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HENRY COUNTY

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Conyers, GA 30013

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
KENNINGTON RIDGE SUBDIVISION**

THIS DECLARATION is made on the date hereinafter set forth by **MANOR HOMES, INC.**, whose address is P.O. Box 80142, Conyers, GA 30013 (hereinafter referred to as "Declarant").

WITNESSETH

WHEREAS, the Declarant is the owner of certain real property lying and being in Land Lot 76 of the 6th Land District of Henry County, Georgia, being all 33 Lots shown on the Final Subdivision Plat of KENNINGTON RIDGE Subdivision and being recorded in Plat Book 42, Pages 176, Henry County Records, which Plat is incorporated herein and made a part hereof by reference.

WHEREAS, the Declarant has developed on the real property described above, a development to be known as KENNINGTON RIDGE (hereinafter referred to as the "Development"); and

WHEREAS, the Declarant have caused the Association (as hereinafter defined) to be formed as a Nonprofit civic organization to perform certain functions for the common good and general welfare of the Owners (as hereinafter defined);

NOW, THEREFORE, the Declarant hereby declare that all of the property described above shall be held, sold and conveyed subject to this Declaration of Covenants, Conditions and Restrictions, which is for the purpose of enhancing and protecting the desirability and attractiveness of, and which shall run with, the real property, and be binding on all parties having any right, title or interest in the described property or any part thereof, and shall subject to all limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, distributees, successors and assigns and to the benefit of the Association.

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ARTICLE IDEFINITIONS

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

1.01 Additional Property. "Additional Property" means any additional property which may be added to the Property and made subject to this Declaration pursuant to Article XI hereof.

1.02 Association. "Association" means KENNINGTON RIDGE HOMEOWNER'S ASSOCIATION, INC., a Nonprofit corporation organized under the Georgia Nonprofit Corporation Code, its successors and assigns.

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

1.04 By-Laws. "By-laws" mean the By-laws of the Association.

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

1.06 Declarant. "Declarant" means (i) MANOR HOMES, INC., its successors and assigns, or (ii) any successor in title to all or some portion of the Property or the Additional Property, provided such successor in title shall acquire such property for the purposes of development or sale, and provided further, that in a written instrument, such successor in title is expressly assigned all rights, privileges and options herein reserved to Declarant by the Declarant as hereunder defined at the time of such conveyance; or (iii) should any of the property or the additional property become subject to a first mortgage given by Declarant as security for the repayment of a development loan, then all the rights, privileges and options herein reserved to the Declarant shall inure to the benefit of the holder of such first mortgage upon its becoming the actual owner of the property and additional property then subject to such first mortgage through a judicial foreclosure or sale made pursuant to any power of sale contained in such first mortgage or by a transfer by deed in lieu of foreclosure. All rights, privileges and options herein reserved to the Declarant may be transferred to the successor in title of any such acquired property, provided any such successor in title shall acquire for the purpose of development or sale, all or some portion of such property, and provided further, that in a written instrument, such successor in title is expressly assigned all rights, privileges and options herein reserved to Declarant by the Declarant as hereunder defined at the time of such conveyance.

1.07 Lot. "Lot" means any numbered parcel of land together with improvements thereon shown upon the plat of survey, recorded in Plat Book 42, Pages 202, Newton County, Georgia Records, or as similarly shown on supplemental surveys of such tract or such additional tracts as may

be added to the property from time to time, as provided herein; provided however, that no portion of the Common Property shall ever be a lot except as provided for in Section 2.04.

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

1.09 Owner. "Owner" means the record owner (including Declarants) 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 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.

1.10 Property. "Property" means that certain real property (other than Common Property) hereinabove described together with such additional real property as the Declarant may acquire and subject to the provisions of this Declaration of Covenants, Conditions and Restrictions in accordance with the provisions of Article XI hereof.

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

1.12 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, swimming pool, fence, curbing, paving, wall, tree, shrub, 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 device which affects or alters the natural flow or 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 six (6) inches, whether or not subsection (b) of this Section 1.12 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 (such real and personal property is hereinafter collectively referred to as "Common Property") and, to the extent set forth in this Declaration of Covenants, Conditions and Restrictions, the general public. The Association hereby covenants and agrees to accept from the Declarant all such conveyances of Common Property.

(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 or 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 Section 2.01, the Declarant may convey to the Association 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.

2.02 Right of Enjoyment. Every Owner shall have a right and easement to use and enjoy the Common Property in accordance with these Restrictions and subject to the rules and regulations, which may be adopted by the Association, which right shall be appurtenant to and shall pass with the title to every Lot upon transfer; provided, however, that no Owner shall do any act which interferes with the free use and enjoyment of the Common Property by all other Owners. The Association may permit persons who are not owners to use and enjoy any part or all of the Common Property subject to such limitations, and upon such terms and conditions, as it may from time to time establish. The right and easement of enjoyment granted or permitted by this Section is subject to suspension by the Association as provided in Sections 2.03(c) and 3.06.

2.03 Detention Ponds. The detention ponds shall be designated as Common Property. The Association shall be responsible for maintaining. No person shall dump rubbish, garbage, or any other form of solid waste in or around the detention ponds.

2.04 Rights of the Association. The rights and privileges conferred in Section 2.02 hereof shall be subject to the right of the Association acting through the Board to:

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

(b) charge reasonable fees in connection with the admission to and use of facilities or services; 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;

(c) suspend, pursuant to Section 3.06, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.02;

(d) 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;

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

(f) borrow money, with the assent of two-thirds (2/3) of each class of members, 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;

(g) 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 held by any such municipality or authority shall cease to be subject to this Declaration or all or any part of the Restrictions. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer; and

(h) sell, lease or otherwise dispose of all or any part of its properties and interests therein; provided, however, that the Association shall not sell, encumber by security interest, convey, dedicate or transfer any Common Property or interest therein without the approval of two-thirds (2/3) of each class of members of the Association.

2.04 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 Declaration 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, without a two-thirds (2/3) vote of each class of members of the Association, be used for any different purpose or purposes.

(a) It is contemplated that certain easements for the erection and maintenance of entrance monuments, subdivision signs, walls, fences and other structures intended to provide an attractive atmosphere or to provide privacy to Owners within the Development will be reserved by the Declaration and set forth on plats of survey of the Development recorded in the Henry County, Georgia Records. Such easements shall be perpetual in duration and shall include the right to erect, maintain, repair, replace and re-erect any such structures within the easement areas, as well as the right to plant grass, plants, flowers, shrubs and trees; to tend and garden same, and to generally landscape the area within said easements to keep them clean, attractive and uniform in appearance for the benefit of all Owners within the Development. Said easement areas shall be designated as such and all Owners taking title to any Lot upon which such an easement lies will take title subject to the easement rights set forth herein, as well as such rights as may be set forth in the deed conveying such easement to the Association. Such easements shall be common property.

(b) Encroachment Easements. If any buildings or other improvements initially constructed on any of the Lots, including without limitation, any eaves, roof overhangs, balconies, siding, porches, or other structures which may be attached to the walls and roof of such buildings, and which may encroach onto or over or extend into the air space of any portion of the Common Property, or conversely, if any such improvements initially constructed on the Common Property encroach onto or over portions of any Lot, a valid easement for the encroachment and for the maintenance, repair and replacement thereof, shall exist so long as the encroachment exists.

2.05 Delegation of Use. Any Owner may delegate his right to use and enjoy the Common Property to the members of his family, his social invitees or his tenants who reside on a lot. Tenants who reside on a Lot shall have the same rights of delegation as an Owner. Any delegation of rights must be made in accordance with the By-laws and will be subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

ARTICLE III

THE HOMEOWNERS' ASSOCIATION

3.01 Purposes, Powers and Duties of the Association. The Association shall be formed as a Nonprofit civic organization for the sole purpose of performing certain functions for the common good and general welfare of the residents of the Development. To the extent necessary to carry out such purpose, the Association shall have all of the powers of a corporation duly organized under the Georgia Nonprofit Corporation Code and 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 of Covenants, Conditions and Restrictions.

3.03 Voting rights. Subject to the following provisions of this Section 3.03, the Association shall have two classes of voting membership: Class A and Class B.

(a) Class A. Every person who is an Owner, with the exception of the Declarant except as otherwise set forth herein, shall be a Class A member and shall be entitled to one vote for each Lot owned. When more than one person is a Class A member by virtue of an ownership interest in the same Lot, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot. In the event of disagreement among such persons and an attempt by two or more of them to cast the vote of such Lot, such persons shall not be recognized and the vote of such Lot shall not be counted. The membership of Class A members shall automatically terminate upon the members' sale of his Lot.

No termination of Class A membership shall affect such members' obligation to pay assessments, as hereinafter provided for, due and payable for any period prior to the date of such termination, and there will be no refund for assessments paid for periods falling after the date of such termination.

(b) Class B. The Declarant shall be the sole Class B member. Class B membership shall be a full voting membership and during its existence the Class B members shall be entitled to vote on all matters and in all events. The Class B members shall be entitled to three (3) votes for each Lot owned. The Class B memberships shall cease and shall be converted to Class A membership at such time as the first of the following events occur: (1) the expiration of five (5) years from the date of recording of this Declaration; (2) the date seventy percent (70%) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed by either Declarant or by a builder who purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy; or (3) the surrender by the Declarant of the authority to appoint and remove members of the Board of the Association by an express amendment to this Declaration executed and recorded by the Declarant; provided, however, that so long as any Mortgagee of Declarant holds a security interest in any portion of the Property as security for a Development Loan to Declarant, the Class B membership shall not terminate without the prior written consent of such Mortgagee. If at the time of termination of the Class B membership Declarant still owns any Lots, then as to each such Lot, Declarant shall be deemed to be a Class A member.

3.04 Board of Directors and Officers.

(a) Board. 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 this Declaration and in the By-laws of the Association. Except to the extent otherwise expressly required or authorized by the Georgia Nonprofit Corporation Code or this Declaration, the Association's By-laws or Articles of Incorporation, the powers inherent in or expressly granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Members.

(b) Officers. The number of officers and the method of election of officers shall be as set forth in this Declaration and the By-laws of the Association. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-laws of the Association, officers of the Association shall be appointed by the Board until such times as Declarant no longer has the right to appoint members to the Board.

(c) Casting of Votes. The votes of the members shall be cast under such rules and procedures as may be prescribed in this Declaration or in the By-laws of the Association, as amended from time to time, or by law.

3.05 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 this Declaration and the By-laws of the Association.

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

(a) shall be subject to the right of abatement, as defined in Section 8.02 by reason of having failed to take the reasonable steps to remedy a violation or breach of the Restrictions within ten (10) days after having received notice of same pursuant to the provisions of Section 5.11 or 8.02 hereof;

(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 the rules and regulations of the Association relating to the use, operation and maintenance of Common Property.

Any 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 case of a violation described in subsection (c) of this Section 3.06, the suspension may be for a period of time not to exceed 60 days after the cure or termination of such violation. No suspension shall prevent an Owner's ingress to or egress from his Lot.

3.07 Voting Procedure. The procedure 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 Nonprofit Corporation Code, the Articles of Incorporation of the Association, and the By-laws of the Association, as each shall from time to time be in force and effect.

3.08 Control by Declarant and Appointment of the Board. Until such time as Declarant no longer has the right to appoint members to the Board, the Board of the Association shall consist of three (3) members. Notwithstanding any other language or provision to the contrary in this

Declaration, the Articles of Incorporation, or the By-laws of the Association, the Declarant hereby retains the right to appoint two (2) members to the Board. The right of Declarant to appoint members of the Board also includes the right to remove and replace their appointees until such time as the first of the following events shall occur: (1) the expiration of five (5) years from the date of recording of this Declaration; (2) the date upon which seventy-percent (70%) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed by the Declarant or by a builder who purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy; or (3) the surrender by the Declarant of the authority to appoint and remove members of the Board of the Association by an express amendment to this Declaration executed and recorded by the Declarant. Upon the expiration of the Declarant's right to appoint and remove directors of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant if Declarant then own one or more Lots. Upon the final expiration of all rights of Declarant to appoint and replace directors of the Association, a special meeting of the Association shall be called. At such special meeting, the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board and Declarant 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 on behalf of the Association during such period which Declarant has in its possession. Each Owner by acceptance of a deed to or other conveyance of a Lot vests in Declarant such authority to appoint and replace directors and officers of the Association as provided in the Section. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

3.09 Distribution of Assets Upon Dissolution. In the event of the dissolution of the Association, the assets thereof shall be distributed to one or more public bodies, corporate or politic, or conveyed to one or more Nonprofit organizations having purposes similar to those of the Association.

ARTICLE IV

ASSESSMENTS AND MAINTENANCE CHARGES

4.01 Covenant for Assessments and Creation of Lien and Personal Obligations. The Declarant, to the extent that Declarant is an Owner, hereby covenant and agree, and each Owner, jointly and severally, for himself, his heirs, distributees, legal representatives, successors and assigns, by acceptance of a deed for a Lot, whether or not the covenants contained hereby shall be expressed in any such deed, hereby covenants and agrees as follows:

(a) to pay the Association the annual assessments and initiation fee which may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him;

(b) to pay to the Association any special assessments for capital improvements and other charges which may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him;

(c) that there is hereby created a continuing charge and lien upon all Lots owned by him against which all such assessments are made to secure payment of such assessments and any penalties and interest thereon as provided in Section 4.07 hereof and costs of collection including reasonable attorneys' fees;

(d) that the lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage;

(e) that the sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer;

(f) that all annual and special assessments (together with interest thereon as provided in Section 4.07 of this Declaration and costs of collection including reasonable attorneys' fees) levied against any Lot or Lots owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Lot or Lots as provided in Section 4.01(c) of this Declaration) a personal obligation which will survive any sale or transfer of the Lot or Lots 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 Assessment. 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 new community of the Development, including, but not limited to, and in addition to other purposes set forth in this Declaration, security, the acquisition, construction, improvement, maintenance and equipping of Common Property, the enforcement of the Restrictions contained in this Declaration, the enforcement of the Design Standards of the ACC, the payment of operating costs and expenses of the Association, the payment of taxes on any Common Property, 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 amount 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 purposes.

4.04 Annual Assessment of Maintenance Charge.

(a) Subject to the terms of this Article, each Lot in the Property is hereby subjected to an annual maintenance charge for the purpose of creating a fund to be known as the "maintenance fund". The amount of the annual assessment shall be set forth in an annual budget to be prepared by the Board of Directors covering the estimated costs of operating the Association during the coming year. Subject to contrary annual budget revision, the current annual assessment fee is \$100.00 and shall be due upon the sale of a dwelling located on the Lot and the amount due shall be prorated from the date of the closing. In addition to the annual maintenance charge, a one time initiation fee of \$100.00 shall be due upon the sale of a dwelling located on the Lot and is charged to every subsequent and future owner of any residential dwelling located on the Property at the time of purchase. The budget shall include a capital contribution establishing a reserve fund, in accordance with a capital budget. The Board shall cause a copy of the budget, and the amount of the assessments to be levied against each Lot for the following year, to be delivered to each Owner at least fifteen (15) days prior to the proposed effective date. The budget and the assessments shall become effective unless disapproved by a vote of at least a majority of the total Association membership. Unless requested by the Members in accordance with the provisions for calling a special meeting by the Members, as set forth in the By-Laws, the budget and assessment may take effect without a meeting of the Members. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, the budget and assessment in effect for the then current year shall continue; and the Board may propose a new budget at any time during the year by causing to be delivered to the Members such proposed budget and assessment at least fifteen (15) days prior to the proposed effective date. Annual assessments or maintenance charges will be paid by the Owner or Owners of each Lot within the Property (and any area annexed under the jurisdiction of the Association) in advance in monthly, quarterly or annual installments.

(b) The annual maintenance charge and assessment will commence as to each Lot on the first day of the month following the earliest to occur of the following events: (i) upon the occupancy of a permanent dwelling located on the Lot as a resident; or (ii) upon the conveyance by a builder who has purchased the Lot from Declarant for the purpose of erecting a dwelling thereon to an Owner or tenant for residential occupancy.

(c) Neither the Declarant nor any builder who has purchased a Lot from Declarant for the purpose of erecting a dwelling thereon shall be subject to the annual maintenance charge and assessment. Notwithstanding the preceding, the annual maintenance charge and assessment will commence as to each Lot owned by Declarant or a builder upon the occupancy of a permanent dwelling located thereon as a residence. For the calendar year in which the sale is closed, the maintenance charge shall be prorated as of the date of closing. If required by law or upon consent by Declarant, or for any other reason, Declarant is required to pay assessments on unoccupied Lots, any builders, who have purchased a Lot from Declarant for the purpose of erecting a dwelling thereon shall likewise be required to pay assessments with respect to any such Lots owned by them.

Assessments due for each Lot owned by a builder shall equal the assessments due for each Lot owned by Declarant, unless that amount would exceed the assessments due from regular residential Owners. In no event shall Declarant or any builder be required to pay any portion or portions of assessments which are due and payable prior to the date upon which the Declarant is required to pay assessments. In addition and notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money (herein collectively called "in kind contribution"). The amount by which monetary assessments shall be decreased as a result of any in kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors, approved by the Declarant, who are in the business of providing such services and materials. If the Association and the Declarant is still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

4.05 Special Assessments for Working Capital Fund, Nonrecurring Maintenance and Capital Improvements. In addition to the annual assessments authorized by this Article IV, the Association may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of non-recurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon Common Property, including fixtures and personal property related thereto, provided that any such assessment shall have been approved by a two-thirds (2/3) vote of each class of Members of the Association who are present in person or by proxy at a meeting duly called for such purpose. The aggregate fund established by such special assessment shall be maintained in a segregated account, and shall be for the purpose of insuring that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment, the cost of nonrecurring maintenance or services deemed necessary or desirable by the Board; and

4.06 Notice and Quorum. Written notice of any meeting called for the purpose of taking action authorized under Sections 4.04 or 4.05 shall be sent to all Members, or delivered to their residence, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

4.07 Effect of Non-Payment of Assessments. If any assessment or installment is not paid within fifteen (15) days after the Due Date there may be imposed a late or delinquency charge in the amount of the greater of Five Dollars (\$5.00) or ten percent (10.0%) of the amount of each

assessment or installment, and any late charge connected therewith, which is not paid within thirty (30) days after the Due Date of the assessment, shall bear interest (from the Due Date with respect to the assessment or installment, and the date such charge was imposed with respect to the late charge), at such rate of interest as may be established by the Board of the Association, or if no sale has been established by said Board, at the rate of ten percent (10%) per annum; 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. If any one or more installments of any assessment is not paid within thirty (30) days after the Due Date, 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 or installment on or before 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 any delinquency charges, interest, and costs of collection, including court costs, the expenses of sale, any required for the protection and preservation of the Lot, and reasonable attorney's fees, shall be a binding personal obligation of such Owner, as well as the lien on such Owner's Lot enforceable in accordance with the provisions of the Declaration. In addition to the above, if any Owner has not paid any assessment or installment, or any late charges or expenses related thereof, within sixty (60) days after the Due Date of the assessment or installment, the Association shall have the right to notify any or all mortgagees having a security interest in such Owner's Lot or Lots that such Owner is in default in the performance of his obligations under the Development Documents, and of those actions taken or proposed to be taken by the Association as a result of the default.

4.08 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 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 any bona fide purchaser of, or lender on, the Lot in question.

ARTICLE V

ARCHITECTURAL CONTROL

5.01 Architectural Control Committee - Creation and Composition. An Architectural Control Committee (the "ACC") shall be established consisting of three (3) individuals to be appointed by the Board of Directors; provided however, so long as the Declarant, or any builder who has purchased a Lot from Declarant for the purpose of constructing a dwelling thereon owns at least one Lot on the Property (or on the Additional Property if at any time submitted to these Restrictions by annexation) being held primarily for sale to an Owner for residential occupancy, the ACC shall be comprised solely by Declarant, or by such representatives as may be designed by Declarant, which shall have the power to exercise all powers herein given to the ACC. Declarant's power to maintain

control of the ACC may be surrendered prior to that time described in the preceding sentence only by an express amendment to this Declaration executed and recorded by Declarant.

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

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

5.04 Operation of the ACC.

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

maintain both a record of votes and minutes for each of its meetings. The ACC shall make such records and minutes available at reasonable places and times for inspection by Members of the Association and by the Secretary. Any action required to be taken at a meeting of the ACC, or any action which may be taken at a meeting of the ACC, may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all the Members of the ACC and be filed within the minutes of the proceedings of the ACC. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document filed by the ACC. The provisions contained in this subsection (a) shall only become effective upon the termination of Declarants's power to control the ACC.

(b) Activities.

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

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

(iii) Notwithstanding any other provision to the contrary, until such time as the Declarant's power to control the ACC has terminated, the Declarant or any such representatives as may be so designated by Declarant may exercise the full authority of the ACC with respect to all matters over which the ACC has authority, including, and without limitation, the adoption or promulgation of the Design Standards.

5.05 Design Standards.

(a) The ACC may from time to time adopt, promulgate, amend, revoke and enforce guidelines (the "Design Standards") for the purposes of:

(i) governing the form and content of plans and specifications to be submitted to the ACC for approval pursuant to the provisions of this Declaration;

(ii) governing the procedure for such submission of plans and specifications;

(iii) establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of Structures and all other matters that require approval by the ACC pursuant to this Declaration; and

(iv) assuring the conformity and harmony of external design and general quality of the Development.

(b) The ACC may publish copies of its current Design Standards, in which case it shall be made readily available to Members and prospective Members of the Association and to all applicants seeking the ACC's approval.

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

(a) a site plan showing the location of all proposed and existing Structures on the lot including building setbacks, open space, driveways, walkways and all siltation and erosion control measures;

(b) a foundation plan;

(c) a floor plan;

(d) exterior elevations of all proposed Structures and alterations to existing Structures, as such Structures shall appear after all back-filling and landscaping are completed;

(e) specifications of materials, color scheme, lighting scheme and other details affecting the exterior appearance of all proposed Structures and alterations to existing Structures;

(6) plans for landscaping and/or grading.

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

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

(a) the failure to include information in such plans and specifications as may have been reasonably requested;

(b) the failure of such plans or specifications to comply with this Declaration of the Design Standards;

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

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

5.10 Inspection Rights. Any employee or agent of the Association or the ACC may, after reasonable notice, at any reasonable time or times enter upon any Lot and Structure thereon for the

purpose of ascertaining whether the installation, construction, alteration or maintenance of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and neither the Association, nor the ACC, nor any such agent, shall be deemed to have committed a trespass or other unlawful act solely by reason of such entry or inspection, provided such inspection is carried out in accordance with the terms of this Section.

5.11 Violations. If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the ACC pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the ACC such violation shall have occurred, the ACC shall notify the Association. If the Board shall agree with the determination of the ACC with respect to the violation, then the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the owner shall not have taken reasonable steps toward the required remedial action within ten (10) days after the mailing of the aforesaid notice of violation, then the Association shall have the Right of Abatement as provided in Section 8.02 hereof.

5.12 Certification of Compliance.

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

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

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

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

ARTICLE VI

GENERAL COVENANTS AND RESTRICTIONS

6.01 Application. The covenants and restrictions contained in this Article VI shall pertain and apply to all Lots and to all Structures erected or placed thereon.

6.02 Residential Use. All Lots shall be used for single-family residential purposes only and for no other purpose provided that Declarant may operate a sales office and/or model home on a Lot or Lots designated by Declarant.

6.03 Resubdivision of Property. No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, without the prior written approval of the ACC of plans and specifications for such split, division or subdivision.

6.04 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 the 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 of controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscaping.

6.05 Signs. No sign of any kind shall be erected by an Owner or occupant of a Lot within the Development. Notwithstanding the foregoing, residents shall have the right to erect reasonable and appropriate "For Sale" signs. Declarant may erect entry signs and sales and information signs.

6.06 Vehicles. The term "vehicles" as used herein shall include, without limitation, motor vehicles, tractors, motor homes, motorcycles, minibikes, scooters, go-carts, trucks, boats, trailers, vans, commercial vehicles and automobiles. All vehicles shall be parked within garages, driveways or other paved parking areas located on a Lot. Parking in yards or on streets within the Development is prohibited. Lot Owners' visitors may temporarily park on the street. No inoperable, junk or abandoned cars, or equipment of any description shall be parked or stored on any portion of the property. In no event may any vehicle having a gross weight of more than 8500 pounds be parked on any of the Lots in the Development, or in any of the streets or roads in the Development, without the

prior written approval of the Declarant; provided, however, that this provision shall not be applicable to construction vehicles being used by the Declarant, or by a builder approved by the Declarant.

6.07 Recreational Vehicle and Trailers. No school bus, truck or commercial vehicle over one (1) ton capacity, house trailer, mobile home, motor home, recreational vehicle, or like equipment shall be permitted on any Lot on a permanent basis, but shall be allowed on a temporary basis not to exceed three (3) consecutive days. Boats, boat trailers, motor homes, recreational vehicles and campers shall be permitted, but only if stored inside the garage or in the rear of each unit and is concealed from view by neighboring residences and streets, and only after obtaining written consent of the ACC. Above-ground swimming pools must be enclosed by a fence yard. Prior to installation, the pool and fencing must be approved by the ACC. Trampolines shall not be visible from the street. Any trash, firewood, wood scraps, building materials or other such materials contained in any vehicle or trailer shall be covered from view. This provision shall not apply to Declarant or any builder in the process of constructing an approved structure on any Lot.

6.08 Occupancy of Houses. All houses constructed on Lots in the Development must be finished before it can be occupied. The entire yard must be planted with grass or other suitable ground cover, and the driveway must be paved with concrete. The front yard must be sodded with Bermuda, Centipede, Zoysia or other acceptable sod.

6.09 No Exposed Concrete/Concrete Blocks. There shall be no exposed concrete or concrete blocks on any basement and crawl space foundations or other walls of buildings. Such surfaces shall be veneered with brick or natural stone, stucco or painted where they are above finished grade.

6.10 Square Footage Requirements. All homes must meet the minimum "heated" square footage requirements (exclusive of any space in garage, porches and finished basements), as stated in the Zoning Conditions shown on plat recorded in Plat Book 34, Pages 40-42, Henry County, Georgia Records.

6.11 Garages. All garages are to be enclosed with doors.

6.12 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. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs which are household pet shall at all times, when outside, be on a leash or within an allowable fence. In addition, no "outside" pets shall be permitted on any Lot at any time without the written permission of the Declarant. For purposes of this paragraph, an "outside" pet shall be any pet which remains outside the house for more than two (2) hours per day on a regular basis.

6.13 Fences and Outbuildings. No fence, wall or outbuilding of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the Declarant or the approval

- (1) Fencing: No fencing of any type shall be placed closer to the street than the rear corner wall of the dwelling unless approved differently by the ACC. Wooden privacy fences shall be allowed in areas visible from the street. Black chain link fences shall be allowed in areas not visible from the street and behind the dwelling. No chain link fences allowed on corner lots.
- (2) Retaining Walls: Retaining walls which attach to the residence should be finished with the same material as the walls with which they are in contact with on the dwelling, or such other material as the Declarant or ACC may approve. Cross-tie walls may be used if set apart from the house.

No shed, tool storage area, workshop or outbuilding for storage of yard implements shall be placed upon the property unless approved by the ACC. No shed, tool storage area, workshop or outbuilding shall be made of metal. Any such shed, tool storage area, workshop or outbuilding shall be constructed in the same architectural style using similar colors and material as the main dwelling on the Lot.

6.14 Antenna. No exterior television or radio antennae, satellite dish or receiver shall be placed, allowed, or maintained upon any portion of the Development, including any Lot, if such antennae is visible from any public or private street providing access to or located with the Development. Notwithstanding the above, no satellite dish larger than 18" shall be placed, allowed, or maintained upon any portion of the Development, including any Lot. 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 any outdoor antennae or similar device would be the most cost effective way to transmit or receive the signals sought to be transmitted or received.

6.15 Tree Removal. No trees shall be removed except for (a) diseased or dead trees; (b) trees needing to be removed to promote the growth of other trees or safety reasons; and (c) trees within ten (10) feet of the residence, driveway, walkways and septic field, whose removal is necessary for the construction of same.

6.16 Garbage Cans, Woodpiles, Etc. All garbage cans, woodpiles, air conditioning compressors, heat pumps, swimming pool pumps, swimming pool filters, swimming pool heaters and related equipment and other items shall be located or screened so as to be concealed from view of neighboring streets and property. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be regularly removed from the Property and shall not be allowed to accumulate in an unsightly quantity (as determined in the sole discretion of the Declarant) and shall be kept in sanitary containers. No trash or garbage or other rubbish (regardless of whether it is put in a container or plastic bag) shall be placed at the street or curb for pickup by the sanitation company providing service to the Development earlier than 9:00 p.m. on the day immediately preceding the sanitation company's scheduled day for pickup. The pursuit of hobbies or other activities (including specifically, without limiting the generality of the foregoing, the maintenance,

assembly or disassembly of motor vehicles or other mechanical devices) which might tend to cause disorderly, unsightly or unkept conditions, as determined in the sole discretion of the Declarant, shall not be allowed, pursued or undertaken on any Lot. No trash, garbage, rubbish or waste of any kind shall be buried or burned on the Property without the written consent of the Declarant; provided, however, the Declarant, or a builder with the approval of the Declarant, shall have the right to burn or bury trees, stumps, rocks and other debris on the Property in connection with the development of the Property or construction of residences on the Property. No hazardous substances or waste shall be used or stored on the Property in quantities in excess of that which is normal and customary for a single-family residence. No hazardous substances or waste shall be generated, released, buried or disposed on the Property. For purposes of this paragraph, the term "hazardous substances or waste" shall mean petroleum (including crude oil, or any fraction thereof) and any substances identified in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), the National Oil and Hazardous Substances Pollution Contingency Plan ("NCP"), the Resource Conservation and Recovery Act of 1976, as amended, ("RCRA"), the Toxic Substances Control Act ("TSCA"), or any other federal, state or local governmental legislation or ordinance identified by its terms as pertaining to the generation, storage, release or disposal of hazardous substances or waste.

6.17 Firearms. The discharge of firearms in the Development is prohibited. The term "firearms" includes "B-B" guns, pellet guns, paintball guns, and guns of all types.

6.18 Mailboxes. All mailboxes and stands shall be approved by Declarant. All mailbox and stands shall be maintained in a good state of repair.

6.19 Monuments, Statues, Birdbaths, Etc. No monuments, statues, birdbaths or decorative structures shall be erected or placed in the front of any dwelling without the written approval of the ACC.

6.20 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. 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 obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No 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 Community. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device shall be used except those devices used exclusively for security purposes or required by law.

ARTICLE VII

EASEMENTS, ZONING AND OTHER RESTRICTIONS

7.01 Easements.

(a) Declarant hereby expressly reserve to the Declarant, their successors and assigns forever, the right to create perpetual easements in, on, over and under any part of the Property owned by Declarant for any purpose which Declarant deem necessary, including, by way of illustration and not limitation, the following:

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

(ii) the erection, installation, construction and maintenance of sanitary sewer, storm-water drains, land drains, public and private sewers, irrigation systems, pipelines for supplying gas, water and heat, 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 to 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 re-planting of hedges, shrubbery, bushes, trees, flowers and plants of any nature; and

(v) the erection, installation, construction and maintenance of fences, walls, monuments, signs, etc., along streets in, around and along entrances to the Development, including the right to landscape such areas, plant, re-plant and prune hedges, shrubbery, bushes, trees, flowers, grass and plants of any nature.

(b) 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 by the Declarant to the Association.

(1) The Declarant hereby reserve for themselves, their successors and assigns, a perpetual easement over, under, across and through the Property for the purpose of altering the flow of surface water and drainage flow.

(2) Drainage systems now or hereafter installed by the Declarant, or by a builder with

the approval of the Declarant, shall not be obstructed nor diverted by anyone without first obtaining the written consent of the Declarant.

(3) Easements for the installation and maintenance of sanitary sewer, storm sewer, utilities and drainage facilities are reserved as shown on the recorded plat, and over the front ten (10) feet, rear ten (10) feet and side ten (10) feet of each Lot for the Declarant, its successors, assigns, agents subcontractors and representatives, and for the appropriate officials of Newton County.

7.02 Easement Area. The words "Easement Area" as used herein shall mean those areas on any Lot with respect to which easements are shown on a recorded deed or on any filed or recorded instrument or plat relating thereto.

7.03 Entry. 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 the provisions of this Article. 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 pursuant to the provisions of Section 7.01.

7.04 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 or any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

ARTICLE VIII

ENFORCEMENT

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

8.02 Right of Abatement.

(a) Except where different notice provisions are provided in Section 5.11, 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 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 ten (10) days after the mailing of such written notice, then the Association shall have the Right of Abatement. If any assessment, interest, cost or charge required by this Declaration is not paid within thirty (30) days after such assessment is due or such charge is imposed, the Association shall have the right to notify any or all mortgagees have a security interest in the Owner's Lot or Lots that such Owner is in default in the performance of this obligations under the Development Documents, and of those actions taken or proposed to be taken by the Association as a result of the default.

(b) The Right of Abatement, as used in this Section and Section 5.11 and hereof, means the rights 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, together with interest thereon at the lower of the highest rate permitted by law or 10% to be a binding personal obligation of such Owner enforceable in law, as well as a lien on such Owner's Lot enforceable pursuant to the provisions of Section 8.04 hereof.

8.03 Specific Performance. Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the Restrictions by appropriate judicial proceedings or to recover damages. However, it is hereby declared that it may be impossible to measure accurately, in money, the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided by this Declaration; and there, 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.

8.04 Collection of Assessments and Enforcement of Lien. 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 same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

8.05 No Waiver. The failure of the Declarant, the Association, or the Owner of any Lot, his or its respective legal representatives, heirs, successors and assigns, to enforce any Restrictions 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 or subsequent thereto.

ARTICLE IXDURATION AND AMENDMENTS

9.01 Duration. The provisions of these covenants shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law.

9.02 Amendments.

(a) These covenants may be amended unilaterally at any time by Declarant so long as Declarant have the right unilaterally to subject additional property to the Declaration; or if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation or judicial determination which shall be in conflict therewith; if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots subject to these Covenants; if such amendment is required by an institutional or governmental lender or purchaser of mortgage loan in order for such lender to make or purchase loans on the Lots subject to these Covenants; or if such amendment is necessary to enable any governmental or private mortgage insurance company to insure mortgage loans on the Lots subject to these Covenants, provided any such amendments shall not adversely affect the title to any Owner's Lot, unless any such Owner so affected thereby shall consent thereto in writing.

(b) These Covenants may be amended at any time and from time to time by an agreement signed by at least seventy-five (75%) percent of the Owners; provided, however, such amendment by the Owners shall not be effective unless also signed by the Declarant if the Declarant are the owners of any real property subject to these Covenants. So long as there is a Class B Membership, any amendment of these covenants and restrictions requires prior HUD/VA approval.

ARTICLE XMORTGAGEE 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 By-Laws, notwithstanding any other provisions contained therein.

10.01 Special Mortgagee Provisions.

(a) As used in this section, the term "Eligible Holder" shall mean a holder, insurer or guarantor of a first mortgage on a lot which has requested notice in accordance with the provisions of Section 10.01 (b);

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

- (1) Any proposed amendment of the Declaration affecting 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 Common Property are restricted;
- (ii) any proposed termination of the administration of the Common Property pursuant to this Declaration;
- (iii) any condemnation loss or any casualty loss which affect a material portion of the Property or which affects any Lot on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- (iv) any delinquency in the payment of assessments or charges owed by an Owner of a lot subject to a first mortgage held by such eligible holder which remains uncured for a period of sixty (60) days;
- (v) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (vi) any proposed action which would require the consent of a specified percentage of eligible holders, as specified herein; and
- (vii) an annual financial statement, or audit if available, of the Association for the immediately preceding final year, free of charge.

(c) To the extent permissible under the laws 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

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lots to which at least fifty-one (51%) percent of the votes of lots are subject to mortgages held by such eligible holders are allocated.

(d) The following provisions do not apply to amendments in the constituent documents or termination of the Association pursuant to section 10.01(c) hereof made as a result of destruction, damage, or condemnation, or to the addition of land pursuant to any plan of expansion or phased development previously approved by the Department of Housing and Urban Development ("H.U.D.") or the Veterans Administration ("V.A.") to the extent such approval is required by H.U.D. or the V.A.:

- (1) The consent of owners representing at least sixty-seven (67%) percent of the Class "A" votes and of the Declarant, as 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.
- (2) The consent of Owners representing at least sixty-seven (67%) percent of the Class "A" votes and of the Declarant, as 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 provision of this Declaration, the By-laws or the Articles of Incorporation to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:
 - (1) Voting;
 - (2) Assessments, assessment liens or subordination of such liens;
 - (3) Reserves for maintenance, repair and replacement of the common Property;
 - (4) Insurance or fidelity bond;
 - (5) Rights to use of the Common Property;
 - (6) Responsibility for maintenance and repair of the several portions of the property;
 - (7) Expansion or contraction of the property or the addition, annexation or withdrawal of land to or from the property;
 - (8) Boundaries of any lot;

- (9) Convertibility of lots into Common Property or of Common Property into lots;
- (10) Leasing of lots
- (11) 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;
- (12) Establishment of self-management by the Association where professional management, if any, has been employed;
- (13) The approval of eligible holders of first mortgages on lots in which at least fifty-one (51%) percent of the votes of lots subject to a mortgage appertain, shall be required to amend any provisions included in this Declaration, the By-Laws or the Articles of Incorporation for any of the actions contained in this Section.

(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 By-laws or the Articles of Incorporation for any of the actions contained in this Section.

10.02 Special FFLMC Provision. So long as required by the Federal Farm Loan Mortgage Corporation, the following provisions apply in addition to and act 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:

- (1) 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 easement 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);
- (2) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an owner of a residence;
- (3) By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design of the exterior appearance and maintenance of lots and residence and of the standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this subsection;

- (4) Fail to maintain insurance, as required by this Declaration; or
- (5) 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.

10.03 No Priority. No provisions of this Declaration or the By-laws 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.

10.04 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the case and address of the holder of any mortgage encumbering such Owner's residence.

10.05 Amendment by Board: Should the Department of Housing and Urban Development ("H.U.D."), the Veterans Administration ("V.A."), the Federal National Mortgage Association, 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 in this article to be recorded to reflect such changes.

10.06 V.A. and H.U.D. Approval. As long as there is a Class B Membership, the following actions shall require the prior approval of the V.A., so long as the V.A. is guaranteeing any mortgage in the property, and the prior approval of H.U.D., so long as H.U.D. is insuring any mortgage in the property: annexation of additional land to the property, except for annexation by Declarant in accordance with Article XI pursuant to a plan of annexation previously approved by the V.A. or H.U.D. ; dedication of common property to any public entity; and material amendment to the Declaration, By-laws or Articles of Incorporation.

10.07 Applicability of Article X. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-laws, or Georgia law for any of the acts set out in this article.

10.08 Failure of Mortgagee to Respond. Any mortgagee who requires a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the

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Association does not receive a written response from the mortgagee within thirty (30) days of the date of the Association's request.

ARTICLE XI

ANNEXATION

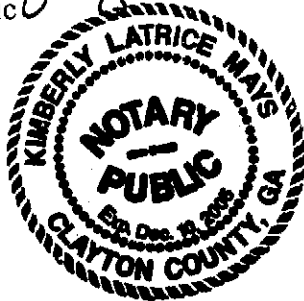
Declarant shall have the option and right, from time to time, without the necessity of consent by the Association, the Board or the Owners, to submit all or portions of any Additional Property to this Declaration and thereby cause the Additional Property, or such portions thereof, to become part of the Property. So long as there is a Class B Membership, any annexation of additional property requires prior HUD/VA approval.

IN WITNESS WHEREOF, the Declarant has caused these Declarations of Covenants and Restrictions to be duly executed and sealed this 30 day of June 2005

Signed, sealed and delivered in
the presence of:

[Signature]
Witness

[Signature]
Notary Public



MANOR HOMES, INC.

By: [Signature]
Gary S. Lockman, President

[CORPORATE SEAL]

SEAL AFFIXED

After recording return to:

Morris|Hardwick|Schneider
2012 Eastview Pkwy
Bldg 3, Suite 400
Conyers, GA 30013

Clerk: Please Cross Reference to
Deed Book 8270, Page 153-183, Henry
County, Georgia

**FIRST AMENDMENT
SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR KENNINGTON RIDGE SUBDIVISION**

THIS SUPPLEMENTAL DECLARATION is made this 6th day of February,
2006, by MANOR HOMES, INC., a Georgia Corporation (hereinafter referred to as
"Declarant").

WITNESSETH:

WHEREAS, Declarant prepared and filed of record that certain Declaration of Covenants,
Conditions and Restrictions for Kennington Ridge Subdivision, recorded in Henry County,
Georgia records, Deed Book 8270, Page 153-183, et.seq.;

WHEREAS, pursuant to Section 9.02, *Amendments*, the Declarant has the unilateral right to
amend the covenants and subject additional property to the Declaration;

WHEREAS, Declarant desires to amend Article VI, General Covenants and Restrictions;

NOW THEREFORE, pursuant to the authority granted in the Declaration and consistent with
the term therein,

1) Declarant revises Section 6.07 Recreational Vehicle and Trailers, Article VI, General
Covenants and Restrictions, as follows:

Remove:

"Above-ground swimming pools must be enclosed by a fence yard. Prior to installation,
the pool and fencing must be approved by the ACC"

Add:

"All above-ground and in-ground swimming pools must be approved prior to
installation by the ACC. Above-ground swimming pools must be enclosed by a fence
yard. Said fence yard must be approved by the ACC prior to installation."

2) Declarant declares the following restriction shall be added to Article VI and entitled
Section 6.21 Clothes Lines and Air Conditioners and shall read as follows:

**6.21 Clothes Lines and Air Conditioners. No outside clothes lines will be
permitted. Window mounted air conditioners will not be permitted.**

IN WITNESS WHEREOF, the undersigned Declarant has executed this Supplemental
Declaration the day and year first above written.

MANOR HOMES, INC.

By: Gary S. Lockman, President

Unofficial Witness

Notary Public

