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AFTER RECORDING RETURN TO:

Herbert Murrath
1617 Silver Hill Rd.
Stone Mtn, Ga. 30087

STATE OF GEORGIA

COUNTY OF GWINNETT

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS
AND RESTRICTIONS FOR SILVER RIDGE

THIS DECLARATION ("this Declaration") is made on the date hereinafter set forth by MURRATH ENTERPRISES, INC., a Georgia corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Land Lots 202, 215 and 216 of the 5th District of Gwinnett County, Georgia, which property is more particularly described in Exhibit "A" attached hereto and made a part of this Declaration; and,

WHEREAS, the Declarant intends to develop on lands including the real property described above a development to be known as Silver Ridge (hereinafter referred to as the "Development"); and,

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

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

ARTICLE I

DEFINITIONS

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

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

1.02 Association. "Association" means SR Homeowners Association, Inc., a non-profit corporation organized under the Georgia Nonprofit Corporation Code, and its successors and assigns.

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

1.04 By-Laws. "By-Laws" means the By-Laws of the Association.

1.05 Common Property. "Common Property" means all real property (together with any and all improvements now or hereafter located thereon) owned by the Association or in certain instances over which the Association has been granted permanent easements, for the common use and enjoyment of the Owners.

1.06 Declarant. "Declarant" means Murrath Enterprises, Inc., a Georgia corporation, and its successors and assigns, including, but not limited to, any person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, which acquires all or substantially all of the Development then owned by Declarant (or subsequent successors in interest), together with its rights hereunder, by conveyance or assignment from Declarant, or judicial or non-judicial foreclosure, for the purpose of development and/or construction on the Property.

1.07 Lot. "Lot" means any numbered parcel of land shown upon that certain plat of survey prepared by Development Consultants Group, dated _____, last revised _____, and recorded in Plat Book _____, Page _____, Gwinnett County, Georgia Records, or as similarly shown on supplemental surveys of such tract or such additional tracts as may be added to the Property from time to time, as provided herein; provided however, that no portion of the Common Property shall ever be a Lot except as provided for in Section 2.04.

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

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

1.10 Property. "Property" means that certain real property (other than Common Property) hereinabove described.

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

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

ARTICLE II

COMMON PROPERTY

2.01 Conveyance of Common Property.

(a) The Declarant may from time to time convey to the Association or grant easements to the Association, at no expense to the Association and in accordance with this Section, real and personal property for the common use and enjoyment of the Owners (such real and personal property is hereinafter collectively referred to as "Common Property") and, to the extent set forth in this Declaration of Covenants, Conditions, Easements and Restrictions, the general public. The Association hereby covenants and agrees to accept from the Declarant all such conveyances of Common Property.

(b) It is contemplated by the Declarant that the Declarant will convey to the Association Common Property for scenic and natural area preservation and for general recreational use. The Declarant's deed to the Association and each individual lot owner within the Development shall contain a statement that the undivided interest in the land conveyed thereby runs with the land and benefits all future lot owners within the Development.

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

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

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

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

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

(b) charge reasonable fees in connection with the admission to and use of facilities or services; provided that in setting any such fee the Board may establish reasonable classifications which shall be uniform within each such class but need not be uniform between such classes;

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

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

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

(f) borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed to secure debt, mortgage or other security interest, any or all of the Association's property, and revenues from assessments, user fees and other sources; provided, however, that the Common Property may not be mortgaged or pledged, if at all, except in accordance with Gwinnett

County's Conservation Subdivision Overlay District ordinances and regulations.

(g) dedicate or transfer all or any part of the Common Property or interests therein to any municipality or other governmental body, agency or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the association and such grantee, including a provision that such property or interest shall cease to be subject to this Declaration or all or any part of the Restrictions while held by an such municipality or other governmental body, agency or authority;

(h) to sell, lease or otherwise convey all or any part of its properties and interest therein, provided that at least seventy-five percent (75%) of the Owners have, by affirmative vote, consented thereto.

2.04 Types of Common Property. At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as Common Property, the Declarant shall designate in the deed of conveyance or easement that such real property is to be Common Property, and further may designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real property or any portion thereof may be used, and in such event, such real property or portion thereof shall not, unless permitted by Gwinnett County's Conservation Subdivision Overlay District ordinances and regulations, and without a two-thirds (2/3) vote of each class of Member of the Association, be used for any different purpose or purposes without the prior written consent of the Declarant.

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

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

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

ARTICLE III

THE HOMEOWNERS ASSOCIATION

3.01 Purposes. Powers and Duties of The Association. The Association shall be formed as a non-profit civic organization for the sole purpose of performing certain functions for the common good and general welfare of the residents of the Development. The Association shall have no power or duty to do or perform any act or thing other than those acts and things which will promote in some way the common good and general welfare of the residents of the Development. To the extent, and only to the extent, necessary to carry out such purpose, the Association shall have (a) all of the powers of a corporation organized under the

Georgia Nonprofit Corporation Code, and (b) the power and duty to exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in this Declaration and in the Georgia Property Owner's Association Act.

3.02 Membership in the Association. Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in this Declaration of Covenants, Conditions and Restrictions.

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

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

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

(b) Class B. The Declarant shall be the sole Class B member. Class B membership shall be a full voting membership and during its existence the Class B member shall be entitled to vote on all matters and in all events. The Class B member shall be entitled to three (3) votes for each Lot owned by it. The Class B membership shall cease and shall be converted to Class A membership at such time as the first of the following events occur; (a) the expiration of five (5) years from the date of recording of this Declaration; (b) the date as of which one hundred percent (100%) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed, by either the Declarant or by a builder who purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy; or (c) the surrender by the Declarant of the authority to appoint and remove members of the Board of the Association by an express amendment to this Declaration executed and recorded by the Declarant; provided, however, that so long as any Mortgagee of Declarant holds a security interest in any portion of the Property, as security for a Development Loan to Declarant, the Class B membership shall not terminate without the prior written consent of such Mortgagee. If at the time of termination of the Class B membership, Declarant still owns any Lots, then as to each Lot owned by Declarant, Declarant shall be deemed to be a Class A member.

3.04 Board of Directors and Officers.

(a) Board. The affairs of the Association shall be managed by a Board of Directors. The number of directors and the method of election of directors shall be as set forth in this Declaration and in the By-Laws of the Association. Except to the extent otherwise expressly required or authorized by the Georgia Nonprofit Corporation Code or this Declaration, the Association's By-Laws or Articles of Incorporation, the powers inherent in or expressly granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Members.

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

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

3.05 Board of Directors. The affairs of the Association shall be managed by a Board of Directors. The number of Directors and the method of election of Directors shall be as set forth in this Declaration and the By-Laws of the Association.

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

(a) shall be subject to the Right of Abatement, as defined in Section 8.02 by reason of having failed to take the reasonable steps to remedy a violation or breach of the Restrictions within thirty (30) days after having received notice of the same pursuant to the provisions of Section 5.11 or 8.02 hereof

(b) shall be delinquent in the payment of any assessment levied by the Association pursuant to the provisions of Article IV hereof or

(c) shall be in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property;

(d) any suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection (c) of this Section 3.06, the suspension may be for a period not to exceed 60 days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

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

3.08 Control by Declarant and Appointment of the Board. Until such time as Declarant no longer has the right to appoint members to the Board, the Board of the Association shall consist of three (3) members. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the By-Laws of the Association, the Declarant hereby retains the right to appoint two (2) members to the Board. The rights of Declarant to appoint members of the Board also includes the right to remove and replace its appointees until such time as its right to appoint members to the Board ceases. Declarant shall retain the right to appoint and remove its members of the Board until such time as the first of the following events shall occur; (i) the expiration of five (5) years from the date of the recording of this Declaration; (ii) the date upon which one hundred percent (100%) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed, by either Declarant or by a builder who purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy; or (iii) the surrender by Declarant of the authority to appoint and replace directors by an express amendment to this Declaration executed and recorded by Declarant. Upon the expiration of the Declarant's right to appoint and remove directors of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant, if Declarant then owns one or more Lots. Upon the final expiration of all rights of Declarant to appoint and replace directors of the Association, a special meeting of the Association shall be called. At such special meeting, the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association, and any agreements or contracts executed by or on behalf of the Association during such period which Declarant has in its possession. Each Owner by acceptance of a deed to or other conveyances of a Lot vests in Declarant such authority to appoint and replace directors and officers of the Association as provided in this

Section. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

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

ARTICLE IV

ASSESSMENTS AND MAINTENANCE CHARGES

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

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

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

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

(d) that such continuing charge and lien on such Lots binds such Lots in the hands of the then Owner, and the Owner's heirs, devisees, legal representatives, successors and assigns. Such charge and lien is superior to any and all charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon such Lots whether arising from mortgage, deed to secure debt, or other instrument, except (i) such liens for taxes or other public charges as are by applicable law made superior, and (ii) all deeds to secure debt given to secure a loan the proceeds of which are used (1) to purchase a Lot or Lots (together with any and all Structures which may from time to time be placed or located thereon) and (2) to finance the construction, repair or alteration of Structures;

(e) that no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Lot or Lots from liability for any assessment thereafter assessed;

(f) that all annual and special assessments (together with interest thereon as provided in Section 4.07 of this Declaration and costs of collection including reasonable attorneys's fees) levied against any Lot or Lots owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Lot or Lots as provided in Section 4.0 1(c) of this Declaration) a personal obligation which will survive any sale or transfer of the Lot owned by him; provided, however, that such personal obligation for delinquent assessment shall not pass to an Owner's successor in title unless expressly assumed by such successor.

4.02 Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of providing for the common good and general welfare of the residents of the Development, including, but not limited to, and in addition to other purposes set forth in this Declaration, security, the acquisition, construction, improvement, maintenance and equipping of Common Property, enforcement of the Restrictions contained in this Declaration, the payment of operating costs and expenses of the Association

and the payment of all principal and interest when due on all debts owed by the Association.

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

4.04 Annual Assessment or Maintenance Charge. Subject to the terms of this Article, each Lot in the Property is hereby subjected to an annual maintenance charge for the purpose of creating a fund to be known as the "maintenance fund" which maintenance charge and assessment will be paid by the Owner or Owners of each Lot within the Property (and any area annexed under the jurisdiction of the Association) in advance in monthly, quarterly or annual installments. The annual maintenance charge and assessment will commence as to each Lot on the first day of the month following the earliest to occur of the following events; (a) upon the occupancy of a permanent dwelling located on the Lot as a residence; or (b) upon the conveyance of the Lot by Declarant to an Owner or tenant for residential occupancy; or (c) upon the conveyance by a builder who has purchased the Lot from Declarant for the purpose of erecting a dwelling thereon to an Owner or tenant for residential occupancy. Neither the Declarant nor any builder who has purchased a lot from Declarant for the purpose of erecting a dwelling thereon shall be subject to the annual maintenance charge and assessment. Notwithstanding the preceding, the annual maintenance charge and assessment will commence as to each Lot owned by Declarant or a builder upon the occupancy of a permanent dwelling located thereon as a residence. The Declarant is authorized, although not required, to advance funds to the Association necessary to further the purposes of the Association, and in the event such funds are advanced, the repayment of same shall be secured by a lien upon the property of the Association. Beginning on the date hereof, and from year to year thereafter the annual maintenance charge and assessment shall be in such amount as the needs of the Association may, in the judgment of the Board of Directors require. Whether such assessment shall be payable monthly, quarterly or annually, and the due dates thereof, will be determined by the Board of Directors. The Association shall use the proceeds of said maintenance fund in providing for normal, recurring maintenance charges for the Common Property for the use and benefit of all residents of said Property. Such uses and benefits to be provided by said Association may include, by way of clarification, and not limitation, any and all of the following; normal, recurring maintenance of the Common Property (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking and otherwise caring for existing landscaping and maintaining and repairing recreational facilities, buffers and open spaces within the Development) and the acquisition and installation of capital improvements to such Common Property, such as sprinkler systems, providing that the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Property; payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the Property to which the maintenance fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employment of security guards or watchmen, if determined necessary; caring for vacant lots; and doing any other thing or things necessary or desirable in the opinion of the Board or membership of the Association to keep the property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the majority of the Members of the Association in the expenditure of said funds and the determination of which constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith. The Association shall, in addition, establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Property. The fund shall be established and maintained out of regular annual assessments.

4.05 Special Assessments for Working Capital Fund, Nonrecurring Maintenance and Capital Improvements. In addition to the annual assessment authorized by this Article IV, the Association may levy; (a) upon the first sale to an Owner who will individually or through tenants or assigns occupy a Lot, such sale to be made by Declarant or by a builder who has purchased the Lot from Declarant for the purpose of erecting

a dwelling thereon, a special assessment equal to two (2) months estimated regular assessments, which shall be collected at the closing of such sale for the benefit of the Association. The aggregate fund established by such special assessment shall be maintained in a segregated account, and shall be for the purpose of insuring that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board; and

(b) in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Property, including fixtures and personal property related thereto, provided that any such assessment shall have been approved by a two-thirds (2/3) vote of each class of Members of the Association who are present in person or by proxy at a meeting duly called for such purpose.

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

4.07 Effect of Nonpayment of Assessments. Any Assessment which is not paid within thirty (30) days after the Due Date shall bear interest from the Due Date at the rate of twelve percent (12%) per annum or at such rate as the Board may from time to time establish, provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the State of Georgia. In the event of default in the payment of any one or more installments of an assessment, the Board may declare any remaining balance of the assessment at once due and payable. In the event that an Owner shall fail to pay fully any portion of any assessment on or before the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with interest and costs of collection including reasonable attorneys' fees, shall be a binding personal obligation of such Owner, as well as a lien on such Owner's Lot enforceable in accordance with the provisions of this Declaration.

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

ARTICLE V

ARCHITECTURAL CONTROL

5.01 Architectural Control Committee: Creation and Composition. An Architectural Control Committee (the "ACC") shall be established consisting of three (3) individuals to be appointed by the Board of Directors.

5.02 Purpose. Powers and Duties of the ACC. The purpose of the ACC is to review and approve any proposed installation, construction or alteration of any structure on any Lot. All plans shall be submitted to the ACC for approval (i) as to whether the proposed installation, construction or alteration is in conformity and harmony of external design and general quality with the existing standards of the neighborhood and with the

standards of the Development, and (ii) as to the location of Structures with respect to topography, finished ground elevation and surrounding Structures. To the extent necessary to carry out such purpose, the ACC shall have all of the powers and duties to do each and every thing necessary, suitable, convenient or proper for, or in connection with, or incidental to, the accomplishment of such purpose including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot.

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

5.04 Operations of the ACC.

(a) Meetings. The ACC shall hold regular meetings at least once every three (3) months or more often as may be established by the ACC. Special meetings may be called by the Chairman and shall be called by the Chairman upon the written request of a majority of the members of the ACC then in office. Regular and special meetings of the ACC shall be held at such time and at such place as the ACC shall specify. Notice of each regular or special meeting of the ACC shall be mailed to each member thereof at his residence or at his usual place of business at least three (3) days before the day the meeting is to be held. Notice of regular and special meetings need not specify the purpose or purposes for which the meeting is called. Notice of a meeting need not be given to any member of the ACC who signs a waiver of notice either before or after the meeting. Attendance of a member of the ACC at a meeting shall constitute a waiver of notice of such meeting and shall constitute a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when the member states, at the beginning of the meeting, any such objection or objections to the transaction of business. At each meeting of the ACC, the presence of a majority of the members then in office shall constitute a quorum for the transaction of business. Except as otherwise provided herein, the act of a majority of the members of the ACC present at any regular or special meeting thereof at which a quorum is present shall constitute the act of the ACC. In the absence of a quorum, any member of the ACC present at the time and place of the meeting may adjourn the meeting from time to time until a quorum shall be present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. The ACC shall maintain both a record of votes and minutes for each of its meetings. The ACC shall make such records and minutes available at reasonable places and times for inspection by Members of the Association and by the Secretary. Any action required to be taken at a meeting of the ACC, or any action which may be taken at a meeting of the ACC, may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all the members of the ACC and be filed within the minutes of the proceedings of the ACC. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document filed by the ACC.

(b) Activities.

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

(ii) Any two (2) or more members of the ACC may be authorized by the ACC to exercise the full authority of the ACC with respect to the adoption or promulgation of the Design Standards. The unanimous action of the two (2) or more members with respect to the matters specified shall be final and binding upon the ACC and upon any applicant for an approval, permit or authorization, subject, however, to

review and modification by the ACC on its own motion or appeal by the applicant to the ACC as provided in this paragraph (ii). Written notice of the decision of such two (2) or more members shall, within five (5) working days thereof, be given to any applicant for an approval, permit or authorization. The applicant may, within ten (10) days after receipt of notice of any decision which he deems to be satisfactory, file a written request to have the matter in question reviewed by the ACC. Upon the filing of any such request, the matter with respect to which such request was filed shall be submitted to, and reviewed promptly by, the ACC, but in no event later than thirty (30) days after the filing of such request. The decision of a majority of the members of the ACC with respect to such matter shall be final and binding.

5.05 Design Standards.

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

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

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

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

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

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

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

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

(b) a foundation plan;

(c) a floor plan;

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

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

(f) plans for landscaping and grading.

5.07 Approval of Plans and Specifications. Upon approval by the ACC of any plans and specification submitted pursuant to this Declaration, two (2) copies of such plans and specifications, as approved, shall

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

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

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

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

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

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

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

5.11 Violations. If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the ACC pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the ACC such violation shall have occurred, the ACC shall notify the Association. If the Board shall agree with the determination of the ACC with respect to the violation, then the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the owner shall not have taken reasonable steps toward the required remedial action within thirty (30) days after the mailing of the aforesaid notice of violation, then the Association shall have the Right of Abatement as provided in Section 8.02 hereof.

5.12 Certification of Compliance.

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

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

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

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

5.15 Liability for Defects. The Declarant, the Association, the Board of Directors, officers of the Association, or the ACC shall not be liable for any defects in any plans and specifications which it approves.

ARTICLE VI

GENERAL COVENANTS AND RESTRICTIONS

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

6.02 Residential Use. All Lots shall be used for single-family residential purposes exclusively. Not more than one (1) single-family dwelling, not to exceed two and one-half (2 ½) stories in height, excluding basement, shall be erected on any Lot, unless otherwise approved, in writing by the ACC.

6.03 Setbacks and Building Lines.

(a) Setback Lines. Each dwelling which shall be erected on any Lot shall be situated on such Lot in accordance with the building and setback lines shown on the recorded plat thereof. With the approval of the ACC, the Owner may change or reduce building setback lines provided it complies with the local Planning and Zoning Resolution. Any variance must be approved by the local authority.

(b) Retainer Walls. No wall shall be erected on any Lot nearer to any street than said minimum building setback lines unless the same be retaining walls of masonry construction which do not in any event rise above the finished grade elevation of the earth embankment so retained, reinforced, or stabilized, except that this restriction shall not apply to walls which have been approved by the ACC. The

exposed part of retaining walls shall be made of clay, brick, natural stone, stucco, railroad ties, or veneered with brick or natural stone.

(c) Subdivision of Lots. One or more Lots or parts thereof may be subdivided or combined to form one single building Lot when approved in writing by the ACC, and, in such event, the building line requirements provided herein shall apply to such Lots as re-subdivided or combined.

(d) Terraces, Eaves and Detached Garages. For the purpose of determining compliance or non-compliance with the foregoing building line requirements, terraces, stoops, eaves, wing-walls, and steps extending beyond the outside wall of a structure, shall not be considered as a part of the structure. A five foot (5') side and/or rear yard shall be required for any detached garage or accessory outbuilding which has been approved, in writing, by the ACC; provided, all such detached structures must be to the rear of the main dwelling and must not encroach upon the property of any adjacent owner.

6.04 Building Requirements. The living areas of the main structures, exclusive of open porches, porte-cocheres, garages, carports and breezeways, shall be not be less than _____ square feet for one-story and _____ square feet for two-story.

6.05 Obstructions to View at Intersections. The lower branches of trees or other vegetation shall not be permitted to obstruct the view at intersections.

6.06 Delivery Receptacles and Property Identification Markers. The Architectural Control Committee shall have the right to approve the location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail, newspapers or similarly delivered materials, and of name signs for such receptacles, as well as property identification makers.

6.07 Use of Outbuildings and Similar Structures. No structure of a temporary nature unless approved in writing by the ACC shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence, either temporarily or permanently; provided, this paragraph shall not be construed to prevent the Declarant and those engaged in construction from using sheds or other temporary structures during construction.

6.08 Completion of Construction. The ACC shall have the right to take appropriate court action, whether at law or in equity, to compel the immediate completion of any residence not completed within one (1) year from the date of commencement of construction of the foundation, or, at the discretion of the ACC, this time period may be extended for a period not to exceed one (1) year.

6.09 Livestock. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. Such household pets must not constitute a nuisance or cause unsanitary conditions.

6.10 Offensive Activities. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the owners of other Lots in the subdivision.

6.11 Signs. No advertising signs or billboards shall be erected on any Lot or displayed to the public on any Lot or within the right of way, except a professional sign one (1) square foot in size, and a sign of not more than 5 (five) square feet in area may be used to advertise the property for sale or rent. Any sign placed on any Lot must meet the standards and approval of the ACC, at its sole discretion. This restriction shall not apply to signs used to identify and advertise the subdivision as a whole, nor to signs for selling lots and/or houses during the development and construction period, provided such signs are approved by the ACC. This restriction shall not apply to the permanent subdivision sign to be erected on entrance lots.

6.12 Aesthetics. Nature Growth. Screening. Underground Utility Service. Trees which have a diameter in excess of six inches (6") measured two feet (2') above ground level, and distinctive flora, shall not be intentionally destroyed or removed except with the prior approval, in writing, of the ACC. Clotheslines, garbage cans and equipment, shall be screened to conceal them from view of neighboring Lots and streets. All fuel tanks must be buried.

6.13 Antennae. No radio, television transmission, television satellite dish, or reception towers or antennae shall be erected on any Lot, or elsewhere in the Development, other than customary antennae which do not exceed ten feet (10') in height above the roof-ridge line of any house. Any exceptions must be reviewed and approved in writing in advance by the ACC.

6.14 Trailers. Trucks. School Buses. Boats. Boat Trailers. No house trailers or mobile homes, or other habitable motor vehicles of any kind, school buses, trucks, or commercial vehicles over one (1) ton capacity, shall be kept stored or parked overnight either on any street or on any Lot, except within enclosed garages. Pleasure boats or boat trailers and campers only up to twenty-eight (28) feet must be kept in the rear yard, but must not be lived in.

6.15 Mailboxes. All mailboxes shall be of a similar style approved by the ACC.

6.16 Clotheslines. All clotheslines, garbage cans, and woodpiles shall be screened and shall not be visible from street.

6.17 Swimming Pools. All above ground swimming pools, hot tubs, and spas must be approved by the ACC.

6.18 Exterior Sculpture. Exterior sculpture, birdbaths, fountains, flags, and similar items must be approved by the ACC. No artificial vegetation shall be allowed on the exterior of any Lot.

6.19 Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators, or other equipment for the storage or disposal of such material, shall be kept in a clean and sanitary condition. If such litter or other materials is found on any Lot, the same will be removed by the Lot owner of such Lot, at the Lot owner's expense, upon written request of the ACC.

6.20 Changing Elevations. No Lot owner shall excavate or extract earth for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grade or surrounding Lots, unless approved in writing by the ACC.

6.21 Sewage System. Sewage disposal shall be through a municipal system or other type approved by appropriate State agencies.

6.22 Water System. Water shall be supplied through a municipal system or other type approved by appropriate State agencies.

6.23 Utility Facilities. Developer reserves the right, in its sole and exclusive discretion, to approve the necessary construction, installation and maintenance of utility facilities, including, but not limited to water, telephone and sewerage systems, which may be at variance with certain of the provisions of this Declaration.

6.24 Model Homes. Declarant, as well as any approved builder of homes in the Development, shall have the right to construct and maintain model homes on any of the Lots, subject to the prior approval of the ACC.

6.25 Easements. Lots subjected to this Declaration shall be subject to those easements, if any, shown as set forth on any recorded plat thereof. Also, easements for installation and maintenance of utilities

and drainage facilities are hereby reserved, to the extent shown on the Plat over each side line of each Lot and over the rear of each Lot subjected to this Declaration. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities. The easement area of each Lot and all improvements in it shall be maintained continuously by the owner of the Lot, except of those improvements for which a public authority or utility company is responsible.

6.26 Driveways and Entrances to Garages. All driveways and entrances to garages shall be constructed of concrete or a substance approved in writing by the ACC and of a uniform quality.

6.27 Nuisance. It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Development shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Development, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Development. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devised as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of an Lot unless required by law.

Any recreational vehicle or motor home stored in the Development for periods longer than twenty-four (24) hours shall be considered a nuisance and may be removed from the Development.

6.28 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken in any part of the Development.

6.29 Guns. The discharge of firearms in the Development is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and small firearms of all types.

6.30 Fences. No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the ACC of plans and specifications for such fences and walls. Guidelines relating to the design, location and uses of fences and walls may be included in the Design Standards of the ACC.

ARTICLE VII

EASEMENTS ZONING AND OTHER RESTRICTIONS

7.01 Easements.

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

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

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

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

(iv) the planting or re-planting of hedges, shrubbery, bushes, trees, flowers and plants of any nature;

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

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

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

7.03 Entry. The Declarant and its employees, agents, successors and assigns, shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved without being deemed to have committed a trespass or wrongful act solely by reason of such entry and the carrying out of such purposes, provided the same are done in accordance with the provisions of this Article. The Declarant and its employees, agents, successors and assigns shall be responsible for leaving each Lot in good condition and repair following any work or activity undertaken in an Easement Area pursuant to the provisions of Section 8.01.

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

ARTICLE VIII

ENFORCEMENT

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

8.02 Right of Abatement.

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

(b) The Right of Abatement, as used in these Restrictions, means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section, and with the cost thereof, including the costs of collection and reasonable attorney's fees, together with interest thereon at the lower of the highest rate permitted by law or 10% to be a binding personal obligation of such Owner enforceable in law, as well as a lien on such Owner's Lot enforceable pursuant to the provisions of Section 8.04 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the Lot after such entry whether arising from or imposed by judgment or decree or by any agreement, contrary, mortgage, deed to secure debt, or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior, (ii) the liens created by Section 4.01 hereof and (iii) all deed to secure debt given to secure a loan the proceeds of which are used (1) to purchase a lot or lots (together with any and all Structures which may from time to time be placed or located thereon) and (2) to finance the construction, repair or alteration of Structures.

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

8.04 Collection of Assessments and Enforcement of Lien.

(a) If any assessment, interest, cost or other charge is not paid as required by this Declaration, the Association may bring either an action at law against the Owner personally obligated to pay the same, or an action to foreclose any lien created by this Declaration against the Lot or Lots subject to the lien, or both, for the purpose of collecting such assessment, cost or charge, plus any interest thereon and costs of collection, including reasonable attorneys' fees.

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

irrevocable by death or otherwise and are granted as cumulative to the remedies for collection of said indebtedness provided by law.

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

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

ARTICLE IX

DURATION AND AMENDMENT

9.01 Duration and Perpetuities.

(a) The provisions of these covenants shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law. Provided, however, so long as Georgia law limits to twenty (20) years, the period during which covenants restricting lands to certain uses may run, any provision of these Covenants affected thereby shall run with and bind the land for a period of twenty (20) years from the date these Covenants are filed for record in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia, after which time such provision shall be automatically extended, if permitted by law, for successive periods often (10) years, unless an instrument, signed by at least seventy-five (75%) percent of the then Owners of record and the holders of first mortgages on their Lots has been recorded in the Office of the Clerk of said Court, agreeing to terminate or change such provisions in whole or in part. Every purchaser or grantee of any interest in any portion of the Property, by acceptance of a deed or other conveyance thereof, thereby agrees that the provisions of these Covenants may be extended and renewed as provided in this section.

(b) If any of the covenants, conditions, restrictions, easements or other provisions of these Covenants shall be unlawful, void or voidable for violation of the Rule Against Perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of Her Majesty Queen Elizabeth II, the Queen of England.

9.02 Amendment. These Covenants may be amended unilaterally at any time and from time to time by Declarant (i) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to these Covenants, (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to these Covenants, or (iv) if such amendment is necessary to enable any governmental agency, such as the Veterans Administration, or reputable private mortgage insurance company to insure mortgage loans on the Lots subject to these Covenants; provided any such amendment shall not adversely affect the title to any Owner's Lot, unless any

such Owner so affected thereby shall consent thereto in writing. These Covenants may be amended at any time and from time to time by an agreement signed by at least seventy-five (75%) percent of the Owners; provided, however, such amendment by the Owners shall not be effective unless also signed by the Declarant, if the Declarant is the owner of any real property subject to these Covenants; and provided further, however, no amendment affecting the Declarant's right to add additional property shall be effective unless also signed by Declarant. No amendment to the provisions of these Covenants shall alter, modify, change or rescind any right, title, interest or privilege herein granted or accorded to the holder of any mortgage encumbering any Lot affected thereby unless such holder shall consent in writing thereto. Any such amendment shall not become effective until the instrument evidencing such change has been filed for record in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia. The written consent thereto of any mortgage holder affected thereby shall also be filed with such amendment. Every purchaser or grantee of any interest in any real property now or hereafter subject to these Covenants, by acceptance of a deed or other conveyance therefor, thereby agrees that these Covenants may be amended as provided in this Section.

ARTICLE X

ANNEXATION

10.01 Submission of Additional Property. Declarant shall have the option and right from time to time, without the necessity of consent by the Association, the Board or the Owners, but subject to Section 10.02 of this Article, to submit all or portions of the Additional Property to this Declaration and thereby to cause the Additional Property, or such portions thereof, to become part of the Property. This option may be exercised by the Declarant in accordance with the conditions and limitations set out in Section 10.02 of this Article, which are the only conditions and limitations on such right.

10.02 Conditions of Annexation. Any Annexation as permitted in Section 10.01 of this Article shall be in accordance with the following terms and conditions:

(a) The option to submit portions of the Additional Property may be exercised at any time and from time to time until seven (7) years from the date this Declaration is recorded; provided, however, that the Owners of Lots to which two-thirds of the Class A votes in the Association appertain, exclusive of any vote or votes appurtenant to Lots then owned by Declarant, may consent to the extension of such option by vote taken not more than one (1) year prior to the date upon which such option will expire.

(b) The legal description of the Additional Property is set forth in Exhibit "B" portions of the Property may be added at different times, and there are no limitations fixing the boundaries of those portions or regulating the order in which an such portions may become part of the Property.

(c) All Lots created on portions of the Additional Property which are added to the Property will be restricted exclusively to residential use, in accordance with Article VI of this Declaration.

(d) The option reserved by Section 10.01 of this Article may be exercised by the Declarant alone (without the consent of the Association or any Owner) by the execution by the Declarant of an amendment to this Declaration which shall be filed for record in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia, together with a plat of that portion of the Additional Property which is to become part of the Property by reason of such amendment. Such plat shall indicate the boundaries of that portion of the Additional Property which is to become part of the Property, the boundaries of all Lots to be located therein, and an identifying number for each such Lot. Any such amendment shall expressly submit that portion of the Additional Property which is to become part of the Property from time to time, and upon the exercise, if any, of such option, the provisions of this Declaration shall be understood and construed as embracing all of the Property, including the initial phase and such portions of the Additional Property as have become part of the Property by annexation. Following recording of the plat, Declarant shall convey the Common Property shown thereon to the Association by limited warranty deed, subject to matters of record.

(e) From and after the date of annexation of any portion of the Additional Property, each Lot so added to the Property and the Owners thereof, shall have the same vote, shall share the same obligations and responsibilities, and shall have the same rights and privileges accorded every other Lot previously comprising part of the Property. Upon annexation of each portion of the Property, as herein provided, the Association shall be deemed to have assumed, automatically, and without the necessity of consent by the Association, the Board or any individual Owners, the covenants to maintain the Common Property and the other obligations imposed by this Declaration, as amended from time to time, with respect to that portion of the Additional Property which is then the subject of annexation.

(f) It is understood that if the Development is approved for funding of individual Lot loans by the Federal Housing Administration and/or the Veterans Administration, any variance from the plan of Annexation initially approved by them may jeopardize future funding unless such variance is approved prior to implementation.

(g) Each Owner, by acceptance of a deed to a Lot in the Property, and the Association, shall be deemed to have approved annexation in the manner provided in this Article X.

ARTICLE XI

MISCELLANEOUS

11.01 Other Changes. Notwithstanding any other provisions herein which may be construed to the contrary, unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than the Declarant) of the individual Lots in the Development have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Property owned, directly or indirectly, by such Association (the granting of easements for public utilities or for other public purposes consistent with the intended use of such common area or property by the Association shall not be deemed a transfer within the meaning of this clause);

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

(c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of dwellings on the Lots of the Development, the exterior maintenance of Lots and improvements thereon, the maintenance of the Common Property or party walks or common fences or common roadways and driveways, or the upkeep of lawns and plantings in the Development.

(d) fail to maintain fire and extended coverage on insurable Association Common Property, if any, on a current replacement cost basis in an amount not less than one hundred (100%) percent of the insurable value (based on current replacement cost);

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

11.02 Rights of First Mortgagees.

(a) First mortgagees of Lots in the Development may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the Association's Common Property and may pay overdue premiums on hazard insurance policies or secure new hazard insurance

coverage on the lapse of a policy, for such Common Property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Despite any other provision of this Declaration which may be interpreted otherwise, it is expressly intended that no Owner or any other party have priority over any rights of the first mortgagee of a Lot pursuant to its mortgage or security deed in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Association Common Property.

(b) In addition to the rights of mortgagees elsewhere provided, each first mortgagee of a Lot, upon request, shall (i) be entitled to attend and observe all meetings of Owners, but not meetings of the Board; (ii) be furnished copies of annual financial reports made to the Owners; and (iii) be entitled to inspect the financial books and records of the Association during reasonable business hours.

11.03 Professional Management. Any agreement for professional management of the Association, or any other contract providing for services of the Declarant, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days written notice.

11.04 Notice of Lease and Tenants and Guests. All tenants, lessees, guests and visitors are subject to the covenants contained in this Declaration, and they must abide by the rules and regulations set forth herein and as promulgated by the Association. It is the responsibility of the Owner to inform his tenants, lessees, guests and visitors of this requirement. It is also the responsibility of the Owner to inform the Association of any lease of his dwelling, whether by written or oral agreement, and where the Owner will not be occupying his dwelling to provide the Association with a forwarding address where he may be contacted.

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

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

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

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

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

(a) Declarant: Murrath Enterprises, Inc.
1617 Silver Hill Road
Stone Mountain, Georgia 30087

(b) Owner: Each Owner's address as
registered with the Association
in accordance with the By-Laws.

Any written communication transmitted in accordance with this Section 11.09 shall be deemed received on the third (3rd) day following the day such written notice is deposited in the United States Mail.

11.10 No Liability. Declarant has, using best efforts and all due diligence, prepared and recorded this Declaration so that each and every Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Owner. However, in the event that this Declaration is, for any reason whatsoever, unenforceable by an Owner (or any other person) in a court of law or otherwise, Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owner, by acceptance of a deed conveying a Lot, acknowledges that Declarant shall have no such liability.

11.11 Approval by HUD/VA. Notwithstanding any provision to the contrary contained in (i) this Declaration, (ii) the Articles of Incorporation of the Association, or (iii) the By-Laws of the Association, so long as there shall be a Class B Member, the Secretary of Veterans Affairs and the Secretary of Housing and Urban Development, or their respective designees, shall have the right of prior approval of (a) dedication of Common Property, (b) the amendment of this Declaration or the Articles of Incorporation of the Association, (c) the merger, consolidation or dissolution of the Association, or (d) the conveyance or mortgaging of the Common Property.

11.12 Voluntary Dissolution. Notwithstanding any provision of this Declaration to the contrary, the Association shall not be voluntarily dissolved without the prior consent and approval of the Board of Commissioners of Gwinnett County, Georgia.

11.13 By-Laws. The initial By-Laws of the Association are attached hereto as Exhibit "C".

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed and sealed this 24th day of JANUARY, 2006.

Signed, sealed and delivered
in the presence of:

[Signature]
Witness D. MARRN LEONE

[Signature]
Notary Public

MURRATH ENTERPRISES, INC., a Georgia
corporation

By *[Signature]*
HERBERT J. MURRATH, President

[CORPORATE SEAL]

EXHIBIT "A"

All that tract or parcel of land lying and being in Land Lots 202, 215 and 216 of the 5th District of Gwinnett County, Georgia, and being more particularly described as follows:

BEGINNING at a No. 4 rebar and fence post found at the corner common to Land Lots 201, 202, 215, and 216, said District; running thence south 60 degrees 14 minutes 24 seconds west along the line common to Land Lots 201 and 202, said District, 285.97 feet to a one inch open top pipe at a rock found at the northeasterly corner of property now or formerly owned by James Scott Simonton; running thence north 30 degrees 50 minutes 11 seconds west, along the northeasterly line of said Simonton Property, and along the northeasterly line of property now or formerly owned by Roy G. and Lynette W. Couch, 946.21 feet to iron pin set on the easterly right-of-way line of Still Road (a 60-foot right-of-way); running thence northerly and northeasterly along the easterly and southeasterly right-of-way line of Still Road, the following courses and distances: along the arc of a curve to the left (said arc having a radius of 328.00 feet and being subtended by a chord line having a bearing of north 11 degrees 06 minutes 28 seconds east and a length of 132.92 feet), an arc distance of 133.84 feet to a point; north 00 degrees 35 minutes 09 seconds west, 76.67 feet to a point; north 00 degrees 35 minutes 09 seconds west, 37.60 feet to a point; north 01 degree 48 minutes 18 seconds west, 75.56 feet to a point; along the arc of a curve to the right (said arc having a radius of 117.70 feet and being subtended by a chord line having a bearing of north 26 degrees 44 minutes 28 seconds east and a length of 112.49 feet), an arc distance of 117.28 feet to a point; and, along the arc of a curve to the right (said arc having a radius of 387.24 feet and being subtended by a chord line having a bearing of north 68 degrees 33 minutes 57 seconds east and a length of 123.56 feet), an arc distance of 124.09 feet to an iron pin set; thence leaving the southeasterly right-of-way line of Still Road and running south 78 degrees 18 minutes 13 seconds east, 486.37 feet to an iron pin set; running thence north 08 degrees 11 minutes 43 seconds east, 137.15 feet to a one inch open top pipe found; running thence north 80 degrees 51 minutes 00 seconds west, 217.01 feet to a No. 4 rebar found on the southeasterly right-of-way line of Still Road; running thence northeasterly along the southeasterly right-of-way line of Still Road, and following the arc of a curve to the left (said arc having a radius of 293.00 feet and being subtended by a chord line having a bearing of north 49 degrees 42 minutes 03 seconds east and a length of 74.94 feet), an arc distance of 75.15 feet to a No. 4 rebar found at the southeasterly corner of property now or formerly owned by Amelia Ann Burrell; thence leaving the southeasterly right-of-way line of Still Road and running north 71 degrees 26 minutes 13 seconds east 675.67 feet to a one- inch open top pipe found; running thence south 31 degrees 05 minutes 59 seconds east, 1,057.24 feet to a one inch open top pipe found at the northwesterly corner of property now or formerly owned by Kevin J. Ahearn; running thence south 59 degrees 58 minutes 21 seconds west, along the northwesterly line of said Ahearn Property, 408.31 feet to a point located at the northwesterly corner of property now or formerly owned by Cam-El, Inc.; running thence

south 29 degrees 15 minutes 16 seconds east, along the northeasterly line of said Cam-El, Inc. Property, 533.46 feet to a point located on the northwesterly line of property now or formerly owned by John C. and Cynthia A. Moore; running thence south 59 degrees 56 minutes 32 seconds west along the northwesterly line of said Moore Property, along the northwesterly line of property now or formerly owned by Jeffrey D. Williams, and along the northwesterly line of property now or formerly owned by Todd J. Arrington, 714.01 feet to a No. 4 rebar found on the southwesterly line of Land Lot 216; running thence north 30 degrees 17 minutes 11 seconds west, along the southwesterly line of Land Lot 216, 533.79 feet to the POINT OF BEGINNING; being a tract or parcel of land containing, in the aggregate, 46.561 acres, designated as "Tract One" (containing 31.727 acres), "Tract Two" (containing 1.160 acres), "Tract Three" (containing 8.805 acres) and "Tract Four" (containing 4.859 acres), according to plat of survey entitled "Boundary Survey for Murrah Enterprises, Inc., First Bank of the South, and Lawyers Title Insurance Corporation", prepared by Development Consultants Group and bearing the seal and certification of Donald G. Holland, Georgia Registered Land Surveyor No. 2637, dated April 5, 2004.

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EXHIBIT "B"

ADDITIONAL PROPERTY

Any real property located within a one (1) mile radius of the Development.

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00026

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EXHIBIT "C"

BY-LAWS
OF
SR HOMEOWNERS ASSOCIATION, INC.

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BK 46204 PG 0029

BY-LAWS OF
SR HOMEOWNERS ASSOCIATION, INC.
A Nonprofit Corporation
(the "Association")

These By-Laws are the By-Laws of the Association, which is the corporation created by Articles of Incorporation filed with the Secretary of State of Georgia on or about the 1st day of February, 2006 (the "Articles of Incorporation"). All references herein to the "Declaration" shall refer to that certain Declaration of Covenants, Conditions, Easements and Restrictions for Silver Ridge Subdivision, recorded at Deed Book _____, Page _____, Gwinnett County, Georgia, Records, and all capitalized undefined terms used herein shall have the meanings assigned thereto by the Declaration unless the context clearly otherwise requires. The "Subdivision" referred to herein shall mean Silver Ridge Subdivision, Gwinnett County, Georgia.

ARTICLE I
Registered Office

The Association shall have at all times within the State of Georgia a registered office and a registered agent. The Association may have other offices within the State of Georgia as may be determined from time to time by the Board of Directors (the "Board").

ARTICLE II
Membership in Association

2.01 Eligibility. Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in the Declaration.

2.02 Voting Rights. Subject to the following provisions of this Section 2.02, the Association shall have three classes of voting membership: Class A and Class B.

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

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

(b) Class B. The Declarant shall be the sole Class B member. Class B membership shall be a full voting membership and during its existence the Class B member shall be entitled to vote on all matters and in all events. The Class B member shall be entitled to three (3) votes for each Lot owned by it. The Class B membership shall cease and shall be converted to Class A membership at such time as the first of the following events occur: (a) the expiration of five (5) years from the date of recording of this Declaration; (b) the date as of which one hundred percent (100%) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed, by either the Declarant or by a builder who purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy; or (c) the surrender by the Declarant of the authority to appoint and remove members of the Board of the Association by an express amendment to the Declaration executed and recorded by the Declarant; provided, however, that so long as any Mortgagee of Declarant holds a security interest in any portion of the Property, as security for a Development Loan to Declarant, the Class

B membership shall not terminate without the prior written consent of such Mortgagee. If at the time of termination of the Class B membership, Declarant still owns any Lots, then as to each Lot owned by Declarant, Declarant shall be deemed to be a Class A member.

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

(a) shall be subject to the Right of Abatement, as defined in Section 7.02 of the Declaration by reason of having failed to take the reasonable steps to remedy a violation or breach of the Restrictions within thirty (30) days after having received notice of the same pursuant to the provisions of Section 7.02 of the Declaration;

(b) shall be delinquent in the payment of any assessment levied by the Association pursuant to the provisions of Article IV of the Declaration; or

(c) shall be in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property;

(d) any suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection (c) of Section 3.06 of the Declaration, the suspension may be for a period not to exceed 60 days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

2.04 Regular Meetings. The members shall annually hold a regular meeting, one of the purposes of which shall be to elect directors. The first regular annual meeting of members may be held, subject to the terms hereof, on any date at the option of the Board, within one (1) year after the incorporation of the Association. Subsequent to the first meeting, there shall be a regular annual meeting of members held each year within thirty (30) days of the anniversary of the first regular annual meeting. All such meetings of the members shall be held at such place in Gwinnett County, Georgia, and at such time as is specified in the written notice of such meeting. Such notice shall be delivered to all members at least fourteen (14) days and not more than thirty (30) days prior to the date of such meeting. Such notice shall also state the purpose of such meeting.

2.05 Special Meetings. Special meetings of the members may be called by the President, by a majority of the Board, by fifty percent (50%) or more of Class A members, or by the Class B member. Special meetings shall be called by delivering written notice to all members not less than ten (10) days nor more than thirty (30) days prior to the date of such meeting, stating the date, time, place and purpose of the special meeting.

2.06 Delivery of Notice of Meetings. Notice of meetings shall be delivered by or at the direction of the Secretary of the Association and may be delivered either personally or by mail to a member at the address given to the Board by said member for such purpose.

2.07 Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after any such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed a waiver by such member of notice of the time, date and place thereof unless such member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted thereat, unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

2.08 Voting List. A list of names and addresses of members entitled to vote shall be maintained at the registered office of the Association.

2.09 Quorum. A quorum of the members for any meeting shall be deemed present throughout such meeting if members present in person or by proxy and holding more than 25% of the votes

entitled to be cast at such meeting are present at the beginning of such meeting.

2.10 Adjournment. Any meeting of the members may be adjourned from time to time for periods not exceeding forty-eight (48) hours, by vote of the members holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

2.11 Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies must be dated and may be revoked only by written notice delivered to the Association. Presence in person at the meeting for which the proxy is given shall automatically revoke the proxy.

2.12 Consents. Any action required or permitted to be taken at a meeting of members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the holders of all interests entitled to vote with respect to the subject matter thereof.

2.13 Rules of the Meeting. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and members.

ARTICLE III Board of Directors

3.01 Composition. The affairs of the Association shall be governed by the Board. The Board shall be composed of at least three (3) but no more than seven (7) persons. The directors shall be members; provided, however, that no member or his or her spouse or other member of a member's family may serve on the Board at the same time. The precise number of directors shall be fixed from time to time by resolution of the Board.

3.02 Term of Office. The directors shall be elected as provided in Section 3.7 of this Article. At the annual meeting next held after the adoption of these By-Laws, there shall be elected one (1) director who shall serve for a term of one (1) year and two (2) directors who shall be elected to serve for a term of two (2) years. At each annual meeting thereafter, a number of directors equal to that of those whose terms have expired shall be elected for a term of (2) years. At the expiration of any term of two (2) years, any director may be reelected. Each director, except in case of death, resignation, retirement, disqualification or removal, shall serve until the expiration of his term or thereafter until his successor shall have been elected and qualified. From and after the point in time at which Declarant no longer has the right to appoint directors to the Board, the term of office of directors shall be as fixed, from time to time, by resolution of the Board.

3.03 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority vote of the members of the Association and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given at least ten (10) days written notice of the calling of the meeting and the purpose thereof and shall be given the opportunity to be heard at the meeting.

3.04 Vacancies. Vacancies in the Board caused by any reason, including the addition of a new director or directors, but excluding the removal of a director by vote of the members, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board, for the remainder of the term of the director being replaced. Said director shall serve until a successor shall be elected at the next annual meeting of the members to fill the unexpired portion of the term.

3.05 Compensation. Directors shall not be compensated unless and to the extent the members of the Association authorize such compensation at any meeting duly called for that purpose.

3.06 Nomination. Nomination for election to the Board shall be made by a nominating committee which shall consist of three (3) members appointed by the President to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The nominating committee may nominate any number of qualified members, but no less than the number of directors to be elected. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and a brief statement about the qualifications of each individual so nominated shall be included in the notice of the annual meeting. Nominations shall also be allowed from the floor of the meeting. Failure to comply with the provisions hereof shall in no way invalidate the election of directors so nominated.

3.07 Elections. Directors to be elected by the members shall be elected, from those nominated, by a majority vote at the annual meeting, a quorum being present.

3.08 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every calendar quarter. The Board shall meet within ten (10) days after each annual meeting of the members.

3.09 Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President, Vice-President, Secretary or Treasurer in like manner and on like notice upon the written request of at least a majority of the directors.

3.10 Waiver of Notice. Any director may, in writing, waive notice of any meeting of the Board, either before or after such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.11 Quorum. A quorum of directors shall be deemed present throughout any Board meeting at which a majority of the directors are present at the beginning of such meeting.

3.12 Conduct of Meetings. The President shall preside over all meetings of the Board and the Secretary shall keep a minute book recording therein all transactions and proceedings occurring at such meetings. Roberts Rules of Order (latest edition) shall govern the conduct of the meetings of the Board when not in conflict with these By-Laws.

3.13 Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the directors consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board.

3.14. Powers and Duties. The Board shall exercise for the Association all powers, duties and authority vested therein by these By-Laws, except for such powers, duties and authority reserved thereby to the members of the Association. The Board shall have the following powers, duties and authority to:

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

(b) charge reasonable fees in connection with the admission to and use of facilities or services; provided that in setting any such fee the Board may establish reasonable classifications which shall be uniform within each such class but need not be uniform between such classes;

(c) suspend, pursuant to Section 2.03, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.02;

(d) grant easements or rights of way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency or to any utility company or cable

television system;

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

(f) borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed to secure debt, mortgage or other security interest, any or all of the Association's property, including Common Property and revenues from assessments, user fees and other sources; provided, however, that the Common Property may not be mortgaged or pledged, if permitted at all pursuant to Gwinnett County's Conservation Subdivision Overlay District ordinances and regulations, except upon the affirmative vote of seventy-five percent (75%) of the Owners.

(g) dedicate or transfer all or any part of the Common Property or interests therein to any municipality or other governmental body, agency or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the association and such grantee, including a provision that such property or interest shall cease to be subject to the Declaration or all or any part of the Restrictions while held by an such municipality or other governmental body, agency or authority;

(h) To approve such other committees selected by the President as hereinafter provided and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(i) to determine the fiscal year of the Association and to change said fiscal year, from time to time, as the Board deems advisable;

(j) subject to the provisions of Article IV hereof, to estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to determine the assessment and maintenance fees payable by the members, to provide the manner of assessing and collecting from the members any special assessments, and to levy fines, if any, provided for in the rules and regulations;

(k) to keep detailed and accurate records of all receipts and expenditures affecting the use and operation of the Common Property;

(l) to act in a representative capacity in relation to matters involving the Common Property, on behalf of the members, as their interests may appear;

(m) to enforce by legal means the provisions of these By-Laws;

(n) to renew, extend or compromise indebtedness owed to or by the Association;

(o) at its discretion, to authorize members to use the Common Property for private parties and gatherings and, at its discretion, to impose reasonable charges for such private use;

(p) unless otherwise provided herein, to comply with the instructions of the members as expressed in a resolution duly adopted at any annual or special meeting of the Association; and,

(q) in addition to, and in furtherance of, the powers referred to in these By-Laws, the Association shall (i) have all the powers permitted to be exercised by a nonprofit corporation under the Georgia Nonprofit Corporation Code, as now in force or as hereafter amended, and (ii) have and exercise all powers necessary or convenient to effect any and all of the purposes for which the Association is organized, and to do every act not inconsistent with law which may be appropriate to these By-Laws.

3.15 Nondelegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, or by these By-Laws, have been delegated to or reserved by the members.

3.16 Control by Declarant and Appointment of the Board. Until such time as Declarant no longer has the right to appoint members to the Board, the Board of the Association shall consist of three (3) members. Notwithstanding any other language or provision to the contrary in these By-Laws, in the Articles of Incorporation, or in the Declaration, the Declarant hereby retains the right to appoint two (2) members to the Board. The rights of Declarant to appoint members of the Board also includes the right to remove and replace its appointees until such time as its right to appoint members to the Board ceases. Declarant shall retain the right to appoint and remove its members of the Board until such time as the first of the following events shall occur: (i) the expiration of five (5) years from the date of the recording of this Declaration; (ii) the date upon which one hundred percent (100%) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed, by either Declarant or by a builder who purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy; or (iii) the surrender by Declarant of the authority to appoint and replace directors by an express amendment to this Declaration executed and recorded by Declarant. Upon the expiration of the Declarant's right to appoint and remove directors of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant, if Declarant then owns one or more Lots. Upon the final expiration of all rights of Declarant to appoint and replace directors of the Association, a special meeting of the Association shall be called. At such special meeting, the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association, and any agreements or contracts executed by or on behalf of the Association during such period which Declarant has in its possession. Each Owner by acceptance of a deed to or other conveyances of a Lot vests in Declarant such authority to appoint and replace directors and officers of the Association as provided in this Section. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IV Officers

4.01 Designation. At each regular annual meeting of the Board after the members elect the Board, the directors present at such meeting shall elect the following officers of the Association by a majority vote:

(a) a President, who shall be a director and who shall preside over the meetings of the Board and of the members, and who shall be the chief executive officer of the Association;

(b) a Vice-President, who shall be a director and who shall act as an aide to the President and shall perform the duties of the President in the absence or disability of that officer to act;

(c) a Secretary, who shall keep the minutes of all meetings of the Board and of the members, and who shall be designated as the officer to mail and receive all notices served by or upon the Board or the Association and to execute amendments to these By-Laws, and who shall, in general, perform all the duties incident to the office of Secretary;

(d) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such books and records are kept and reported; provided, however, that the duties of the Treasurer may be performed by an employee or independent contractor retained by the Board; and,

(e) such additional officers as the Board shall see fit to elect.

Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

4.02 Powers. The respective officers shall have the general powers usually vested in such officers; provided, that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

4.03 Term of Office. Each officer shall hold office for the term of one (1) year or until his successor shall have been duly appointed or elected and qualified.

4.04 Vacancies. Vacancies in any office shall be filled by the Board by a majority vote at a special meeting of the Board. Any officer so elected by the Board to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds.

4.05 Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the members.

4.06 Removal. Any officer elected by the Board may be removed from office, either with or without cause, by a majority vote of the Board.

ARTICLE V
Assessments and Maintenance Charges

5.01 Annual Budget. The annual budget of the Association shall be prepared pursuant to the requirements of Article 4.04 and 4.05 of the Declaration. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.04 or 4.05 shall be sent to all Members, or delivered to their residence, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

5.02 Effect of Nonpayment of Assessments. Any Assessment which is not paid within thirty (30) days after the Due Date shall bear interest from the Due Date at the rate of twelve percent (12%) per annum or at such rate as the Board may from time to time establish, provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the State of Georgia. In the event of default in the payment of any one or more installments of an assessment, the Board may declare any remaining balance of the assessment at once due and payable. In the event that an Owner shall fail to pay fully any portion of any assessment on or before the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with interest and costs of collection including reasonable attorneys' fees, shall be a binding personal obligation of such Owner, as well as a lien on such Owner's Lot enforceable in accordance with the provisions of the Declaration.

ARTICLE VI
Contractual Powers

No contract or other transaction between the Association and any one or more of its directors or between the Association and any corporation, firm or association in which one or more of the directors are also directors, or are financially interested, is void or voidable because such directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because the vote or votes of such director are counted toward such authorization or approval, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes thereof, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose, without counting the vote of such director or directors; or,

(b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Such common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or committee thereof which authorizes, approves or ratifies such a contract or transaction.

ARTICLE VII
Committees

7.01 Standing Committees. At the first meeting of the Board after their election, or as soon thereafter as is practical, the President shall appoint the following committees to consist of as many members as he deems advisable:

- (a) Nominations Committee;
- (b) Finance Committee; and
- (c) Social Committee

The members of such committees shall hold office until the appointment of their successors.

7.02 Special Committees. The President may, at any time, appoint other committees on any subject on which there are no standing committees.

7.03 Committee Quorum. A majority of any committee of the Association shall constitute a quorum for the transaction of business, unless any committee shall by a majority vote of its entire membership decide otherwise.

7.04 Vacancies. The various committees shall have the authority to fill vacancies in their membership.

ARTICLE VIII
Indemnification

8.01 General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board against contractual and other liabilities to others arising out of contracts made by, or other acts of, such directors, Board, officers, or committee members, on behalf of the members, or arising out of their status as directors, Board, officers or committee members, unless such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board or committee member may be involved by virtue of such persons being or having been such director, officer, Board or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member, or (b) any matter settled or compromised, unless in the opinion of independent counsel, selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member.

8.02 Success on Merits. To the extent that the Board, a director or officer of the Association or member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 8.01 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

8.03 Expenses in Advance of Disposition. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, Board or committee member to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified by the Association as authorized in this Article.

8.04 Non-Exclusive Remedy. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a director, officer or committee member, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such person or entity.

ARTICLE IX Use Restrictions and Rule Making

The Common Property shall be used only for those uses and purposes set out in the Articles of Incorporation, the Declaration and in these By-Laws. The Board shall have the authority to make and enforce reasonable rules and regulations governing the conduct within and upon, and the use and enjoyment of the Common Property, provided that copies of all such rules and regulations be furnished to all members. The Board shall have the power to impose reasonable fines and to suspend a member's right to vote or to use the Common Property for violation of any duty imposed under these By-Laws or any rules and regulations duly adopted hereunder.

ARTICLE X Distribution of Assets

In the event of the dissolution of the Association, the assets thereof shall be distributed to one or more public bodies, corporate or politic, or conveyed to one or more non-profit organizations having purposes similar to those of the Association.

ARTICLE XI Amendments

These By-Laws may be amended, modified or rescinded, from time to time, in the following manner:

11.01 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

11.02 Adoption. Any of these By-Laws may be altered, amended or repealed, or new By-Laws adopted, by the affirmative vote of at least a majority of the total number of votes of all of the members.

11.03 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted to a mortgagee, if any, of the Association. No amendment that is in conflict with the Articles of Incorporation of the Association shall be adopted.

11.04 HUD/VA Approval. Notwithstanding any provision to the contrary contained in (i) these By-Laws, (ii) the Articles of Incorporation of the Association, or (iii) the Declaration, so long as there shall be a Class B Member, the Secretary of Veterans Affairs and the Secretary of Housing and Urban Development, or their respective designees, shall have the right of prior approval of the amendment of these By-Laws.

ARTICLE XII

Miscellaneous

12.01 Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first-class mail, postage prepaid, as follows:

(a) if to an Owner, at the address which the Owner has designated in writing and filed with the Secretary; or,

(b) if to the Association, the Board or the Managing Agent, if any, at the principal office of the Association or Managing Agent if any, or to such other address as shall be designated by the notice in writing to the members pursuant to this Section.

12.02 Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the remainder of these By-Laws.

12.03 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws or the intent of any provision hereof.

12.04 Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

12.05 Audit. A review of the accounts of the Association shall be made annually by a public accountant, and a copy of the report shall be furnished to each member who requests a copy in writing.

12.06 Conflict. In the event of any conflict between the Articles of Incorporation of the Association, the Declaration and these By-Laws, the Declaration shall control.

12.07 Voluntary Dissolution. Notwithstanding any provision of these By-Laws or the Declaration to the contrary, the Association may not be voluntarily dissolved without the prior written consent and approval of the Board of Commissioners of Gwinnett County, Georgia.

ARTICLES OF INCORPORATION
OF
SR HOMEOWNERS ASSOCIATION, INC.

I.

The name of the Corporation is:

SR HOMEOWNERS ASSOCIATION, INC.

II.

The Corporation shall have perpetual duration.

III.

The Corporation shall at all times be organized, operated and conducted as a non-profit corporation in accordance with the Georgia Non-Profit Corporation Code.

IV.

The affairs of the Corporation shall be managed by a Board of Directors. The method of election of Directors shall be as determined by the By-Laws of the Corporation.

V.

The Corporation (hereinafter sometimes referred to as the "Association") is not organized for, and shall not be operated for, pecuniary gain or profit. No part of the property of the Corporation and no part of its net earnings shall inure to the benefit of any director, member, or other private individual, except for services rendered. The Corporation shall never be authorized to engage in any regular business of a kind ordinarily carried on for profit or any other activity except in furtherance of the purposes stated herein for which the Corporation is organized. The purposes for which the Corporation is formed are:

A. To be and constitute the Association defined and referred to in that certain Declaration of Covenants, Conditions, Easements and Restrictions for Silver Ridge, recorded or to be recorded in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia (the "Declaration"); to perform all obligations and duties of the Association and to exercise all rights and powers of the Association as specified in the Declaration and By-Laws; and,

B. To provide an entity for the maintenance of the Common Area as defined in the Declaration.

In furtherance of its purposes, the Corporation shall have the following powers, which, unless provided otherwise by the Declaration, may be exercised by the Board of Directors:

A. All powers conferred upon non-profit corporations by common law and the statutes of the State of Georgia, from time to time in effect; and,

B. All of the powers necessary or desirable to perform the duties and obligations and to exercise the rights and powers set out in these Articles, the By-Laws and the Declaration, including, without limitation, the following:

1. To fix and collect assessments or other charges to be levied against the Lots and/or Lot Owners (as defined in the Declaration);

2. To manage, control, operate, maintain, repair and improve the Common Area, and property subsequently acquired by the Association, or any property owned by another, for which the Association by rule, regulation, or contract has a right or duty to provide such services;

3. To enforce covenants, conditions or restrictions affecting any property to the extent the Association may be authorized to do so by the Declaration and the By-Laws;

4. To engage in activities which will foster, promote and advance the common interests of the members of the Association;

5. To buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate, maintain and otherwise deal in and with real, personal and mixed property of all kinds and descriptions and any right or interest therein for any purposes of the Association;

6. To borrow money for any purpose except as may be limited by the Declaration or the By-Laws;

7. To enter into, make, perform, or enforce contracts of every kind and description, and to do all things necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation or other entity or agency, public or private;

8. To adopt, alter and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, that such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law. The powers specified in each of the paragraphs of this Article V are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article V.

VI.

The Corporation shall be a membership corporation without certificates or shares of stock.

VII.

The Corporation may be dissolved only as provided for in the By-Laws and by the laws of the State of Georgia.

VIII.

These Articles may be amended as provided by the Georgia Non-Profit Corporation Code, provided that no amendment shall be in conflict with the Declaration, and provided, further, that no amendment shall be effective which would impair or dilute any rights of members or mortgagees that are governed by the Declaration.

IX.

In the event of a conflict between provisions of these Articles, the By-Laws and the Declaration, the provisions of the Declaration shall govern all actions of the Association.

X.

The initial Board of Directors shall consist of one (1) director, who shall be:

Herbert J. Murrath
1617 Silver Hill Road
Stone Mountain, Georgia 30087

XI.

The mailing address of the initial principal office of the corporation is 1617 Silver Hill Road, Stone Mountain, Georgia 30087.

XII.

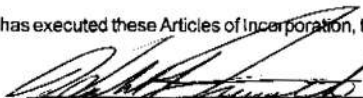
The mailing address and initial registered office of the Corporation is 1617 Silver Hill Road, Stone Mountain, DeKalb County, Georgia 30087. The initial registered agent of the Corporation at such address is Herbert J. Murrath.

XIII.

The name and address of the Incorporator is:

Herbert J. Murrath
1617 Silver Hill Road
Stone Mountain, Georgia 30087

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation, this the 10th day of January, 2006.


HERBERT J. MURRATH, Incorporator

STATE OF GEORGIA
COUNTY OF DEKALB

ACKNOWLEDGMENT OF APPOINTMENT
AS REGISTERED AGENT AND ACCEPTANCE

The undersigned, HERBERT J. MURRATH, hereby acknowledges that SR HOMEOWNERS ASSOCIATION, INC., a Georgia non-profit corporation, intends to and has appointed the undersigned as the initial registered agent of the Corporation. Further, the undersigned, by the execution hereof, does hereby consent to and accepts the appointment as registered agent for SR HOMEOWNERS ASSOCIATION, INC., and expressly agrees to serve as same.

This 10th day of January, 2006


HERBERT J. MURRATH
Registered Agent

Sworn to and subscribed
before me this 11 day
of 1/10/2006.

Notary Public

