

After Recording Return to:

Morris, Manning & Martin, L.L.P.
5775-C Peachtree Dunwoody Road
Suite 150
Atlanta, Georgia 30342

DECLARATION OF

COVENANTS, RESTRICTIONS AND EASEMENTS

FOR

LANTERN WALK

CHEROKEE COUNTY, GEORGIA

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS.....1

ARTICLE II. PROPERTY SUBMITTED TO THIS DECLARATION.....3

 Section 1. Lots Hereby Subjected to this Declaration

 Section 2. All Lots Bear the Burdens and Enjoy the Benefits of this Declaration

 Section 3. Annexation of Additional Property

 Section 4. Withdrawal of Property

 Section 5. Submission to a Master Community and Other Acts of Declarant

 Section 6. Neighborhoods

 Section 7. Lot Boundaries

ARTICLE III. ASSOCIATION PROPERTY.5

 Section 1. Common Areas and Association Property

 Section 2. Member's Rights in Association Property

 Section 3. No Partition

 Section 4. Condemnation

 Section 5. Damage or Destruction

 Section 6. Permitted Actions

 Section 7. Reconveyance of Common Areas

ARTICLE IV. EASEMENTS AND AGREEMENTS REGARDING THE PROPERTY.....6

 Section 1. Easements and Agreements Regarding Association Property

 Section 2. Easements Over All Lots

ARTICLE V. THE ASSOCIATION.....9

 Section 1. The Association

 Section 2. Membership

 Section 3. Enforcement and Suspension of Membership Rights

 Section 4. Meetings of the Membership

 Section 5. Association Acts Through Its Board of Directors

 Section 6. Professional Management

ARTICLE VI. ASSESSMENTS.....10

 Section 1. Creation of Lien and Personal Obligation

 Section 2. Purposes of Assessments

 Section 3. Determination of Annual Assessment and Shares Thereof

 Section 4. Special Assessments

 Section 5. Specific Assessments

 Section 6. Neighborhood Assessments

 Section 7. Special Assessment for Working Capital Reserve

 Section 8. Effect of Non-Payment of Assessments; Remedies of the Association

 Section 9. Budget Deficits during Declarant Control Period

 Section 10. Failure to Assess

ARTICLE VII. ARCHITECTURAL CONTROL.....12

 Section 1. Architectural Restrictions

 Section 2. Architectural Control Committee

 Section 3. Exterior Structure or Improvement

 Section 4. Approval Procedures

 Section 5. Construction Period

 Section 6. No Waiver of Future Approvals

 Section 7. Variance

 Section 8. Limitation of Liability

 Section 9. Enforcement

 Section 10. Declarant Exemption

ARTICLE VIII. RESTRICTIONS.....	15
Section 1. <u>Residential Use</u>	
Section 2. <u>Prohibited Activities</u>	
Section 3. <u>Animals</u>	
Section 4. <u>Antennae, Aerials; Satellite Dishes</u>	
Section 5. <u>Drainage</u>	
Section 6. <u>Firearms</u>	
Section 7. <u>Leasing</u>	
Section 8. <u>Lighting</u>	
Section 9. <u>Mailboxes</u>	
Section 10. <u>Signs</u>	
Section 11. <u>Stoops, Driveways, Decks, and Patio Areas</u>	
Section 12. <u>Swimming Pools</u>	
Section 13. <u>Trash Containers and Collection</u>	
Section 14. <u>Trees</u>	
Section 15. <u>Vehicles and Parking</u>	
Section 16. <u>Window Air-Conditioners</u>	
Section 17. <u>Window Treatments</u>	
Section 18. <u>No Subdivision of Lots or Timesharing</u>	
Section 19. <u>No Combination of Lots without Approval</u>	
Section 20. <u>Development Period</u>	
Section 21. <u>Interpretation</u>	
ARTICLE IX. MAINTENANCE RESPONSIBILITIES.....	18
Section 1. <u>Association's Maintenance Responsibility in General</u>	
Section 2. <u>Owner Responsibility</u>	
Section 3. <u>Neighborhood Maintenance</u>	
Section 4. <u>Party Walls</u>	
Section 5. <u>Damage or Destruction</u>	
ARTICLE X. INSURANCE.....	20
Section 1. <u>Insurance on Common Areas</u>	
Section 2. <u>Insurance on Townhomes</u>	
Section 3. <u>Individual Insurance</u>	
Section 4. <u>Additional Insurance Requirements</u>	
ARTICLE XI. MORTGAGEE PROVISIONS.....	22
Section 1. <u>Notice of Action</u>	
Section 2. <u>Audit</u>	
Section 3. <u>No Priority</u>	
Section 4. <u>Failure of Mortgagee to Respond</u>	
ARTICLE XII. AMENDMENT.....	22
ARTICLE XIII. MISCELLANEOUS.....	23
Section 1. <u>Failure of Enforcement</u>	
Section 2. <u>No Waivers</u>	
Section 3. <u>Duration</u>	
Section 4. <u>Notices</u>	
Section 5. <u>Severability</u>	
Section 6. <u>Judicial Proceedings</u>	
Section 7. <u>Successors to Declarant</u>	

DECLARATION OF
COVENANTS, RESTRICTIONS AND EASEMENTS
FOR LANTERN WALK
CHEROKEE COUNTY, GEORGIA

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS is made by LANTERN WALK, LLC, a Georgia Limited Liability Company (the "*Declarant*").

WITNESSETH:

WHEREAS, Declarant is the owner, or has the consent of the owner, of all that tract or parcel of land lying and being in Land Lots 66, 79 and 80 of the 3rd District, 2nd Section, Cherokee County, Georgia, as shown on the legal description attached hereto as Exhibit "A" and incorporated herein by reference (said property, together with any other real property that is hereafter submitted to the provisions of this Declaration, less and except any portions thereof that may be dedicated to Cherokee County, Georgia or any municipality or other government entity, and less and except any real property withdrawn from the provisions of this Declaration in accordance with the terms and conditions contained herein, being herein referred to as the "Property"); and

WHEREAS, Declarant intends to impose on the Property mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Property and to establish a procedure for the overall development, administration, maintenance and preservation of the Property; and

WHEREAS, in furtherance of such plan, it is desirable to create an association to own, operate, maintain and/or manage, as applicable, the Area of Common Responsibility (as defined below) and to administer and enforce the covenants and restrictions and design guidelines imposed hereby; and

WHEREAS, it is intended that every owner of any of the Lots automatically, and by reason of such ownership in this Declaration, become a Member of the Association and be subject to its rules and regulations and the assessments and charges made by the Association;

NOW THEREFORE, Declarant does hereby submit the Property to the provisions of this Declaration. This document establishes a mandatory membership homeowners association, but does not and is not intended to submit the Property to the provisions of the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220, *et seq.*

ARTICLE I
DEFINITIONS

As used in this Declaration, the following terms shall have the meanings ascribed to them in this Article, such definitions being cumulative of those set forth elsewhere in this Declaration.

"Additional Property" shall mean any and all real property lying and being within five (5) miles of the Property.

"Annual Assessment" shall have the meaning specified in the Article entitled "ASSESSMENTS", and shall constitute the assessments which, pursuant to the provisions of such Article, shall be levied by the Association against the Lots each year for the purpose of raising the funds necessary to pay the "Annual Expenses" (as that term is defined in such Article).

"Architectural Control Committee" or *"ACC"* shall mean those individuals appointed to have jurisdiction over construction on or within any portion of the Property and responsibility for administration of design guidelines, as more fully described in the Article entitled "Architectural Control".

"Area of Common Responsibility" shall mean the Common Areas, together with any additional areas or

obligations, if any, which by the terms of this Declaration or by contract or agreement with any other Person become the responsibility of the Association.

"Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as the same may be amended from time to time.

"Association" shall mean Lantern Walk Community Association, Inc., a Georgia non-profit corporation, its successors and assigns.

"Board of Directors" shall mean the body responsible for the administration of the Association, as provided in the Bylaws.

"Builder" shall mean any Person who purchases one or more Lots for the purpose of construction of improvements for later sale to consumers or who purchases one or more parcels of land within the Property for further subdivision, development and/or resale in the ordinary course of such Person's business. Any Builder occupying or leasing a Lot for residential purposes shall cease to be a Builder with respect to such Lot on the date of such occupancy of the Lot for residential purposes.

"Bylaws" shall mean the Bylaws of the Association, as the same may be amended from time to time.

"Common Areas" shall mean, singularly or collectively, as applicable, all land and personal property, and all facilities and improvements located thereon, which hereafter shall be deeded to, or acquired by, the Association for the common use and enjoyment of the Owners.

"Community Wide Standards" shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the Property. Such standard shall initially be established by the Declarant and may be more specifically determined by the Board of Directors or the Architectural Control Committee.

"County Clerk" shall mean the Clerk of the Superior Court of the county where the Property is located.

"Declarant" shall mean Lantern Walk, LLC, a Georgia Limited Liability Company, and shall include any successor or assign who shall acquire any portion of the Property for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided, however, that there shall be only one "Declarant" hereunder at any one time.

"Declaration" shall mean this Declaration of Covenants, Restrictions and Easements, as the same may be hereafter amended in accordance with the terms hereof.

"Development Period" shall mean the period of time during which the Declarant owns any property that is subject to this Declaration or has the unilateral right to subject Additional Property to this Declaration pursuant to Article II. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and terminate the Development Period by recording a written instrument with the County Clerk.

"Driveway Benefited Neighbor" shall mean a Single Family Home Owner who enjoys easement rights for a driveway over an adjacent Single Family Home Owner's Lot.

"Driveway Easement Provider" shall mean a Single Family Home Owner whose Lot is encumbered by a Driveway Benefited Owner's driveway.

"Improved Lot" shall mean a Lot (i) upon which there is located a structure for which a certificate of occupancy has been issued by the applicable governmental authority, and (ii) which has been sold to a Person who is not the Declarant or a Builder.

"Limited Use Areas" shall mean the following areas with respect to a Townhome: the front stoop and steps, back deck, driveway and back patio area, if any, that are appurtenant to such Townhome and were constructed as part of the original construction of such Townhome.

"Lot" shall mean each portion of the Property which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached residence for a single family, as shown and indicated by the word "Lot" or "Unit" on any of the Plats which are hereafter recorded.

"Member" shall mean a Person subject to membership in the Association pursuant to Article V hereof.

"Mortgage" shall mean a deed or other document by means of which title to any Lot is conveyed or encumbered to secure a debt. The term *"Mortgagee"* shall refer to a beneficiary or holder of a Mortgage.

"Neighborhood" shall mean a group of Lots designated as a separate Neighborhood pursuant to Article II for the purpose of receiving benefits or services from the Association which are common to those Lots and not provided to all Lots. A Neighborhood may be comprised of more than one housing type and may include noncontiguous parcels of property. Neighborhood boundaries may be established and modified as provided in Article II hereof.

"Neighborhood Assessments" shall mean assessments levied against Lots in a particular Neighborhood to fund Neighborhood expenses, as described in Article VI.

"Owner" shall mean any Person who is a record owner by purchase, transfer, assignment or foreclosure of a fee or undivided fee interest in a Lot; provided, however, that any Person who holds such interest merely as security for the performance of an obligation shall not be an Owner.

"Person" shall mean a natural person, corporation, trust, partnership or any other legal entity.

"Plats" shall mean all plats for any portion of the Property, and any amendments to such Plats, which are hereafter recorded in the County Clerk's plat book records.

"Property" shall have the meaning given to it in the first recital paragraph of this Declaration.

"Single Family Home" shall mean a Lot in the Single Family Neighborhood, as designated in Article II, Section 6.

"Townhome" shall mean a Lot in the Townhome Neighborhood, as designated in Article II, Section 6.

"Supplemental Declaration" shall mean an instrument filed with the County Clerk which designates a Neighborhood and/or imposes additional restrictions and/or obligations on the land described in such instrument.

"Unimproved Lot" shall mean a Lot which is not an Improved Lot.

ARTICLE II. PROPERTY SUBMITTED TO THIS DECLARATION

Section 1. Lots Hereby Subjected to this Declaration. The Declarant, for itself and its successors and assigns, does hereby submit the Property and the Lots to this Declaration. The Property shall hereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration, including, but not limited to, the lien provisions set forth herein. All of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration as applicable to the Lots shall be a permanent charge thereon, and shall run with the Lots.

Section 2. All Lots Bear the Burdens and Enjoy the Benefits of this Declaration. Every Owner, by taking record title to a Lot, agrees to all of the terms and provisions of this Declaration. Each of the Lots is subject to all burdens, and enjoys all benefits, made applicable hereunder.

Section 3. Annexation of Additional Property. The Declarant may, at any time, and from time to time, prior to ten (10) years from the date hereof, subject all or part of the Additional Property to the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration by executing and recording with the County Clerk an amendment to this Declaration describing the property being annexed. Declarant further has the right to convey to the Association additional Common Areas contained within such Additional Property, the maintenance of which may increase the Annual Assessment as provided elsewhere herein and may increase the amount of Annual Assessment which shall be levied against each Lot.

From and after such recording, the annexed property shall be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration, including, without limitation, all lien and assessment provisions set forth in this Declaration, and all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration shall be a permanent charge on, and shall run with, such annexed property.

No approval from any Member of the Association, or from anyone else whomsoever, shall be required for the Declarant to subject Additional Property to this Declaration. In addition to the controls, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration, Declarant shall further have the right at its election, without the consent of any Owner or Owners, to subject any such annexed property to additional controls covenants conditions, restrictions, easements, development guidelines, charges and liens by filing a Supplemental Declaration with the County Clerk covering only such annexed property. The Association shall have the right and authority to enforce all controls, covenants, conditions, restrictions, easements and development guidelines contained in or authorized by such Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the annexed property in order to reflect the different character and intended use of such property.

Section 4. Withdrawal of Property. The Declarant reserves the right to amend this Declaration during the Development Period for the purpose of removing any portion of the Property from the coverage of this Declaration, provided such withdrawal is not contrary to the overall, uniform scheme of development for the Property. This provision includes but is not limited to Declarant's right to convey property to any conservation or land trust or governmental entity as deemed desirable in Declarant's discretion. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if same is not the Declarant. If the property is part of the Common Areas, the Association shall consent to such withdrawal.

Section 5. Submission to a Master Community and Other Acts of Declarant. Declarant reserves the right to amend this Declaration during the Development Period to submit the Property and the Additional Property to a larger planned community, to subject the Property to a master association and to consolidate the Association with other homeowners or community associations.

Section 6. Neighborhoods. The Declarant hereby establishes two Neighborhoods within the Property. As and when Plats are recorded depicting such Lots, and unless and until Declarant records an amendment to this Declaration changing such designations, Lots 21-129 are designated as the Single Family Neighborhood and Lots 1-20 and 130-164 are designated as the Townhome Neighborhood. The Declarant, in its sole discretion, may establish additional Neighborhoods within the Property by amendment to the Declaration and/or Plats in order to subject such Lots to additional covenants and restrictions or to benefit said Lots differently from other Lots on the Property. During the Development Period, the Declarant may unilaterally amend this Declaration and any plat from time to time to assign property to a specific Neighborhood, to redesignate Neighborhood boundaries, or to remove property from a specific Neighborhood.

Any Neighborhood may, but shall not be required to, elect a Neighborhood committee to represent the interests of the Owners in such Neighborhood. No Neighborhood committee shall be formed, however without the prior submission to and written approval of Board of Directors.

After the expiration of the Development Period, the Owners of two-thirds of the total number of Lots within a Neighborhood may at any time petition the Board of Directors to divide the property comprising their Neighborhood into two (2) or more Neighborhoods. Such petition shall be in writing and shall identify the Lots to be included within the proposed Neighborhoods. Such petition shall be deemed granted thirty (30) days following the filing of all required documents with the Board of Directors unless the Board of Directors denies such application in writing within such thirty (30) day period. The Board of Directors may deny any application only upon determination that there is no reasonable basis for distinguishing between the Lots proposed to be divided into separate Neighborhoods.

After the expiration of the Development Period, the Owners of two-thirds of the total number of Lots within a Neighborhood may request that the Association provide a higher level of service or special services for the benefit of the Lots in such Neighborhood and the Association may, in its sole discretion, provide the requested services. The cost of such service, which may include a reasonable administrative charge in such amount as the Board of Directors may deem appropriate (provided such administrative charge shall apply at a uniform rate per Lot to all Neighborhoods receiving the same service), shall be assessed against the Lots within such Neighborhood as a Neighborhood Assessment pursuant to Article V herein.

No action may be taken by a Neighborhood which is adverse to the interests of the Association or its Members or that is inconsistent with the Community Wide Standards. If the Neighborhood fails to comply with such requirements of the Association as specified by the Association in writing, the Association may assess the Lots within such Neighborhood for any expense incurred by the Association to correct the inconsistency or deficiency.

Section 7. Lot Boundaries. The Lot boundaries are shown and depicted on the recorded Plats and, except as otherwise set forth herein, all of the area within the boundaries of each Lot as shown and depicted on the recorded Plats shall for all purposes constitute real property which may be owned in fee simple, subject to the terms, provisions, liens, charges, covenants, easements and restrictions of this Declaration. Notwithstanding the above, however, in the event that the side boundary of a Townhome abuts the side boundary of another Townhome, the side boundary shall be a line consistent with and along the center of all firewalls separating such Townhome from the abutting Townhome. In the event of any discrepancy between the boundaries of a Townhome, as described herein, and the boundaries of such Townhome when shown on the recorded Plats, the description of the boundaries of the Townhome set forth herein shall control.

ARTICLE III. ASSOCIATION PROPERTY

Section 1. Common Areas and Association Property. The Declarant shall have the right to transfer and convey to the Association, or cause the transfer and conveyance to the Association of, any portion of the Property. All portions of the Property which are so transferred or conveyed to the Association shall thereafter constitute Common Areas. Said right may be exercised by the Declarant any time, and from time to time, prior to ten years from the date hereof. Common Areas shall be conveyed to the Association subject to the rights and easements set forth in this Article, irrespective of whether the deed of conveyance shall make a specific reference to such rights and easements.

Section 2. Member's Rights in Association Property. Except in the case of the Limited Use Areas appurtenant to the Townhomes, every Owner of every Lot shall have a non-exclusive right and easement of enjoyment and use in and to the Common Areas and such right and easement shall be appurtenant to, and shall pass with, the title to the Lot(s) owned by such Owner. The right and easement of enjoyment and use of the Common Areas are and shall be subject to the easements which are described in the Article entitled "Easements and Agreements Regarding the Property", the right of the Association to promulgate reasonable rules and regulations regarding the use of Common Areas, and the right of the Association, as provided in the Bylaws, to suspend the enjoyment rights of the Owner of any Lot during any period in which any assessment which is due to the Association from such Owner remains unpaid, and such period as the Board of Directors may consider appropriate for any infraction of its published rules and regulations. No such suspension, however, shall prohibit the Owner of any Lot from using the Common Areas to the extent necessary for such Owner to have access to and from his Lot.

The Board of Directors may permit other persons who are not residents of any Lots to use the Common Areas upon such terms and conditions, and for the payment of such fees, as shall be determined by the Board of Directors.

Section 3. No Partition. The Common Areas shall remain undivided and no Owner shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the Property and without the written consent of all holders of all Mortgages encumbering any portion of the Property.

Section 4. Condemnation. In the event that any part of the Common Areas shall be taken by any authority having the power of condemnation or eminent domain or conveyed in lieu of, and under threat of, condemnation by the Board of Directors acting on the written direction of the Owners of at least 67% of the Lots (and, if during the Development Period, the written consent of Declarant), the Association shall restore or replace the improvements on the remaining land included in the Common Areas to the extent feasible unless, within sixty (60) days after such taking, the Owners of at least 67% of the Lots (and Declarant, if during the Development Period) otherwise agree. The provisions of the subsection immediately below regarding funds for the repair of damage or destruction shall apply. If the taking or conveyance does not involve any improvements on the Common Areas, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds may be used by the Association for such purposes as the Board of Directors shall determine.

Section 5. Damage or Destruction. In the event that any improvements located on any Common Areas shall be damaged or destroyed because of the occurrence of any casualty, the Board of Directors shall proceed with the filing and settlement of all claims arising under any policy of insurance maintained by the Association with respect to such improvements and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed improvements.

Any such damage or destruction shall be repaired or reconstructed unless it shall be decided, within ninety (90) days after the occurrence of casualty, by the Owners of at least 67% of the Lots, and by Declarant, if during the Development Period, not to so repair or reconstruct such damage. In the event that it shall be so decided not to repair or reconstruct some damage or destruction, the proceeds of any insurance as may become payable to the Association as a result of such damage or destruction shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot. If the insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy a special assessment to cover the shortfall.

Section 6. Permitted Actions. Notwithstanding anything to the contrary in this Article, the Association, acting through the Board of Directors, may grant easements over the Common Areas for installation and maintenance of utilities and drainage facilities and for other purposes not inconsistent with the intended use of the Common Areas, without the approval of the membership.

Section 7. Reconveyance of Common Areas. Upon request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Common Areas originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

ARTICLE IV. EASEMENTS AND AGREEMENTS REGARDING THE PROPERTY

Section 1. Easements and Agreements Regarding Association Property. In addition to all easements and agreements of record, the Property and the Common Areas shall further be subject to, and Declarant and the Association do hereby grant, the following easements:

(a) Easements Shown on Plats. The Property shall be subject to all easements, dedications, borders, buffers, restrictions and the like which are shown and depicted on the Plats as affecting and burdening the Property.

(b) Use of Common Areas. Declarant hereby reserves an easement for the exclusive use of such portions of the Common Areas as may be reasonably desirable, convenient or incidental to the construction and installation of improvements on, and the sale of, any Lots, including, but not limited to, sales and business offices, storage areas, construction yards and signs. Such easements shall be exercisable by any and all persons who the Declarant shall authorize to exercise the same, including, without limitation, real estate sales agents and brokers, Builders, and their subcontractors, irrespective of whether such persons are affiliated with the Declarant. Such easements shall exist notwithstanding any provision of this Declaration which might be construed to the contrary, but shall terminate one (1) year and thirty (30) days after the date that all of the Lots are Improved Lots. Such easements shall and do exist without affecting the obligation of the Owner of any Lot to pay assessments or charges coming due during such period of time as portions of the Common Areas shall be used by authorized persons pursuant to the exercise of the easements herein stated.

(c) Limited Use Areas. Subject to the maintenance easements provided for in Section 2 below, the Limited Use areas appurtenant to each Townhome are reserved for the exclusive use and enjoyment of the Owner and/or occupants of such Townhome.

(d) Declarant Activities. Notwithstanding any provision contained in this Declaration, the Bylaws or the Articles of Incorporation to the contrary, or any amendments thereto, until the expiration of the Development Period, it shall be expressly permissible for Declarant, and any Person authorized by Declarant, to maintain and carry on, upon such portion of the Property as Declarant may deem necessary, such facilities and activities as may reasonably be desired by the Declarant and such authorized Persons, including but without limitation, the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Property; the right to tie into any portion of the Property with driveways, parking areas and walkways; the right to tie into and/or maintain and repair any device (without a tap-on or any other fee for doing so), replace, relocate, maintain, and repair any device which provides utility or similar service including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under, or over the Property; the right to carry on sales and promotional activities on the Property; and the right to construct and operate business offices, signs, construction trailers, and model residences. The rights of Declarant and any Person approved by Declarant under this subsection shall further specifically include, without limitation, the right to keep the entrance gate unlocked and open during the sales office hours.

Section 2. Easements Over All Lots. The Lots shall be subject to, and the Declarant does hereby grant, the following non-exclusive perpetual and temporary easements for the enjoyment of Declarant, the Association, any Builders and subcontractors authorized by Declarant, the Members, the Owners, and the successors-in-title of each:

(a) Easements Shown on Plats. Each Lot shall be subject to all easements, borders, buffers, restrictions and the like which are shown and depicted on the Plats as affecting and burdening such Lot.

(b) Entrance Features. There shall be a perpetual easement in favor of the Association for maintenance, repair and landscaping of the entrance monuments which are or will be located on Property and the repair and replacement of any water pipes and electrical lines which are a part thereof. The Owners of any Lots on which these features are placed, or against which such features abut, shall not remove, camouflage, damage or otherwise alter in any way said entrance sign(s) and landscaping.

(c) Entry. Each Lot shall be subject to an easement for the entry by the authorized agents and representatives of the Association to go upon such Lot under such circumstances and for such purposes as are described elsewhere in this Declaration

(d) Encroachments and Overhangs. Each Lot shall have a three (3) foot easement as measured from any point on the common boundary between such Lot and any adjoining Lot, or between such Lot and adjacent Common Areas, for encroachments and overhangs due to the placement or settling of the improvements constructed,

reconstructed or altered thereon, unless such encroachment or overhang was due to the willful act of an Owner or the Association.

(e) Maintenance. Each Lot shall be subject to a perpetual easement in favor of the Association and its contractors for any maintenance of the Lots provided by the Association pursuant to the Article entitled "Maintenance" herein. There is further reserved for the benefit of each Lot a reciprocal appurtenant easement between all adjacent Lots and between any Lot and adjacent Common Areas for the purpose of maintaining or repairing the improvements located on each such Lot (and, in the case of a Driveway Easement Provider's Lot, the Driveway Benefited Neighbor's maintenance and repair of such driveway). All such maintenance shall be performed with a minimum of interference to the quiet enjoyment of the adjacent Lot's Owner or Driveway Easement Provider's Owner, as applicable. Except in emergencies, entry onto a Lot shall occur only after providing the Owner of such Lot not less than forty-eight (48) hours advance notice and shall occur only during reasonable hours. Each Owner and the Association shall cooperate with each other Owner and/or occupant for purposes of exercising these easement rights and these easements shall be exercised only for such period of time as is reasonably necessary in order to complete the maintenance or repair. The Owner or Association exercising these easement rights shall pursue such work promptly and diligently and shall promptly repair any damage that arises out of such maintenance or repair work to the Lot(s) over which this easement is exercised.

(f) Private Streets and Alleys. All Lots shall be subject to a perpetual easement in favor of the Association and all other Lot Owners for maintenance, management, repair, landscaping, and non-exclusive ingress, egress, use and enjoyment, of the private streets and alleys which are located on the Property, as shown on the Plats, and all private sidewalks installed by the Declarant or an authorized Builder, whether said streets, alleys and sidewalks are located on the Common Areas or are located on Lots. This easement right includes the right of contractors engaged by the Association to enter upon any and all Lots from time to time as necessary in order to perform any of the above repair or maintenance work. The Owners of the Lots shall not impair access to, or otherwise alter in any way, said streets, alleys or landscaping and the Board of Directors shall have the right to make any and all rules and regulations as it deems in the best interest of the Association regarding the use of the alleys.

(g) Driveway Easements. Subject to the maintenance easements provided for in subsection (e) above, each Driveway Easement Provider hereby grants a perpetual easement to his Driveway Benefited Neighbor for the exclusive use of and enjoyment by the Driveway Benefited Neighbor of that portion of the Driveway Easement Provider's Lot that is paved with the Driveway Benefited Neighbor's driveway as such driveway was originally constructed by Declarant or a Builder authorized by Declarant. The Driveway Benefited Neighbor's driveway pavement shall be the property of and maintained by the Driveway Benefited Neighbor. Each Driveway Benefited Neighbor hereby indemnifies the Driveway Easement Provider for any damage or harm to the Driveway Easement Provider or his property caused by the willful acts or negligence of Driveway Benefited Neighbor, his occupants, family, guests, invitees or lessees. Each Driveway Easement Provider hereby indemnifies the Driveway Benefited Neighbor for any damage or harm to the Driveway Benefited Neighbor or his property caused by the willful acts or negligence of the Driveway Easement Provider, his occupants, family, guests, invitees or lessees. Driveway Easement Providers shall not impair access to, obstruct or otherwise alter in any way, its Driveway Benefited Neighbor's driveway.

(h) Walking Path Easements. Lots 26, 27, 86, 87, 95, 96, 115 and 116 shall each be subject to a perpetual easement in favor of all other Lot Owners for the non-exclusive ingress, egress, use and enjoyment of the walking paths on such Lots as shown on the Plats. Such Lot Owners shall not impair access to or obstruct said walking paths.

(i) Slope Control. Each Lot shall be subject to an easement for slope control purposes, including the right to grade and plant slopes and prevent the doing of any activity that might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow.

(j) Surface Water Drainage. Each Lot shall be subject to a perpetual easement in favor of the Association and all other Lots for the drainage of surface waters over and across such Lot, including any runoff or carry over of water from one Lot to another which may result from the drain lines and downspouts situated on the Property.

(k) Utilities. Each Lot shall be subject to a perpetual easement in favor of the Declarant, the Association, authorized Builders and subcontractors, and adjoining Lot Owners, their contractors, or subcontractors where utilities are installed on said Owner's Lot, as well as any public utility company, water main, water services, sewer services or cable company, for the erection, installation, construction and maintenance, repair and replacement of wires, lines, conduits, sewer taps, and attachments appurtenant to, above, below ground and in connection with the transmission of electricity, gas, water, telephone, community antennae or satellite dish, television cables and other utilities. The Association shall be responsible for the maintenance and management of the water and sewer facilities.

(l) Construction and Boundary Line Improvements. Each Lot shall be subject to a temporary construction easement in favor of Declarant, authorized Builders and contractors, and adjoining Lot Owners for construction activities on any Lot, including but not limited to the installation of boundary line improvements such as walls, fences and hedges. Any improvement made by an adjoining Lot Owner shall be subject to the architectural control provisions contained herein and must be approved by Declarant or the Association, as applicable, prior to installation.

(m) Fencing. All those Lots containing perimeter fencing installed by the Declarant or a Builder authorized by Declarant shall be subject to a perpetual easement in favor of the Association for maintenance, repair and replacement of the perimeter fencing which is or will be located on said Lots. The Owners of these Lots shall not remove, camouflage, damage or otherwise alter in any way said fencing. The easement rights to which these Lots shall be subject specifically include the right of contractors engaged by the Association to enter upon said Lots from time to time as necessary in order to perform repair and maintenance work.

ARTICLE V. THE ASSOCIATION

Section 1. The Association. Prior to the date this Declaration has been filed for record with the County Clerk, Declarant has caused the Association to be formed, and the Association does now exist, under its Articles of Incorporation and Bylaws.

The Association is and shall be responsible for the maintenance of the Area of Common Responsibility, the enforcement of the covenants and restrictions set forth in this Declaration, and the performance of such other duties and services as are required of the Association hereunder or as the Board of Directors shall deem to be in the best interests of the Members of the Association.

Section 2. Membership. Every Owner is and shall be a Member of the Association. In no event shall such Membership be severed from the Ownership of such Lot.

Section 3. Enforcement and Suspension of Membership Rights. In addition to and not in limitation of all other rights it may have, the Association, acting through its Board of Directors, shall have the full right and authority to enforce the architectural control provisions, use restrictions and all other provisions of the Declaration and Bylaws and the rules and regulations promulgated thereunder by the imposition of reasonable monetary fines, suspension of use and voting privileges, suspension of water or other utility service provided by or through the Association, and the exercise of self-help (specifically including but not limited to the towing or booting of vehicles that are in violation of the parking rules and regulations). Any suspension of use and voting privileges shall not affect such Member's obligation to pay assessments coming due during the period of such suspension and shall not affect the permanent charge and lien on the Member's Lot in favor of the Association. The Association, acting through its Board of Directors, shall further have the full and complete right to exercise reasonable business judgment in the decision to pursue enforcement action in any particular case, without waiver of the Association's right to enforce the same provision at a later time under other circumstance or preclude the Association from enforcing any other covenants, restriction or rule.

Section 4. Meetings of the Membership. All matters concerning the meetings of Members of the Association, including the time at which and the manner in which notice of any said meeting shall be given to

Members, the quorum required for the transaction of business at any meeting, and the vote required on any matter, shall be as specified in this Declaration, or in the Articles of Incorporation or the Bylaws, or by law.

Section 5. Association Acts Through Its Board of Directors. Whenever approval of, or action or inaction by, the Association is referred to or called for in this Declaration, such action, inaction or approval shall be by the Board of Directors of the Association, unless it is specifically stated in this Declaration, the Articles of Incorporation or the Bylaws with respect to such action, inaction or approval that the Members of the Association or the Owners of Lots must vote. No member of the Board of Directors of the Association or any officer of the Association or duly appointed member of the Architectural Control Committee (including, without limitation, any such individual who shall have been appointed by Declarant during the Declarant Control Period, as such term is defined in the Bylaws) shall be personally liable to any Owner of any Lot for any mistake of judgment or for any other act or omission of any nature whatsoever, except for any acts or omissions found by a court of competent jurisdiction to constitute gross negligence or fraud.

Section 6. Professional Management. The Association may, but shall not be obligated to, obtain and pay for the services of any Person or other entity to manage the affairs of the Association, or any part thereof, as the Board of Directors deems to be in the best interests of the Association.

ARTICLE VI. ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation. Each Owner, by acceptance of a deed or other conveyance for a Lot, covenants and agrees to pay to the Association all assessments and charges which are levied by the Association against the Lot(s) owned by such person in accordance with the terms and provisions of this Declaration.

All sums lawfully assessed by the Association against any Lot and the Owner thereof, together with interest thereon and the costs of collection thereof, shall, from the time the sums become due and payable, be the personal obligation of the Owner of such Lot and constitute a continuing lien in favor of the Association on such Lot prior and superior to all other liens whatsoever except: (1) Liens for ad valorem taxes on the Lot; (2) The lien of any first priority Mortgage covering the Lot and the lien of any Mortgage recorded prior to the recording of this Declaration; and (3) The lien of any secondary purchase money Mortgage covering the Lot, provided that neither the grantee nor any successor grantee of the Mortgage is the seller of the Lot. The covenant to pay assessments herein stated is and shall be a covenant running with land.

Section 2. Purposes of Assessments. The assessments levied by the Association pursuant to this Article shall be used to pay the costs and expenses which the Association shall incur in connection with the performance of its duties and responsibilities pursuant to this Declaration, the Articles of Incorporation and the Bylaws and for such other purposes as the Board of Directors shall deem necessary or desirable to promote the health, safety and welfare of the Association and its Members (such costs and expenses being herein referred to as the "Annual Expenses").

Section 3. Determination of Annual Assessment and Shares Thereof. Prior to the commencement of each fiscal year of the Association or at any time it deems best (said fiscal year being specified in the Bylaws), the Board of Directors shall estimate the total amount of the Annual Expenses which are anticipated to be incurred by the Association during such fiscal year and shall determine the amount which will be deposited during such fiscal year into reserve funds maintained by the Association. The Board of Directors shall thereupon adopt a budget for the Association's expenditures and reserves based upon such estimate and providing for the total annual assessment to be levied against the Members of the Association for such fiscal year (the total assessment which shall be so determined and levied for any fiscal year is herein referred to as the "Annual Assessment"). The assessments provided for herein shall commence as to the earlier of: (1) the date that a Lot becomes an Improved Lot, or (2) the first anniversary of the date that a Lot is purchased by a Person or entity who is not the Declarant. All Lots shall be assessed equally. No Annual Assessment shall be assessed against any Lot owned by the Declarant. The Board of Directors shall send a copy of the budget so adopted by it, together with a written notice of the amount of the Annual Assessment so determined for such fiscal year and the amount of such Annual Assessment which shall be levied

against each Lot, to the Owner of every Lot prior to the commencement of the fiscal year during which such Annual Assessment is to be paid. The amount of such Annual Assessment which shall be levied against each Lot shall be due and payable to the Association in such installments as the Board of Directors shall determine and shall be paid to the Association when due without further notice.

Section 4. Special Assessments. If for any reason, including non-payment of any assessments to the Association by the persons liable therefor, the budget adopted by the Board of Directors for any fiscal year shall prove to be inadequate to defray the Annual Expenses for such fiscal year, or if the Board of Directors shall determine that it is in the best interests of the Association to levy a special assessment to pay the costs of any capital improvements or capital repairs, the Board of Directors shall have the authority to levy a special assessment against the Lots and the Owners thereof to raise such needed funds. Any special assessment levied by the Board of Directors pursuant to the provisions of this section shall be payable at such times and such installments as the Board of Directors shall determine. Each Lot shall be liable for the payment of an equal share of every special assessment which shall be levied by the Association pursuant to the provisions of this section; provided that in no event shall Declarant or a Builder be obligated to pay any special assessment.

Section 5. Specific Assessments. The Board of Directors may levy specific assessments against individual Owners (i) for the purpose of paying for the costs of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas, or of any monument, landscaping, detention pond or other thing maintained by the Association, which is occasioned by the acts of individual Owners(s) and not the result of ordinary wear and tear, (ii) for the payment of fines, penalties or other charges imposed against an individual Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws, or any rules or regulations promulgated hereunder; or (iii) for any common expenses, other than expenses for the maintenance of the Common Areas, which benefit less than all of the Lots or which significantly disproportionately benefit all Lots (which expenses may be specially assessed equitably among all of the Lots benefits according to the benefit received); provided that in no event shall Declarant or A Builder be obligated to pay any specific assessment. Failure of the Board of Directors to exercise its authority under this section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board of Directors' right to exercise its authority under this section in the future with respect to any expenses.

Upon the establishment of a specific assessment under this section, the Board of Directors shall send written notice of the amount and due date of such specific assessment to the affected Owner(s) at least thirty (30) days prior to the date such specific assessment is due.

Section 6. Neighborhood Assessments. The Board of Directors may specifically assess Owners of Lots within a Neighborhood to fund the actual and estimated expenses incurred by the Association for the primary benefit of the Lots within such Neighborhood, including without limitation maintenance required to be performed by the Association with respect to the Lots within such Neighborhood and a reserve fund for the repair and replacement of the capital items to be maintained. Neighborhood expenses shall be allocated equally among all Lots within the Neighborhood benefited thereby and levied as a Neighborhood Assessment; provided that in no event shall Declarant or an authorized Builder be obligated to pay any Neighborhood Assessment.

The Board of Directors shall send a copy of the budget so adopted by it, together with a written notice of the amount of the Neighborhood Assessment so determined for such fiscal year and the amount of such Neighborhood Assessment which shall be levied against each Lot, to the Owner of every affected Lot prior to the commencement of the fiscal year during which such Neighborhood Assessment is to be paid. The amount of such Neighborhood Assessment which shall be levied against each Lot shall be due and payable to the Association in such installments as the Board of Directors shall determine and shall be paid to the Association when due without further notice.

Section 7. Special Assessment for Working Capital Reserve. Upon the first transfer of title to an Improved Lot and upon each resale of an Improved Lot thereafter, there shall be levied against such Improved Lot and paid to the Association a special assessment in such amount as shall be determined by the Board of Directors in its reasonable discretion, which assessment shall not exceed one-half of the Annual Assessment and one-half of the Neighborhood Assessment, if any, against such Improved Lot. Declarant shall endeavor to collect such special

assessment at the closing of the initial purchase of the Improved Lot; however, the failure to collect such special assessment at that time shall not excuse the obligation to make such payment.

Section 8. Effect of Non-Payment of Assessments; Remedies of the Association.

(i) In the event that any Member of the Association shall fail to pay, within ten (10) days after the date the same is due and payable, any annual, special, specific or neighborhood assessment, or any installment of any such assessments which is payable by him to the Association, the entire amount of such assessment, including the portion thereof which would otherwise be payable in installments, may be declared by the Board of Directors to be immediately due and payable in full to the Association. All such amounts so declared by the Board of Directors to be due and payable in full to the Association shall be secured by the lien of the Association on every Lot owned by the delinquent Member, which lien shall bind such Lot or Lots in the hands of the then Owner, and his heirs, devisees, successors and assigns. In addition to the lien rights, the personal obligation of the then Owner to pay such assessments shall remain his personal obligation and shall also pass to his successors in title. Such Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which said Owner was obligated to pay immediately preceding the transfer; and such Owner and such successors in title shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such Owner and successors in title creating any indemnification of the Owner or any relationship of principal and surety as between themselves. To the extent permitted by applicable law, the Board of Directors may suspend water, electricity, heat, air conditioning, cable television service, or any other utility or service to the Lot paid for as part of the Annual Expenses. The utility services shall not be required to be restored until all judgments are paid in full and any reasonable utility provider charges or other reasonable costs incurred in suspending and restoring such services are paid in full, including reasonable attorney's fees, at which time the Association shall direct the utility provider to restore the service. A Lot Owner whose utility or service has been suspended hereunder shall not be entitled to use any such utility or service from any source.

(ii) All amounts which the Board of Directors shall declare to be due and payable pursuant to this section shall bear interest from the date of delinquency at the lower of the rate of ten (10%) percent per annum or the highest rate permitted by law, and the Association may bring legal action against the Member of the Association personally obligated to pay the same, or foreclose its lien upon the Lot or Lots of such Member, in either of which events such Member shall also be liable to the Association for all costs and attorneys' fees which the Association shall incur in connection with the collection of such delinquent amounts.

Section 9. Budget Deficits during Declarant Control Period. Declarant may advance funds to the Association sufficient to satisfy the deficit, if any, in any fiscal year between the actual operating expenses of the Association (exclusive of any allocation for capital reserves) and the annual and special assessments for such fiscal year. Such advances shall be evidenced by promissory notes from the Association in favor of the Declarant and shall be paid back to Declarant if and to the extent that sufficient funds are generated by assessments in future years until such time as Declarant no longer has the authority to appoint the directors and officers of the Association.

Section 10. Failure to Assess. The failure of the Board of Directors to fix the assessment amounts or to deliver to each Owner the assessment notice shall not be deemed a waiver, modification or release of any Owner of the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as for the last year for which an assessment was made until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

ARTICLE VII.
ARCHITECTURAL CONTROL

Section 1. Architectural Restrictions. No Exterior Structure or Improvement, as defined herein, shall be placed, constructed, erected, installed or made on any Lot unless such Exterior Structure or Improvement meets all square footage and other requirements that may be set forth in the Plat and is in strict compliance with the provisions of this article.

Section 2. Architectural Control Committee. Responsibility for the review of all applications under this Article shall be handled by the Architectural Control Committee ("ACC"), the members of which need not be Members of the Association and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Association. The ACC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the ACC in having any application reviewed by architects, engineers or other professionals.

The ACC shall have exclusive jurisdiction over all construction, alterations or additions on any portion of the Property and shall be the sole arbiter of applications and may withhold approval for any reason, including, without limitation, purely aesthetic considerations. ACC shall have the right, but not the obligation, to promulgate design guidelines and standards for the Property in order to provide guidance to Owners and Builders regarding the approval process, which guidelines and standards may be amended by the ACC at any time and from time to time. Compliance with such guidelines and standards shall not guarantee approval of any application.

Until the termination of the Development Period, Declarant retains the right to appoint all members of the ACC, who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration or surrender of such right, the Board of Directors shall appoint the members of the ACC, who shall thereafter serve and may be removed in the Board of Director's discretion.

Section 3. Exterior Structure or Improvement. The term "Exterior Structure or Improvement" shall mean an exterior construction, alteration, addition or change of any nature whatsoever on a Lot [including but not limited to (i) a building, fence, wall, patio, playhouse, playground equipment, swimming pool, spa, Jacuzzi, or other structure, (ii) staking, clearing, excavation, grading, or filling of land, (iii) change in color, type or material of any existing improvement, (iv) planting or removal of landscaping materials (v) placement or installation of exterior lighting, statuary, flags, fountains and similar items, (vi) modification of the interior of a porch, deck, patio or similar portion of a structure which is visible from outside the Lot, or (vii) the addition of storm or screen doors or windows]. No Exterior Structure or Improvement shall be commenced, placed or maintained upon any Lot until complete and final plans and specifications setting forth the information hereinafter described shall have been submitted to and approved by the ACC as to the harmony of the exterior design and general quality with the existing standards of the improvements located on the other Lots, and as to location in relation to surrounding structures and topography.

Section 4. Approval Procedures. The plans and specifications which must be submitted to the ACC prior to the commencement of any such work upon any Lot, as hereinabove provided, shall contain at least the nature, kind, shape, height, materials, color, texture and location of such structure, alteration or landscaping and such other information as the ACC may reasonably request in order to render a decision. Notwithstanding the above, however, the ACC, by resolution, may exempt certain activities from the application and approval requirements of this Article, provided that such activities are undertaken in strict compliance with the requirements of such resolution.

In the event that the ACC fails to approve or disapprove any application within thirty (30) days after submission of all information and materials reasonably requested by the Association, the application shall be deemed approved.

The ACC shall, upon demand, furnish to any Member of the Association a certificate in writing signed by a member of the ACC, stating that any Exterior Structure or Improvement that has been approved and built in accordance with the provisions of this section is in compliance with the provisions of this section, and such certificate shall be conclusive as to whether the same is in such compliance.

Section 5. Construction Period. Unless otherwise agreed to in writing by the ACC, any Exterior Structure or Improvement must be commenced within thirty (30) days after ACC approval of the plans and specifications for same. Owner and Builder shall diligently continue construction to completion in a timely manner. Construction shall be completed within twelve (12) months of the commencement date, unless a shorter time frame is specified by the ACC. If any dwelling on a Lot is not completed within twelve (12) months of the commencement date of said

construction, the Association, shall have the right, but not the obligation, to enter upon said Lot and to take such action as is necessary to secure and complete construction of said dwelling, with the costs thereof being assessed against the Owner of such Lot. Such Owner shall be personally liable to the Association for the direct and indirect costs of securing the dwelling and completing said dwelling, and the liability for such costs shall constitute an equitable charge and continuing lien upon the Lot enforceable by the Association in the same manner as other liens for the improvement of real property or by any other appropriate proceeding in law or in equity.

Section 6. No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

Section 7. Variance. The ACC, in its sole discretion, may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. No variance shall (i) be effective unless in writing; (ii) be contrary to this Declaration; or (iii) prevent the ACC from denying a variance in other circumstances.

Section 8. Limitation of Liability. The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Property only, and shall not create any duty to any Person. Neither the Declarant, the Association, nor the ACC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, the adequacy of soils or drainage, or for ensuring compliance with building codes and other governmental requirements or regulations. Neither Declarant, the Association, the ACC, nor any member of any of the foregoing, shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Lot. In all matters, the ACC and its members shall be defended and indemnified by the Association as provided in this Declaration and the Articles of Incorporation and Bylaws of the Association as though they were officers of the Association.

Section 9. Enforcement. Declarant, any member of the ACC, the Board, or the representatives of each, shall have the right, during reasonable hours and after reasonable notice, to enter upon any Lot to inspect for the purpose of ascertaining whether any Exterior Structure or Improvement is in violation of this Article. Any Exterior Structure or Improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request by the ACC, the Owner shall, at its own cost and expense, remove such structure or improvement and restore the Lot to substantially the same condition as existed prior to the nonconforming work. Upon the failure or refusal of any person to perform the restoration required herein, the ACC, or their authorized agents or employees, may, after fourteen (14) days' notice to such person, enter upon the property upon which such unauthorized work has been performed, and make such restoration as the ACC, in the exercise of its discretion, may deem necessary or advisable. Entry for such purposes and in compliance with this Section shall not constitute a trespass. The person upon whose Lot such restoration work shall have been so performed shall be personally liable to the Association for all direct and indirect costs which the Association shall incur in the performance of such restoration work, including without limitation attorneys' fees, and the liability for such cost shall be secured by all the liens, and shall be subject to the same means of collection, as the assessments provided for in this Declaration. Such costs shall be paid to the Association by the person liable for the same at the same time as the next due Annual Assessment payment, or at such earlier time, and in such installments, as the ACC shall determine.

Unless otherwise specified in writing by the ACC, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a specific assessment pursuant to this Declaration.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ACC.

Section 10. Declarant Exemption. Notwithstanding anything stated to the contrary herein, nothing contained in this Article shall be construed as prohibiting any construction, alteration, addition or removal upon any Lot while such Lot is owned by the Declarant or a Builder so long as such construction, alteration, addition or removal is done with the Declarant's consent. Any construction, alteration, addition or removal performed by the Declarant or, with Declarant's consent, by any Builder, upon any Lot while such Lot is owned by the Declarant or such Builder shall be exempt from the provisions of this Article.

ARTICLE VIII. RESTRICTIONS

In order to provide for the maximum enjoyment of the Lots by all of the residents thereof and to provide protection for the value of the same, the use of the Lots shall be restricted to, and shall be only in accordance with, all zoning conditions, laws and ordinances that affect the Property, as well as the following provisions:

Section 1. Residential Use. All of the Lots, attached or detached, shall be restricted exclusively to single-family residential use. The term "single-family" shall include one or more related or unrelated adults, as well as the children of any such adults. No Lot shall at any time be used for any commercial, business or professional purpose. Notwithstanding the foregoing, however, nothing set forth in this section shall prohibit: (i) the Declarant or a Builder from conducting such sales, leasing and promotional activities on any Lot as Declarant shall determine; or (ii) the Owner of any Lot from using a portion of a building located on such Lot as an office, provided that such use does not create regular customer, client or employee traffic to and from such Lot and no sign, logo, symbol or nameplate identifying such business is displayed anywhere on such Lot.

Section 2. Prohibited Activities. No noxious, offensive, unsightly or unkempt activity shall be conducted on any Lot. Each owner of any Lot, his family, tenants, guests and invitees, shall refrain from any act or use of his property which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other resident or residents of any other Lot. Storage or placement of furniture, potted plants, fixtures, appliances, machinery, bicycles, towels, clotheslines, equipment or other goods or chattels on any Lot which is visible from outside of the Lot (including but not limited to stoops, steps, driveways, decks and patio areas) is prohibited except as specifically permitted in this Declaration. No nuisance shall be permitted to exist upon any Lot. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Lot, or any portion thereof.

Section 3. Animals. No animals other than dogs, cats, aquarium fish and birds are permitted on any portion of the Property. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose or keep or maintain a dog whose persistent barking causes annoyance or nuisance to any other resident of any other Lot.

Animals may not be left unattended outdoors or kept unattended outdoors except within an enclosed fenced area that has been approved by the ACC in accordance with the Architectural Control provisions of the previous Article. Animals must be kept on a leash and be under the physical control of a responsible person at all times when on a street or any of the Common Areas. Any feces left upon the Common Areas by an animal must be removed by the owner of the animal or the person responsible for the animal.

No animal determined to be dangerous, in the Board of Directors' sole and absolute discretion, may be brought onto or kept on the Property at any time. The Board of Directors may have removed by the local authorities, without notice to the animal's owner, any animal that presents an immediate danger to the health, safety or property of any resident.

Each Owner and Occupant who keeps an animal on the Property agrees to indemnify and hold the Association and its directors, officers and agents harmless from any loss, claim or liability of any kind whatsoever arising by reason of such animal.

Section 4. Antennae; Aerials; Satellite Dishes. No transmission antenna of any kind may be erected anywhere on a Lot without the prior written consent of the ACC. No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one (1) meter in diameter may be placed, allowed or maintained upon any Lot. A DBS or MMDS antenna one (1) meter or less in diameter or television broadcast service antenna may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association as authorized by the FCC, as both may be amended from time to time. HAM radios, two way radios and other hobby or professional radio communication transmission equipment are prohibited.

Declarant or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus of any size for a master antenna, cable, or other communication system for the benefit of all or a portion of the Property.

Section 5. Drainage. The catch basins, drainage swales, storm sewers, storm drains and other drainage facilities are for the purpose of controlling the natural flow of water only. No obstruction or debris shall be placed or allowed to remain in these areas. No Owner may obstruct or alter the drainage flows established by Declarant or a Builder without prior written approval in accordance with the architectural control provisions of the prior Article.

Section 6. Firearms. The use of firearms on the Property is prohibited. The term "firearms" includes, without limitation, B-B guns, pellet guns, archery equipment and firearms of all types.

Section 7. Leasing. Lots may be leased only for terms of one year or longer and leases must be in writing. The Association may request a copy of the lease at any time. No "for lease" signs may be placed in any windows, on any Lots, or on any part of the Property. Owners shall stipulate in the lease that tenants, their occupants, and guests, shall comply with all provisions of this Declaration, the Bylaws and Articles of Incorporation and any other rules and regulations. Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto, by the lessee, any occupant, or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association, acting through the Board of Directors, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority, as attorney-in-fact on behalf of and for the benefit of the Owner, to evict the lessee in accordance with the terms hereof. If the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be an assessment and lien against the Unit.

When an Owner who is leasing his or her Lot fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board of Directors, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board of Director's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor.

Section 8. Lighting. Exterior lighting visible from the street shall not be permitted except for: (i) approved lighting as originally installed on a Lot; (ii) one (1) approved decorative post light; (iii) pathway lighting; (iv) street lights in conformity with an established street lighting program for the Property; (v) seasonal decorative lights; and (vi) front house illumination of model homes.

Section 9. Mailboxes. No change or addition, other than by the Board of Directors, shall be made to the design, materials or location of the original mailboxes installed by the Declarant for the benefit of the Lots.

Section 10. Signs. No sign of any kind or character shall be erected on any portion of any Lot, or displayed to the public on any portion of any Lot, without the prior written consent of the Board of Directors, except for customary name and address signs, one customary "for sale" sign advertising a Lot for sale and any sign required

by legal proceedings. The restriction herein stated shall include the prohibition of placement of any sign within a building located on any Lot in a location from which the same shall be visible from the outside and the placement of any sign in or upon any motor vehicle.

Section 11. Stoops, Driveways, Decks, and Patio Areas. Grills, patio furniture, potted plants and other items may be permitted on such areas, subject to local ordinances and any rules promulgated by the Association with respect thereto. Detached storage buildings, sheds or animal pens are prohibited. If any area under a deck attached to a home is used for storage (such as for garden equipment, etc), such area and storage must be screened from view of other Lots and any street, and must be approved in accordance with the architectural control provisions of the prior Article. Additionally, a Lot Owner who desires to screen any portion of a patio, or deck area, or fence any portion of a Single Family yard or Townhome yard must first seek approval in accordance with the architectural control provisions of the prior article.

Section 12. Swimming Pools. No above ground swimming pools shall be approved by the ACC.

Section 13. Trash Containers and Collection. No garbage or trash shall be placed or kept on the Property except in covered containers of a type, size and style which are approved by the Board of Directors or as required by the applicable governing jurisdiction, and subject to rules promulgated by the Association. Trash cans, recycling bins or other debris intended for disposal shall be placed at the curb no earlier than 5:00 p.m. the day before pick up and shall be removed within twenty-four (24) hours. No person shall burn rubbish, garbage or any other form of solid waste on any Lot or on Common Areas or within the right of way of any street within the Property.

Section 14. Trees. In order to preserve the natural beauty of the development, no tree of any type, including, but not limited to, any flowering tree, shrub, evergreen, or natural ground cover, shall be removed from any Lot, after the Lot has become an Improved Lot, or from the Common Area, unless such removal has first been approved by the ACC.

Section 15. Vehicles and Parking. The term "vehicles" as used in this section shall include without limitation automobiles, trucks, boats, trailers, motorcycles, scooters, campers, vans, and recreational vehicles. No vehicle may be left upon any portion of the Property except upon a driveway, a designated parking space or within a garage. No person shall park any commercial vehicles (including but not limited to any type of vehicle with advertising or lettering), recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, or other oversized vehicles, stored vehicles or unlicensed or inoperable vehicles within the Property except within a garage, with the exception of emergency vehicle repairs or commercial vehicles which are temporarily parked for the purpose of servicing a Lot or the Property.

All Owner and occupant vehicles must be kept and stored when not in use within the Lot's garage space or driveway. Garage doors must remain closed at all times except for entry and exit by vehicles and except for periods not to exceed two consecutive hours for homeowner related maintenance activities. No conversion of garage space to living space shall be permitted.

The Association may promulgate and enforce additional rules and restrictions regarding vehicles and parking privileges on the Lots and Common Areas.

If a vehicle is parked in a fire lane, is blocking another vehicle, is obstructing the flow of traffic, is parked on any landscaped area, or otherwise creates a hazardous condition, no notice shall be required and the Board of Directors as agent of the Association may have the vehicle towed or booted immediately. If a vehicle is towed or booted in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of such towing or booting. Notwithstanding anything to the contrary herein, the Board of Directors may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

Section 16. Window Air-Conditioners. No air-conditioner shall be installed in any window of any building located on any Lot, nor shall any air-conditioner be installed on any building located on any Lot so that the same protrudes through any exterior wall of such building.

Section 17. Window Treatments. Except as may be otherwise approved in accordance with the Architectural Control provisions contained in the previous Article, all window treatments visible from the outside of a Lot shall be white or off-white in color. No bed sheets, newspaper, tin foil, or similar materials may be used as window treatments.

Section 18. No Subdivision of Lots or Timesharing. No Lot may be further subdivided into any smaller Lot. No Lot shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years.

Section 19. No Combination of Lots without Approval. Contiguous Lots may not be combined together without the prior written consent of the Board of Directors. In the event that the Board of Directors does approve such a combination, such combination shall thereafter be a single Lot for all purposes of this Declaration, except that notwithstanding the foregoing, the amount of assessments for which such single Lot shall be thereafter liable shall be equal to the total assessments for which all of the Lots which were so combined would have been liable had such combination not taken place.

Section 20. Development Period. During the Development Period, no amendment to or modification of any use restrictions, rules or design guidelines shall be adopted without the prior written consent and approval of Declarant. The Association shall not exercise any authority that would impair the rights of the Declarant under this Declaration or interfere with Declarant's development of, construction on, or marketing of any portion of the Property or the Additional Property, or diminish the level of services being provided by the Association.

Section 21. Interpretation. In all cases, the covenants and restrictions herein contained shall be construed and interpreted in a manner which, in the opinion of the Board of Directors, will best effect the intent of the general plan of development and maintenance herein set forth. Subject to the terms of this Article and the Board of Directors' duty to exercise business judgment and reasonableness, the Board of Directors may modify, cancel, limit, create exceptions to, or expand the restrictions contained herein and may create, modify and enforce reasonable rules governing the use of the Property consistent with the law and with other provisions in this Declaration. The Board of Directors shall send notice to all Owners concerning any new or amended restrictions or rules prior to the date that such restrictions or rules go into effect. For this purpose, notice may be sent to each Owner by U.S. mail, hand delivery, electronic telecommunication or publication in a community notice or newsletter delivered or mailed to each Owner.

ARTICLE IX, MAINTENANCE RESPONSIBILITIES

Section 1. Association's Maintenance Responsibility in General. Except as may be specifically provided otherwise below, the Association shall maintain the Area of Common Responsibility (whether or not constituting Common Areas), including: (i) all entry features to the Property, including any irrigation, electrical and lighting systems serving the entry features; (ii) all streets, alleys, parking areas (other than driveways) and sidewalks; (iii) all perimeter fencing and landscaping around the boundaries of the Property if and to the extent installed by the Declarant or a Builder authorized by Declarant; (iv) all landscaping in the Common Areas and within public rights-of-way abutting the Property (other than the landscaping in the Common Areas immediately surrounding the Townhomes, which shall be maintained by the Association but assessed as a Neighborhood Expense as provided in Section 3 below); (v) all storm water detention or drainage facilities serving the Property; (vi) all amenities, including the neighborhood parks and passive open space (provided that the portions of the walking paths traversing Lots 26, 27, 86, 87, 95, 96, 115 and 116 shall be maintained by the Lot Owner on which the portion of the path is located); and (vii) sanitation removal.

The landscaping maintenance referred to above shall consist of normal grass mowing and any other activity that the Board of Directors deems necessary or desirable to keep the grounds in a condition that is satisfactory to the Board of Directors. The Board of Directors, in its sole discretion, may leave portions of the Property as undisturbed

natural areas and may change the landscaping on the Area of Common Responsibility at any time and from time to time, including the adding or modifying of landscaping improvements, such as the planting of seasonal flowers.

The Association may be relieved of all or any portion of its maintenance responsibilities to the extent that such property is dedicated to any local, state or federal government or quasi-governmental entity and said entity accepts the responsibility for maintenance. In the event of any such assumption, assignment or dedication, however, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities; if the Board of Directors determines that such maintenance is desirable or necessary to maintain the Community Wide Standards.

In the event that the Association determines that any maintenance which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, or the occupant, family, guest, invitee or lessee of an Owner, then the Association may perform such maintenance and all costs thereof may be assessed against the Owner as a specific assessment.

Section 2. Owner Responsibility. Except to the extent that responsibility is assumed by the Association or another Lot Owner in Section 1 above or Section 3 below, each Owner shall maintain and keep in good repair all structures and improvements on the Lot (and, in the case of a Driveway Benefited Neighbor, such Driveway Benefited Neighbor's driveway) in a manner consistent with the Community-Wide Standards, this Declaration, and all other governing documents. Owner shall keep the Lot free from all litter, trash and refuse, keep improvements in good repair, and comply with all governmental health and police regulations. In the event the Board of Directors determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance of items for which such Owner is responsible, the Association shall, except in emergency situations, give the Owner written notice of the Association's intent to provide such necessary maintenance at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, or in the event that such maintenance is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions herein, the Association may provide such maintenance and all costs thereof shall be assessed against the Owner as a specific assessment.

Section 3. Neighborhood Maintenance. The following provisions shall be applicable only to the Lots within the Townhome Neighborhood and the cost of such maintenance shall be assessed as a Neighborhood Expense: The Association shall maintain all landscaping within the Common Areas immediately surrounding the Townhomes and all landscaping on any property located between the foundation of each Townhome and such Townhome's Lot boundary lines as shown on the Plat. The landscaping maintenance shall consist of normal grass mowing and any other activity that the Board of Directors deems necessary or desirable to keep the grounds in a condition that is satisfactory to the Board of Directors. The Board of Directors, in its sole discretion, may leave portions of the Property as undisturbed natural areas and may change the landscaping at any time and from time to time, including the adding or modifying of landscaping improvements, such as the planting of seasonal flowers. The Association shall further maintain termite and wood-infestation treatment and bond on the Townhomes and shall maintain, repair and replace the roof, gutters and exterior paint on the Townhomes in accordance with the Community-Wide Standards. The Owner of a Townhome shall be responsible for the maintenance, repair and replacement of all other structures and improvements whatsoever on the Lot, as well as the maintenance, repair and replacement of the Limited Use Areas appurtenant to such Townhome. All obligations of the Owner hereunder shall be carried out in accordance with the provisions of Section 2 above.

Section 4. Party Walls. Each wall or fence built as part of the original construction of the Townhomes that serves and/or separates any two adjoining Townhomes or Townhome patio areas shall constitute a party wall and, to the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the party wall in equal proportions. If a party wall is destroyed or damaged by fire or other casualty, then any Owner who has benefited by the party wall may restore it, and the other Owner who is benefited by the party wall shall contribute one-half of the

cost of restoration, without prejudice, however, to the right of any Owner to call for a larger contribution from any other Owner under any rule of law regarding liability for negligent or willful acts or omissions.

Section 5. Damage or Destruction. In the event of the occurrence of any damage or destruction by fire or other casualty to the improvements on a Lot, such damage or destruction shall be repaired or rebuilt, as applicable, in all events. All repair, reconstruction or rebuilding of the improvements shall be substantially in accordance with the plans and specifications for such damaged or destroyed Improved Lot immediately prior to the occurrence of such damage, or in accordance with such differing plans and specifications as are approved for such purpose by the Owner of such Lot and the Board of Directors. The Owner of such damaged or destroyed Improved Lot shall be responsible for ensuring that the work of repairing, reconstructing or rebuilding a damaged or destroyed Improved Lot is completed as soon after the occurrence of such damaged or destruction as is reasonably practicable, at no cost or expense to the Association.

ARTICLE X. INSURANCE

Section 1. Insurance on Common Areas. The Association shall obtain and maintain casualty insurance for all insurable improvements located on the Common Areas. This insurance shall provide, at a minimum, fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall obtain a public liability policy with a combined single limit of at least One Million (\$1,000,000.00) Dollars applicable to the Common Areas covering the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, and, if reasonably available, directors' and officers' liability insurance. Policies may contain a reasonable deductible as determined by the Board of Directors. In addition, the Board of Directors shall obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on all persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall at least equal three months' total assessments plus reserves on hand. Fidelity coverage shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation. All such insurance coverage shall be written in the name of the Association.

Section 2. Insurance on Townhomes. The Association shall maintain as an Association expense insurance on the Townhomes commonly known as "master condominium/townhome insurance", which insurance shall cover the following property, regardless of ownership: the roofs, the exterior shells of the buildings, the fixtures, improvements and alterations that are part of the buildings and Townhomes as built to the original specifications of such Townhomes, and the front stoops, decks, driveways and patio areas. The Association's insurance policy shall exclude improvements and betterments made by an Owner and the finished surfaces of perimeter and partition walls, floors, and ceilings within the finished home (i.e., paint, wallpaper, paneling, tile, carpet and other wall or floor covering not part of the original specifications of the Townhomes).

All insurance purchased by the Association pursuant to this Paragraph shall run to the benefit of the Association, the Board of Directors, all officers, agents and employees of the Association, the Townhome Owners, and their respective Mortgagees, and all other persons entitled to occupy any Townhome, as their interests may appear, and the cost of such insurance shall be assessed as a Neighborhood Assessment against the Townhome Neighborhood covered thereunder. The Association's insurance policy may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property.

The Board of Directors shall make available for review by Owners a copy of the Association's insurance policy to allow Owners to assess their personal insurance needs and each Owner shall have the right to obtain additional coverage at his or her own expense.

Section 3. Individual Insurance. Each Owner, by virtue of taking title to a Lot subject to this Declaration, acknowledges that the Association has no obligation to provide any insurance for any portion of individual Lots

except as set forth in Section 2 above. Each Owner covenants and agrees with all other Owners and with the Association that each Owner will maintain at all times all-risk casualty insurance on such portions of the home that are not covered by the insurance referred to in Section 2 above, as well as a liability policy covering damage or injury occurring on a Lot. The casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an all-risk policy, if reasonably available, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction of a covered item in the event of damage or destruction from any such hazard.

The Board of Directors has the right, but not the obligation, to require the Owner to furnish a copy of such insurance policy or policies to the Association. In the event that any such Owner fails to obtain insurance as required by this section, the Association has the right, but not the obligation, to purchase such insurance on behalf of the Owner and assess the cost thereof to the Owner, to be collected in the manner provided for collection of assessments herein.

Section 4. Additional Insurance Requirements. The Board of Directors shall utilize reasonable efforts to include the following provisions in the policies that the Association obtains:

(i) waiver of the insurer's rights of subrogation of any claims against directors, officers, employees, the managing agent, the individual Owners, occupants, and their respective household members;

(ii) any "other insurance" clause contained in the master townhome policy shall expressly exclude individual Owners' policies from its operation;

(iii) until the expiration of thirty (30) days after the insurer gives notice in writing to the Mortgagee of any Lot, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Lot, the other Owners, the Board of Directors, or any of their agents, employees, or household members, nor be canceled for nonpayment of premiums;

(iv) the master townhome policy may not be canceled, substantially modified, or subjected to non-renewal without at least thirty (30) days prior notice in writing to the Board of Directors and all Mortgagees of Lots; and

(v) an agreed value endorsement and an inflation guard endorsement.

All policies of insurance shall be written with a company licensed to do business in the State of Georgia and maintain a B+ rating with A.M. Best. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

Nothing contained herein gives any Owner or other party a priority over the rights of first Mortgagees as to distribution of insurance proceeds. Any insurance proceeds payable to the Owner of a Lot on which there is a Mortgagee endorsement shall be disbursed jointly to such Lot Owner and the Mortgagee and shall be used for the repair or rebuilding of the improvements on the Lot. This is a covenant for the benefit of any such Mortgagee and may be enforced by any such Mortgagee. In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Lot or a Lot and the Common Areas, the cost of the deductible may be apportioned equitably by the Board of Directors among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Lot separately or to each occurrence, each Lot Owner shall be responsible for paying the deductible pertaining to his or her Lot, if any. If any Owner or Owners fail to pay the deductible when required under this subparagraph, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to the terms of this Declaration.

Additionally, the Association shall obtain such insurance coverage as is necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S.

Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development, if and to the extent applicable to the Property.

Nothing contained herein requires the Association to make a claim under the insurance policies upon the occurrence of an insured event. The Association has the right to exercise reasonable business judgment in all insurance decisions.

ARTICLE XI. MORTGAGEE PROVISIONS

Section 1. Notice of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number, shall be known as an "Eligible Holder"), will be entitled to timely written notice of: (i) any condemnation loss of 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; (ii) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Holder where such delinquency has continued for a period of sixty (60) days; (iii) any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days; and (iv) any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

Section 2. Audit. Upon written request of an Eligible Holder and upon payment of all necessary costs, such Eligible Holder shall be entitled to receive a copy of audited financial statements of the Association within 90 days of the date of the request.

Section 3. No Priority. No provision of this Declaration or the Bylaws gives any Owner or other party priority over any rights of a Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards.

Section 4. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board of Directors 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, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

ARTICLE XII. AMENDMENT

Until the termination of the Development Period, the Declaration may be amended only by Declarant, who may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary to: (a) bring any provision hereof into compliance with any applicable governmental statute, rules or regulation or judicial determination which shall be in conflict therewith, (b) enable any reputable title insurance company to issue title insurance coverage with respect to the Lots, (c) enable an institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans (such as the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation) to make, purchase, insure or guarantee mortgage loans on the Lots; (d) an amendment is necessary to enable any governmental agency or private insurance company, including but not limited to the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs, to insure or guarantee mortgage loans on the Lots. However, any such amendment shall not adversely affect the title to any Owner's Lot unless such Lot Owner shall consent thereto in writing.

After the termination of the Development Period, this Declaration may be amended only upon the affirmative vote or written consent, or any combination thereof, of 2/3 of the Lot Owners. Notwithstanding the foregoing, after the termination of the Development Period, the Board of Directors, without the vote of the members,

may amend this Declaration for the sole purpose of electing to be governed by the provisions of the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq.*

Any amendment shall become effective upon the recording with the County Clerk of the instrument evidencing such change unless a later effective date is specified therein. If an Owner consents to an amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any procedural challenge to an amendment must be made within six months of the recording of the amendment or such amendment shall be presumed to have been validly adopted.

Every Owner, by taking record title to a Lot, and each holder of a Mortgage upon any portion of any Lot, by acceptance of such Mortgage, hereby agrees that the terms, provisions, covenants and restrictions of this Declaration may be amended as provided herein.

ARTICLE XIII. MISCELLANEOUS

Section 1. Failure of Enforcement. In the event that the Association shall fail to enforce the compliance with any of the provisions of this Declaration by the Owner of any Lot, then the Owner of any other Lot shall have the right to file an action in the Superior Court of the county where the Property is located for an order from such Court requiring that the Association enforce such compliance; provided, however, in no event shall the Board of Directors, or any officer of the Association, or any of their agents, be personally liable to anyone on account of their failure to enforce any of the terms, provisions or restrictions set forth in this Declaration.

Section 2. No Waivers. In no event shall the failure by the Association to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, provisions or agreements set forth in this Declaration be construed as a waiver or relinquishment of the future enforcement of any such term, covenant, condition, provision, or agreement. The acceptance of performance of anything required to be performed with knowledge of the breach of a term, covenant, condition, provision or agreement shall not be deemed a waiver of such breach, and no waiver by the Association of any term, covenant, condition, provision or agreement shall be deemed to have been made unless expressed in writing and signed by a duly authorized officer of the Association.

Section 3. Duration. This Declaration, and all of the terms, easements, provisions, liens, charges, restrictions and covenants set forth herein, shall run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from and after the date this Declaration is recorded, after which time such covenants and restrictions shall be automatically extended for successive periods of twenty (20) years until the recordation of an instrument of termination within two (2) years of the expiration of the initial twenty-year period or any extension thereof, such instrument having been executed by a minimum of fifty-one percent of the record Owners of the Lots.

Section 4. Notices. Any notice required or permitted to be sent to any Member of the Association pursuant to any provision of this Declaration may be served by depositing such notice in the mails, postage prepaid, addressed to the member or Owner to whom it is intended, at the address which such Member shall have furnished to the Secretary of the Association in accordance with the Bylaws, or, in the absence of any such address having been so furnished to the Secretary of the Association, at the address of the Lot owned by such Member. The date of service shall be the date of mailing. The address of Declarant or the Association shall be the address of its respective registered agent on file with the Secretary of State of Georgia. The date of service shall be the date shown on the return receipt. Rejection or other refusal to accept shall be deemed to be receipt of the notice sent.

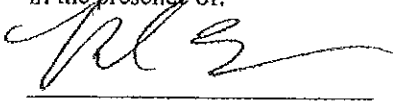
Section 5. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if any provision of this Declaration or the application thereof to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

restriction, either to restrain violation or to recover damages, and against the Lots, to enforce any liens created by this Declaration. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by at least seventy-five percent (75%) of the Lot Owners. This section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including the foreclosure of liens); (b) the collections of assessments; (c) proceeding involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

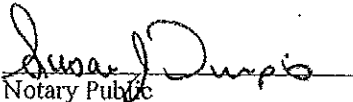
Section 7. Successors to Declarant. In no event shall any person or other entity succeeding to the interest of the Declarant by operation of law or through purchase of the Declarant's interest in all or any portion of the Property at foreclosure, sale under power or by deed in lieu of foreclosure, be liable for any act, omission or matter occurring, or arising from any act, omission or matter occurring, prior to the date such successor succeeded to the interest of the Declarant.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed by its duly authorized officers on the day and year set forth below.

Signed, sealed and delivered this
20 day of June, 2006
in the presence of:



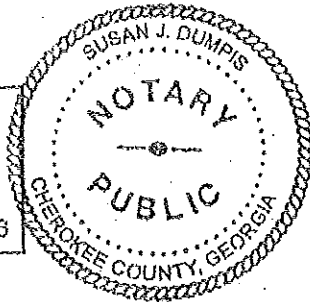
Unofficial Witness




Notary Public

[AFFIX NOTARIAL SEAL]

SUSAN J. DUMPIS
NOTARY PUBLIC
Cherokee County
State of Georgia
My Comm. Expires Oct. 31, 2006



Lantern Walk, LLC
a Georgia limited liability company

BY:  (SEAL)
Jeffery D. Kates, Member

BY: T I H Homes, Inc., a Georgia corporation, Member

By: _____
Steven D. McKenzie, Vice President

[CORPORATE SEAL]

Section 6. Judicial Proceedings. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any Person or Persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots, to enforce any liens created by this Declaration. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by at least seventy-five percent (75%) of the Lot Owners. This section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including the foreclosure of liens); (b) the collections of assessments; (c) proceeding involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 7. Successors to Declarant. In no event shall any person or other entity succeeding to the interest of the Declarant by operation of law or through purchase of the Declarant's interest in all or any portion of the Property at foreclosure, sale under power or by deed in lieu of foreclosure, be liable for any act, omission or matter occurring, or arising from any act, omission or matter occurring, prior to the date such successor succeeded to the interest of the Declarant.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed by its duly authorized officers on the day and year set forth below.

Signed, sealed and delivered this
13th day of June, 2006
in the presence of:

Lantern Walk, LLC
a Georgia limited liability company

Amanda M. Gellman
Unofficial Witness

BY: _____ (SEAL)
Jeffery D. Kates, Member

Susan J. Dumpis
Notary Public
[AFFIX NOTARIAL SEAL]

BY: T I H Homes, Inc., a Georgia corporation, Member
By: Steven D. McKenzie
Steven D. McKenzie, Vice President

[CORPORATE SEAL]

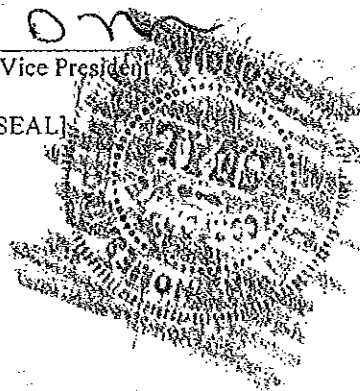
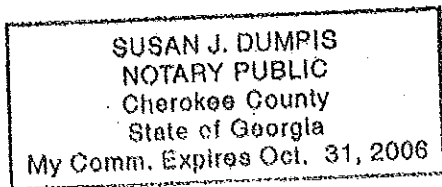
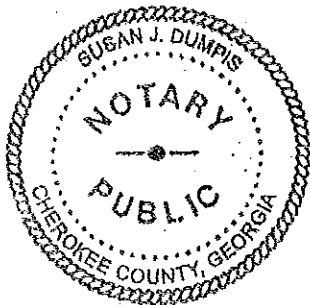


Exhibit A
Page 1 of 2
Legal Description of the Property

All that tract or parcel of land lying and being in Land Lots 66, 79, and 80 of the 3rd District, 2nd Section of Cherokee County, Georgia, and being more particularly described as follows:

BEGINNING at an Marble Monument Found (4" x 6") located at the common corner to Land Lots 66, 67, 78, and 79 (said common corner additionally being the Northwest corner of Land Lot 79 and the Southwest corner of Land Lot 66); thence proceed along the West line of Land Lot 66 North 00 degrees 27 minutes 05 seconds East a distance of 15.41 feet to an Iron Pin Found (5/8" Rebar) located at the intersection of the West line of Land Lot 66 and the Southeasterly right of way line of Cartersville Street (40-foot right of way); thence proceed along the Southeasterly right of way line of Cartersville Street along the arc of a 815.62-foot radius curve to the left, an arc distance of 143.05 feet to an Iron Pin Found (said arc being subtended by a chord bearing North 64 degrees 20 minutes 21 seconds East, a chord distance of 142.86 feet); thence proceed South 09 degrees 50 minutes 04 seconds East a distance of 79.70 feet to an Iron Pin Found (3/4" O.E.) located on the South line of Land Lot 66 and the North line of Land Lot 79; thence proceed South 46 degrees 35 minutes 21 seconds East a distance of 139.43 feet to an Iron Pin Found (5/8" Rebar); thence proceed North 43 degrees 25 minutes 22 seconds East a distance of 129.60 feet to an Iron Pin Found (5/8" Rebar) located on the North line of Land Lot 79; thence proceed along the North line of Land Lot 79 South 89 degrees 30 minutes 44 seconds East a distance of 1024.83 feet to a Marble Monument Found (4" x 7") located at the Northeast corner of Land Lot 79 and the Northwest corner of Land Lot 80; thence proceed along the North line of Land Lot 80 South 89 degrees 49 minutes 57 seconds East a distance of 224.87 feet to an Iron Pin Found (5/8" Rebar) located at the intersection of the North line of Land Lot 80 and the Southerly right of way line of Ridgecrest Drive (30-foot right of way); thence proceed along the Southerly right of way line of Ridgecrest Drive South 80 degrees 30 minutes 08 seconds East a distance of 31.87 feet to an Iron Pin Found (5/8" Rebar) located at the intersection of the Southerly right of way line of Ridgecrest Drive and the Northwesterly right of way line of Ga. Hwy. No. 5 (variable right of way); thence proceed along the Northwesterly right of way line of Ga. Hwy. No. 5 the following courses and distances: South 27 degrees 57 minutes 51 seconds West a distance of 88.63 feet to a Right of Way Monument; South 61 degrees 26 minutes 08 seconds East a distance of 14.84 feet to a Right of Way Monument; South 27 degrees 46 minutes 13 seconds West a distance of 499.83 feet to a Right of Way Monument; North 62 degrees 17 minutes 56 seconds West a distance of 9.98 feet to a Right of Way Monument; South 27 degrees 48 minutes 00 seconds West a distance of 212.06 feet to a Right of Way Monument; South 62 degrees 01 minutes 03 seconds East a distance of 9.93 feet to a Right of Way Monument; and, South 27 degrees 45 minutes 20 seconds West a distance of 639.82 feet to an Iron Pin Placed; thence proceed North 74 degrees 09 minutes 03 seconds West a distance of 1001.79 feet to an Iron Pin Placed on the West line of Land Lot 79 (said Iron Pin Placed additionally being located North 00 degrees 27 minutes 05 seconds East a distance of 360.75 feet from an Iron Pin Found (5/8" Rebar) located at the Southwest corner of Land Lot 79); thence proceed along the West line of Land Lot North 00 degrees 27 minutes 05

Exhibit A

Page 2 of 2

seconds East a distance of 1025.47 feet to a Marble Monument Found (4" x 6") located at the common corner to Land Lots 66, 67, 78, and 79 and the POINT OF BEGINNING.

Said tract contains 35.41 acres and is depicted on a survey prepared for Lantern Walk, LLC, dated July 28, 2005, by Kuykendall Surveying, Inc., bearing the certification of Tommy M. Kuykendall, Georgia Registered Land Surveyor No. 2127, which survey is incorporated herein by reference for a more complete description of the Property.

After Recording Return to:
Darla Grinstead McKenzie, Esq.
Morris, Manning & Martin, L.L.P.
5775-C Peachtree Dunwoody Road
Suite 150
Atlanta, Georgia 30342
Re: Lantern Walk
Lots 54-57; 63-64; 67-68; 76-85;
92; 99-107; 111-113; 131-133;
145-152; 159-165

Cross Reference to Warranty Deed:
Deed Book 8771, Page 62, et seq..
Cherokee County, Georgia records

CONSENT AND APPROVAL

T I H Homes, Inc. (hereinafter "Owner") is the Owner of certain of the property being submitted to the Declaration of Covenants, Restrictions and Easements for Lantern Walk (hereinafter "Declaration") to which this consent is attached.

Owner hereby consents to the execution and recording of the Declaration and agrees that Owner's property shall be subject, and is hereby submitted to, the provisions of such Declaration and any and all amendments recorded thereto.

IN WITNESS WHEREOF, Owner has caused this instrument to be executed under seal by its duly authorized officers on this 9th day of June, 2006.

Signed and sealed
in the presence of

Mary Lou Munn
Witness

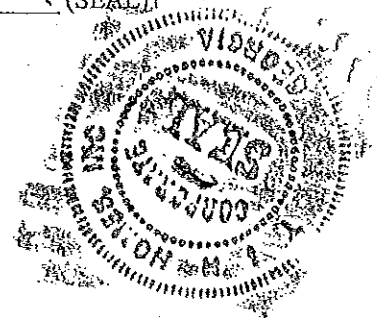
Susan J. Dumpis
Notary Public

(Notary Seal)

SUSAN J. DUMPIS
NOTARY PUBLIC
Cherokee County
State of Georgia
My Comm. Expires Oct. 31, 2006

T I H Homes, Inc.

By: Steven D. McKenzie (SEAL)
Name: Steven D. McKenzie
Title: President



After Recording Return to:
Darla Grinstead McKenzie, Esq.
Morris, Manning & Martin, L.L.P.
5775-C Peachtree Dunwoody Road
Suite 150
Atlanta, Georgia 30342
Re: Lantern Walk
Lots 58-62; 65-66; 69-75; 86-91; 93-98;
108-110; 114-116; 134-144; 153-158

Cross Reference to Warranty Deed:
Deed Book 8771, Page 482, *et seq.*,
Cherokee County, Georgia records


CONSENT AND APPROVAL

Applegate Developments, L.L.C. (hereinafter "Owner") is the Owner of certain of the property being submitted to the Declaration of Covenants, Restrictions and Easements for Lantern Walk (hereinafter "Declaration") to which this consent is attached.


Owner hereby consents to the execution and recording of the Declaration and agrees that Owner's property shall be subject, and is hereby submitted to, the provisions of such Declaration and any and all amendments recorded thereto.

IN WITNESS WHEREOF, Owner has caused this instrument to be executed under seal by its duly authorized officers on this 19 day of June, 2006.

Signed and sealed
in the presence of:



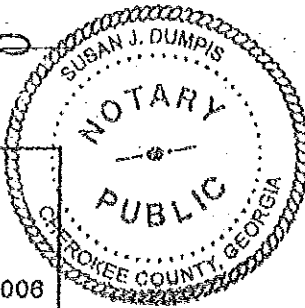
Witness



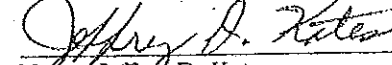
Notary Public

(Notary Seal)

SUSAN J. DUMPIS
NOTARY PUBLIC
Cherokee County
State of Georgia
My Comm. Expires Oct. 31, 2008



Applegate Developments, L.L.C.

By: 

Name: Jeffrey D. Kates (SEAL)
Title: Member

After recording please return to:
Morris, Manning & Martin, L.L.P.
5775 C Peachtree Dunwoody Road
Suite 150
Atlanta, Georgia
RE: Lantern Walk

Cross Reference to Deeds to Secure Debt recorded
in Cherokee County, Georgia real property records:
Deed Book 8771, Page 64, *et seq.*, Deed Book 8771,
Page 86, *et seq.*, Deed Book 8771, Page 108, *et seq.*,
Deed Book 8771, Page 130, *et seq.*, Deed Book 8771,
Page 152, *et seq.*, Deed Book 8771, Page 174, *et seq.*,
Deed Book 8771, Page 196, *et seq.*, Deed Book 8771,
Page 406, *et seq.*

CONSENT AND JOINDER

The undersigned, BANK OF CANTON (the "Lender"), is the holder of those certain Deeds to Secure Debt between T I H Homes, Inc. ("Borrower") and the Lender referenced below, all of which are recorded in the Cherokee County, Georgia real property records:

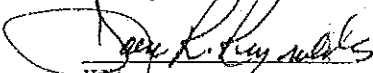
- Deed to Secure Debt recorded Deed Book 8771, Page 406, *et seq.*,
re lots 131-133, 145-152, 159-165
- Deed to Secure Debt recorded Deed Book 8771, Page 64, *et seq.*, re lot 99;
- Deed to Secure Debt recorded Deed Book 8771, Page 86, *et seq.*, re lot 92;
- Deed to Secure Debt recorded Deed Book 8771, Page 108, *et seq.*, re lot 101;
- Deed to Secure Debt recorded Deed Book 8771, Page 130 *et seq.*, re lot 102;
- Deed to Secure Debt recorded Deed Book 8771, Page 152, *et seq.*, re lot 103;
- Deed to Secure Debt recorded Deed Book 8771, Page 174, *et seq.*, re lot 76;
- Deed to Secure Debt recorded Deed Book 8771, Page 196, *et seq.*, re lot 100;

(all of such security deeds, as may be previously or hereinafter modified, amended or restated, hereinafter collectively the "Security Deeds").

The Lender, acting not as declarant, but in its limited capacity as holder of the Security Deeds, does hereby consent to and join in the execution and recording of the DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LANTERN WALK (hereinafter "DECLARATION"), to which this consent is attached. It is the intention and agreement of the Lender, and the effect of this instrument, that the DECLARATION not be terminated by a subsequent judicial or non-judicial foreclosure under any one or more of the Security Deeds, but rather that the DECLARATION remain in full force and effect after such foreclosure. The execution by the Lender of this Consent and Joinder shall not be deemed to diminish, impair, limit, repudiate or forgive any obligation of the Borrower under the Security Deeds or any related loan documents and Borrower shall remain fully liable to Lender for the faithful performance of all obligations thereunder.

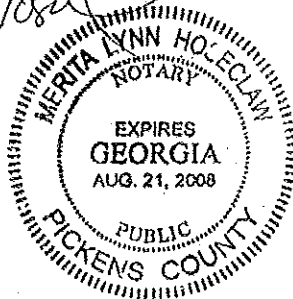
IN WITNESS WHEREOF, the Lender has caused this instrument to be executed under seal by its duly authorized officer as of the 7 day of June, 2006.

Signed and sealed
in the presence of


Witness


Notary Public

(Notary Seal)



LENDER: BANK OF CANTON

BY: 

TITLE: VP

(Bank Seal)



After recording please return to:
Morris, Manning & Martin, L.L.P.
5775 C Peachtree Dunwoody Road
Suite 150
Atlanta, Georgia
RE: Lantern Walk

Cross Reference to Deeds to Secure Debt recorded
in Cherokee County, Georgia real property records:
Deed Book 8772, Page 177, *et seq.*, Deed Book 8771,
Page 484, *et seq.*, Deed Book 8772, Page 7, *et seq.*,
Deed Book 8772, Page 29, *et seq.*, Deed Book 8772,
Page 51, *et seq.*, Deed Book 8772, Page 73, *et seq.*,
Deed Book 8772, Page 95, *et seq.*, Deed Book 8772,
Page 117, *et seq.*, Deed Book 8772, Page 139, *et seq.*

CONSENT AND JOINDER

The undersigned, BANK OF CANTON (the "Lender"), is the holder of those certain Deeds to Secure Debt between APPLGATE DEVELOPMENTS, LLC ("Borrower") and the Lender referenced below, all of which are recorded in the Cherokee County, Georgia real property records:

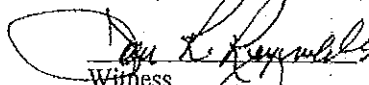
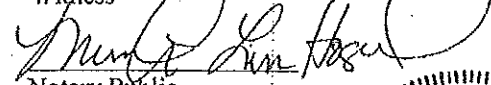
Deed to Secure Debt recorded Deed Book 8772, Page 177, *et seq.*,
re lots 58-60, 65-66, 69-75, 98, 108-109, 134-144 and 153-158;
Deed to Secure Debt recorded Deed Book 8771, Page 484, *et seq.*, re lot 95;
Deed to Secure Debt recorded Deed Book 8772, Page 7, *et seq.*, re lot 96;
Deed to Secure Debt recorded Deed Book 8772, Page 29, *et seq.*, re lot 94;
Deed to Secure Debt recorded Deed Book 8772, Page 51 *et seq.*, re lot 86;
Deed to Secure Debt recorded Deed Book 8772, Page 73, *et seq.*, re lot 88;
Deed to Secure Debt recorded Deed Book 8772, Page 95, *et seq.*, re lot 97;
Deed to Secure Debt recorded Deed Book 8772, Page 117, *et seq.*, re lot 93;
Deed to Secure Debt recorded Deed Book 8772, Page 139, *et seq.*, re lot 87

(all of such security deeds, as may be previously or hereinafter modified, amended or restated, hereinafter collectively the "Security Deeds").

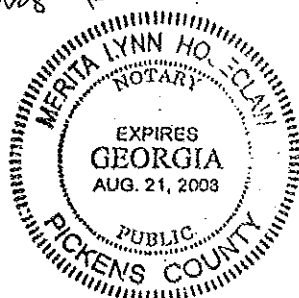
The Lender, acting not as declarant, but in its limited capacity as holder of the Security Deeds, does hereby consent to and join in the execution and recording of the DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LANTERN WALK (hereinafter "DECLARATION"), to which this consent is attached. It is the intention and agreement of the Lender, and the effect of this instrument, that the DECLARATION not be terminated by a subsequent judicial or non-judicial foreclosure under any one or more of the Security Deeds, but rather that the DECLARATION remain in full force and effect after such foreclosure. The execution by the Lender of this Consent and Joinder shall not be deemed to diminish, impair, limit, repudiate or forgive any obligation of the Borrower under the Security Deeds or any related loan documents and Borrower shall remain fully liable to Lender for the faithful performance of all obligations thereunder.

IN WITNESS WHEREOF, the Lender has caused this instrument to be executed under seal by its duly authorized officer as of the 7 day of June, 2006.

Signed and sealed
in the presence of:


Witness

Notary Public

(Notary Seal)



LENDER: BANK OF CANTON

BY: 

TITLE: VP



After recording please return to:
Morris, Manning & Martin, L.L.P.
5775 C Peachtree Dunwoody Road
Suite 150
Atlanta, Georgia
RE: Lantern Walk

Cross Reference to Deeds to Secure Debt recorded
in Cherokee County, Georgia real property records:
Deed Book 8771, Page 218, *et seq.*, Deed Book 8771,
Page 230, *et seq.*, Deed Book 8771, Page 246, *et seq.*,
Deed Book 8771, Page 262, *et seq.*, Deed Book 8771,
Page 278, *et seq.*, Deed Book 8771, Page 294, *et seq.*,
Deed Book 8771, Page 310, *et seq.*, Deed Book 8771,
Page 326, *et seq.*, Deed Book 8771, Page 342, *et seq.*,
Deed Book 8771, Page 358, *et seq.*, Deed Book 8771,
Page 374, *et seq.*, Deed Book 8771, Page 390, *et seq.*,
Deed Book 8771, Page 418, *et seq.*, Deed Book 8771,
Page 434, *et seq.*, Deed Book 8771, Page 450, *et seq.*,
Deed Book 8771, Page 466, *et seq.*

CONSENT AND JOINDER

The undersigned, CHEROKEE BANK, N.A. (the "Lender"), is the holder of those certain Deeds to Secure Debt between T I H Homes, Inc. ("Borrower") and the Lender referenced below, all of which are recorded in the Cherokee County, Georgia real property records:

Deed to Secure Debt recorded Deed Book 8771, Page 218, *et seq.*,
re lots 54, 63-64, 67-68, 105-107, 113;
Deed to Secure Debt recorded Deed Book 8771, Page 230, *et seq.*, re lot 82;
Deed to Secure Debt recorded Deed Book 8771, Page 246, *et seq.*, re lot 84;
Deed to Secure Debt recorded Deed Book 8771, Page 262, *et seq.*, re lot 81;
Deed to Secure Debt recorded Deed Book 8771, Page 278, *et seq.*, re lot 112;
Deed to Secure Debt recorded Deed Book 8771, Page 294, *et seq.*, re lot 111;
Deed to Secure Debt recorded Deed Book 8771, Page 310, *et seq.*, re lot 104;
Deed to Secure Debt recorded Deed Book 8771, Page 326, *et seq.*, re lot 57;
Deed to Secure Debt recorded Deed Book 8771, Page 342, *et seq.*, re lot 79;
Deed to Secure Debt recorded Deed Book 8771, Page 358, *et seq.*, re lot 80;
Deed to Secure Debt recorded Deed Book 8771, Page 374, *et seq.*, re lot 56;
Deed to Secure Debt recorded Deed Book 8771, Page 390, *et seq.*, re lot 77;
Deed to Secure Debt recorded Deed Book 8771, Page 418, *et seq.*, re lot 78;
Deed to Secure Debt recorded Deed Book 8771, Page 434, *et seq.*, re lot 85;
Deed to Secure Debt recorded Deed Book 8771, Page 450, *et seq.*, re lot 83;
Deed to Secure Debt recorded Deed Book 8771, Page 466, *et seq.*, re lot 55

(all of such security deeds, as may be previously or hereinafter modified, amended or restated, hereinafter collectively the "Security Deeds").

The Lender, acting not as declarant, but in its limited capacity as holder of the Security Deeds, does hereby consent to and join in the execution and recording of the DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LANTERN WALK (hereinafter "DECLARATION"), to which this consent is attached. It is the intention and agreement of the Lender, and the effect of this instrument, that the DECLARATION not be terminated by a subsequent judicial or non-judicial foreclosure under any one or more of the Security Deeds, but rather that the DECLARATION remain in full force and effect after such foreclosure. The execution by the Lender of this Consent and Joinder shall not be deemed to diminish, impair, limit, repudiate or forgive any obligation of the Borrower under the Security Deeds or any related loan documents and Borrower shall remain fully liable to Lender for the faithful performance of all obligations thereunder.

IN WITNESS WHEREOF, the Lender has caused this instrument to be executed under seal by its duly authorized officer as of the 17 day of July, 2006.

Signed and sealed
in the presence of:

[Signature]

[Signature]

Notary Seal

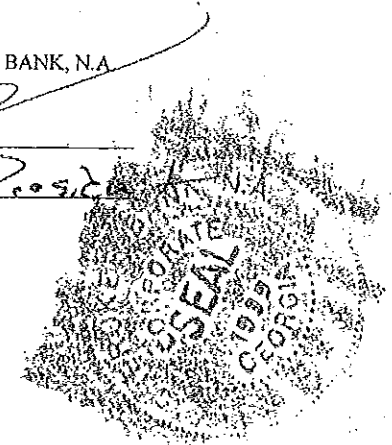
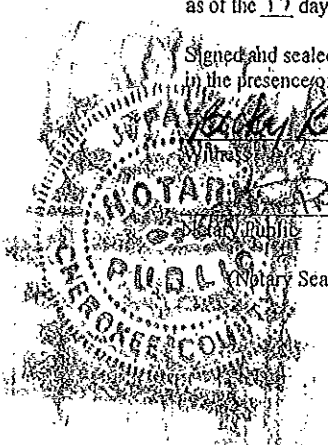
MY COMMISSION EXPIRES DEC. 7 2008

LENDER: CHEROKEE BANK, N.A.

BY: *[Signature]*

TITLE: *[Signature]*

(Bank Seal)



After recording please return to:
Morris, Manning & Martin, L.L.P.
5775 C Peachtree Dunwoody Road
Suite 150
Atlanta, Georgia
RE: Lantern Walk

Cross Reference to Deeds to Secure Debt recorded
in Cherokee County, Georgia real property records:
Deed Book 8772, Page 189, *et seq.*, Deed Book 8772,
Page 161, *et seq.*, Deed Book 8772, Page 201, *et seq.*,
Deed Book 8772, Page 217, *et seq.*

CONSENT AND JOINDER

The undersigned, CHEROKEE BANK, N.A. (the "Lender"), is the holder of those certain Deeds to Secure Debt between APPLEGATE DEVELOPMENTS, LLC ("Borrower") and the Lender referenced below, all of which are recorded in the Cherokee County, Georgia real property records:

Deed to Secure Debt recorded Deed Book 8772, Page 189, *et seq.*,
re lots 61-62, 110, 114-116;
Deed to Secure Debt recorded Deed Book 8772, Page 161, *et seq.*, re lot 90;
Deed to Secure Debt recorded Deed Book 8772, Page 201, *et seq.*, re lot 91;
Deed to Secure Debt recorded Deed Book 8772, Page 217, *et seq.*, re lot 89

(all of such security deeds, as may be previously or hereinafter modified, amended or restated, hereinafter collectively the "Security Deeds").

The Lender, acting not as declarant, but in its limited capacity as holder of the Security Deeds, does hereby consent to and join in the execution and recording of the DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR LANTERN WALK (hereinafter "DECLARATION"), to which this consent is attached. It is the intention and agreement of the Lender, and the effect of this instrument, that the DECLARATION not be terminated by a subsequent judicial or non-judicial foreclosure under any one or more of the Security Deeds, but rather that the DECLARATION remain in full force and effect after such foreclosure. The execution by the Lender of this Consent and Joinder shall not be deemed to diminish, impair, limit, repudiate or forgive any obligation of the Borrower under the Security Deeds or any related loan documents and Borrower shall remain fully liable to Lender for the faithful performance of all obligations thereunder.

IN WITNESS WHEREOF, the Lender has caused this instrument to be executed under seal by its duly authorized officer as of the 17 day of July, 2006.

Signed and sealed
in the presence of:

LENDER: CHEROKEE BANK, N.A.

BY: _____

TITLE: _____

(Bank Seal)

