 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.

5.39 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.

(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 or pick-up may also be included in the Design Standards.

5.40 Architectural Control Committee. In order to provide a high quality environment for all Owners and to control the type, quality and aesthetics of the Development, the Association shall establish and maintain an Architectural Control Committee (the "ACC"), which shall have the exclusive jurisdiction over original construction on the Lots and over modifications, additions or alterations made on or to any dwelling as well as the open spaces of all Lots. Notwithstanding anything herein to the contrary, the Declarant, so long as Declarant is the owner of any lot within the Development, shall have the sole authority to appoint all members of the ACC.

The ACC shall promulgate architectural design and environmental standards and applicable procedures which it shall make available to all Owners, builders and developers who seek to construct or modify any dwellings within the Development. Such standards and procedures may be modified by the ACC without the consent of any Owner. No construction of any building or structure or modification of the exterior of any buildings or structures (including, without limitation, changes in paint color, roof replacement with a different color), and no changes to the open spaces on any Lot (including, without limitation, changes in landscaping, lot grade, yard ornaments, exterior structures or equipment of any kind or description), shall be permitted without the express written consent of the ACC, which may be withheld or delayed in its sole discretion. Furthermore, when requested with respect to any other matter addressed within this Article V, the consent or approval of the ACC may be withheld or delayed in its sole discretion. All original construction and all modifications shall be performed in strict accordance with the final ACC approval. The decision of the ACC shall be final and conclusive. Neither the Declarant, the ACC nor its members shall be liable to any person under any theory or circumstance in connection with the approval or disapproval of any submission to the ACC, including, without limitation, any liability based on the soundness of construction, the adequacy of the plans and specifications, or otherwise. In the event construction does not commence on a project for which the ACC has given its approval within one (1) year of the date of such approval, such approval shall lapse and it shall be necessary for the

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Owner to resubmit to the ACC for renewal of its approval. All approved landscaping must be completed within thirty (30) days of completion of the construction of a dwelling.

All rights and easements granted to the Association hereunder and all remedies granted to the Association hereunder for violation of this Declaration, including, but not limited to, the Right of Abatement set forth in Section 7.02 hereof, may, at the election of the Association, also be exercised by the ACC. References within this Declaration to the Association pertaining to rights and easements granted to the Association or actions taken for violation of the terms of the Declaration shall, in the event of such election, also be deemed to refer to and pertain to the ACC.

**ARTICLE VI
EASEMENTS, ZONING AND OTHER RESTRICTIONS**

6.01 Easements.

(a) Declarant hereby expressly reserves to the Association and Declarant, its 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 for any purpose which the Association or which Declarant deems reasonably necessary for completing improvements or effecting repairs within the Development, including, by way of example only and not of 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;

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

(v) The maintenance of all entry features and retention ponds for the Development.

(b) In addition there is hereby reserved to Declarant a five (5) foot easement on either side of the boundary line of each Lot and 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.

(c) The rights and easements of enjoyment in and to the Common Property shall additionally be subject to the right of the Declarant to the exclusive use as 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 continue until such time as such persons no longer own any Lot primarily for the purpose of sale or on seven 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.

(d) No Owner shall have any right to use any easement created by the Declarant in, on or over any portion of the Property unless such easement has been assigned in writing by the Declarant to the Association.

6.02 Easement for Entry. The words "Easement Area" as used herein shall mean those areas on any Lot or any other portion of the Property with respect to which easements are shown on a recorded deed, easement agreement or any filed or recorded map or plat relating thereto. The Declarant and its employees, agents, successors and assigns, 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.

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.

6.03 Easement for Entry Features. There is hereby reserved to the Declarant and the Association an easement for ingress, egress, installation, construction landscaping and maintenance of entry features and similar streetscapes for the Development, over and upon each Lot which is located at the corner of a street intersection. The easement and right herein reserved shall include the right to erect and maintain repair and replace an entrance monument and cut, remove and plant trees, shrubbery, flowers and other vegetation around such entry features and streetscapes and the right to grade the land under and around the entry features and streetscapes.

6.04 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, tenant, or the Association.

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6.05 Easements for Utilities and Public Services. 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, 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 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 (as hereinafter defined) 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 and 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 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.

6.06 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 (i) 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.

6.07 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 ("Additional

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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 shall not materially damage or affect the Property or any improvements from time to time located thereon.

6.08 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 Residences 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.

6.09 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 VII ENFORCEMENT

7.01 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.

7.02 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 this Declaration, 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

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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 7.04 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 Section 4.01 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.

7.03 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.

7.04 Collections 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) No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not of 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 or 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.

7.05 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 VIII
DURATION AND AMENDMENT**

8.01 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 and Restrictions 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 and the Restrictions contained herein 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 of the Association.

8.02 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing, filed and recorded in the Deed Records of the Superior Court of Gwinnett county, Georgia, without the approval of any Member or mortgagee; provided, however, that (x) 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 (y) 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.

8.03 Amendments by Association. Amendments to this Declaration, other than those authorized by Section 8.02 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.

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(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 officers and directors of the Association, 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 IX
ANNEXATION AND CONSTRUCTION AND SALE PERIOD**

9.01 Annexation.

(a) For so long as Declarant has the authority to appoint and remove directors and officers of the Association, Declarant may annex any real property without the consent of Class A Members. Such additional real property may, but does not need to be, contiguous to any portion of the Property which is then subject to this Declaration; and may be either raw land which is intended to be or is in the process of being developed into residential subdivision lots, or is fully developed into residential lots at the time of annexation. Such annexation shall be accomplished by filing in the office of the Clerk of the Superior Court of Gwinnett County 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 Directors and Officers of the Association, no real property may be annexed to the Property unless such annexation is approved by a two-thirds (2/3) vote of the Members of the Association 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.

9.02 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 property subject to this Declaration, including, 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, relocated, 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.

**ARTICLE X
MISCELLANEOUS**

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

10.02 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.

10.03 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.

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

10.05 Notices. All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures or contents 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 Leaf Partners, LLC
105 Hill Street, Suite B
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 Deed Records 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.

10.06 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.

10.07 Insurance.

(a) At all times during the terms of this Declaration, the Association, its successors and assigns, shall be required to keep any and all recreational facilities and any other improvements located on the Common Property fully insured by a reputable insurance company authorized to transact business in the state of Georgia with (i) fire, vandalism, malicious mischief and extended coverage in an amount adequate to cover the cost of replacement of such improvements in the event of loss of any and/or all of such improvements, fixtures and contents thereof, and (ii) comprehensive general liability insurance covering all of the common Property, including, without limitation, the operation, maintenance or use thereof and improvements and facilities thereon, in such amounts as shall be determined by the Board of Directors, for bodily injury, including death and property damage, arising out of a single occurrence. Each such policy of insurance shall require that the certificate holders and insured be given thirty (30) days' prior written notice of any cancellation of such policies.

(b) Immediately after the 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.

Any damage or destruction shall be repaired or reconstructed unless, within sixty (60) days after the casualty, at least seventy-five percent (75%) of the total Association vote entitled to vote thereon, and, so long as the Declarant has the right to appoint and remove directors, the Declarant, otherwise agree. 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 one hundred and twenty (120) days.

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Association's Members, levy a special assessment. 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 for 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 in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Development in a neat and attractive condition until the Association establishes another use for said property.

(c) 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 for maintenance of the damaged or destroyed property.

(d) In addition to the coverage described hereinabove, the Association shall obtain such additional amounts and types of insurance as may be required from time to time by either the Veterans Administration (the "V.A.") or the Federal Housing Administration, their successors and assigns, for similar type residential subdivision communities.

(e) All insurance coverage required by the Association shall be written in the name of the Association as trustee for the benefit of the Association, the Owners and each such Owner's mortgagee. 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, its members, the Owners and their respective tenants, 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 reduced in amount, canceled, subjected to non-renewal, invalidated, or suspended on account of the act or omission of any one (1) or more individual Owners;

(iv) that no policy may be reduced in amount, canceled, subjected to non-renewal, invalidated, or suspended on account of any defect or the conduct of any director, officer, or employee of the Association without prior demand in writing delivered to the Board 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 Board, any Owner or mortgagee;

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

(vi) that in no event shall the insurance coverage obtained and insured 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.

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 law.

(f) The Association shall obtain and maintain a blanket fidelity bond for all officers, directors, and employees of the Association and all other persons who handle, or are responsible for, funds of or administered by the Association. If the Association engages a management agent who has responsibility for handling or administering funds of the Association, the management agent shall be required to maintain fidelity bond coverage of its officers, employees and agents handling or administering the funds of the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the management agent at any time during the period of each bond. In no event, however, may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all Lots plus reserve funds. The bonds shall contain waivers by the issuer of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The bonds shall provide that they may not be canceled or substantially modified (including, without limitation, cancellation for non-payment of premium) without at least ten (10) days' prior notice to the Association.

(g) Individual Insurance. Each Owner of a Lot shall carry blanket all-risk casualty insurance on the Lot and all structures constructed thereon and a liability policy covering damage or injury occurring on a Lot. If reasonably available, the casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an "all risk" policy, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. If all risk coverage is not reasonably available, Owners shall obtain, at a minimum, fire and extended coverage. The policies required hereunder shall be in effect at all times. Authority to adjust losses under policies obtained by an Owner shall be vested in the Owner.

(h) 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 within seventy-five (75) days after the damage or destruction. However, where repairs cannot be completed within seventy-five (75) days, they shall begin within the required period and shall be diligently and continuously pursued until their completion. Alternatively, the Owner may decide to destroy and remove all improvements on the Lot within seventy-five (75) days after such damage or destruction.

10.08 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.

10.09 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 of the Association or by his duly appointed representative and by holders, insurers, or guarantors 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.

10.10 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, during any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may enter into a merger or a consolidation of the Association in its sole discretion, without the approval of any Member or mortgagee.

10.11 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.

10.12 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.

ARTICLE XI MORTGAGE 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 Mortgage 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) An Eligible Holder, upon written request to the Association (such request to state the name and address of such Eligible Holder and the Lot number), will be entitled to:

(i) timely written notice of 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) timely written notice of any proposed termination of the administration of the Common Property pursuant to this Declaration;

(iii) timely written notice of 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) timely written notice of 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) timely written notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(vi) timely written notice of 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

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approved by the Department of Housing and urban Development ("H.U.D.") or the 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;
- (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 a Lot owner to sell, transfer, or otherwise convey his or her Lot; and
- (L) Establishment of self-management by the Association where professional management, if any, has been employed.

(iii) 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

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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.

(e) The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from mortgagees of Lot 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 singly, 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 the 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 owners 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, 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.

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

Signed, sealed and delivered
in the presence of:

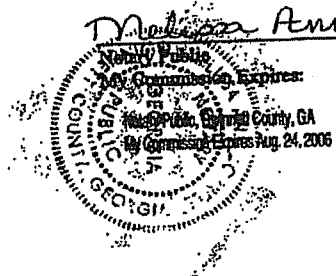
DECLARANT:

20 LOAF PARTNERS, LLC

E. Daniel King
Unofficial Witness

By *[Signature]* (SEAL)
Glenn D. Chatham, Manager

Ann Dowell



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SUMMER LAKE

LEGAL DESCRIPTION

All that tract or parcel of land lying and being in Land Lot 120, 5th District, Gwinnett County Georgia and being more particularly described as follows:

To find The True Point of Beginning begin at the intersection of the centerline of Hillside Drive and the intersection of the centerline of Hill Crossing Court and running thence in a southwesterly direction along the centerline of Hillside Drive a distance of 291.1 feet to a point; running thence on a bearing of N 27°16'41" W and a distance of 40.00 feet to an iron pin on the northern right-of-way of Hillside Drive; running thence along the said right-of-way of Hillside Drive in a southwesterly direction a distance of 159.83 feet to an iron pin at the True Point Of Beginning.

Beginning at the True Point of Beginning and running thence along the said right-of-way of Hillside Drive on a bearing of S 63°48'16" W a distance of 127.23 feet to a point; running thence along said right-of-way an arc distance of 13.51 feet, said arc having a chord with a bearing of S 63°57'19" W and a distance of 13.51 feet to a point; running thence an arc distance of 107.05 feet, said arc having a bearing of S 65°04'29" W and a distance of 107.04 feet to a point; running thence an arc distance of 7.16 feet, said arc having a bearing of S 66°08'07" W and a distance of 7.16 feet to a point; running thence an arc distance of 327.44 feet, said arc having a bearing of S 72°55'22" W and a distance of 327.08 feet to an iron pin; running thence on a bearing of N 32°00'00" W a distance of 1193.32 feet to an iron pin; running thence on a bearing of N 60°10'55" E a distance of 1204.32 feet to an iron pin; running thence on a bearing of S 30°42'45" E a distance of 950.05 feet to an iron pin; running thence on a bearing of S 70°51'44" W a distance of 129.67 feet to an iron pin; running thence on a bearing of S 18°09'13" W a distance of 177.22 feet to an iron pin; running thence on a bearing of S 63°49'14" W a distance of 330.94 feet to an iron pin; running thence on a bearing of S 27°16'41" E a distance of 260.06 feet to an iron pin at the True Point of Beginning.

Said tract containing 30.8011 acres, as shown on the Final Plat for Summerlake, Unit One, dated March 22, 2006, prepared by KMV Enterprises, Inc. and certified by Morrison J. Simms, Georgia Registered Land Surveyor No. 1263.

EXHIBIT "A"

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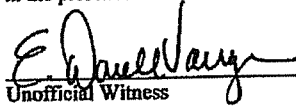
ASSOCIATION ACKNOWLEDGEMENT AND CONSENT

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 27 day of September, 2005.

Signed, sealed and delivered
in the presence of:

**SUMMER LAKE SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.**


Unofficial Witness

By:  (SEAL)
Glenn D. Chatham, President


Notary Public
My Commission Expires


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EXHIBIT "B"

BYLAWS OF
SUMMER LAKE SUBDIVISION HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the Association is SUMMER LAKE SUBDIVISION HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association"). The principal office of the Association (until otherwise designated by the Board of Directors of the Association (the "Board")) shall be located at 105 Hill Street, Suite B, Norcross, Georgia 30091, and 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 Summer Lake dated as of September 27, 2005 (the "Declaration"), which has been executed by 20 Loaf Partners, LLC with respect to a community known as SUMMER LAKE, 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 this 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 meetings 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 (25%) percent 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 at 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) Director 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 of Directors 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 meetings. Special meetings of the board of Directors 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.

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

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- (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 (1/4th) 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 annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (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.

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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 officers 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 of Directors; 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 of the Association 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 of the Association 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.

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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 Declaration, the Articles of Incorporation, 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;

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- (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.
