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Warren E. Ratchford, P.C.
Post Office Box 1810
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**DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS
AND RESTRICTIONS FOR HONEY RIDGE ESTATES**

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**DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS
AND RESTRICTIONS FOR HONEY RIDGE ESTATES**

THIS DECLARATION (herein after referred to as this "Declaration") is made this 7th day of May, 2001, by MIKE STEWART CONSTRUCTION, INC., a Georgia corporation, and JAMES M. STEWART, a resident of the State of Georgia (hereinafter referred to collectively as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of fee simple title to certain real property, including the improvements located thereon, lying and being in the 10th G.M. District of Effingham County, Georgia, which real property is more particularly described on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Declarant desires to subject said real property to the provisions of this Declaration and to provide for the ability to subject other real property of the said Declarant's choice to the provisions of this Declaration;

NOW, THEREFORE, Declarant hereby declares that the real property described on Exhibit "A" attached hereto, including the improvements now or hereafter located thereon, is hereby subjected to the provisions of this Declaration. The terms and provisions of this Declaration shall constitute covenants running with the real property hereby or hereafter subjected hereto and shall be binding on persons having any right, title or interest in all or any portion of said real property, their respective heirs, legal representatives, successors, successors-in-title and assigns, and shall inure to the benefit of each and every owner of all or any portion thereof, from and after the date on which this Declaration is recorded in the Office of the Clerk of the Superior Court of Effingham County, Georgia, the real property hereby or hereafter subjected hereto shall be owned, held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to the covenants, conditions, easements, restrictions, assessments, liens and other provisions set forth in this Declaration, which are for the purpose of protecting the value and desirability of said property.

ARTICLE I

DEFINITIONS

As used in this Declaration, the following terms shall have the following meanings, as the context shall permit:

(i) "Additional Property" shall mean any portion or all the real property described on Exhibit "A-i" attached hereto and the improvements located thereon.

(ii) "Association" shall mean Honey Ridge Estates Homeowner's Association, Inc., a Georgia non-profit corporation, its

(iii) "Board of Directors" shall mean the board of directors of the Association.

(iv) "Common Areas" shall mean all real property, including any Lot, now or

hereafter owned by the Association, together with the improvements located thereon and all easements conveyed to the Association for the common use and enjoyment of its members.

(v) "Declarant" shall mean Mike Stewart Construction Company, a Georgia corporation, and Mike Stewart, a resident of the State of Georgia, and the successors-in-title, heirs and assigns of Declarant's interests hereunder.

(vi) "Lot" shall mean any plot of land located within the Property now or hereafter subjected to this Declaration which constitutes a single dwelling site, as designated by a unique lot identification number on the Plat, including any plat of survey hereafter recorded in the office of the Clerk of the Superior Court of Effingham County, Georgia in connection with the subjection of additional property to this Declaration.

(vii) "Occupant" shall mean any person, including without limitation, any guest, invitee, tenant, lessee, employee or family member of an Owner, occupying or otherwise using or visiting any portion of the Property.

(viii) "Owner" shall mean and refer to the record owner, including Declarant, whether one or more persons, of the fee simple title to any Lot, excluding, however, any person holding such interest merely as a security for the performance or satisfaction of any obligation.

(ix) "Plat" shall mean that certain Subdivision Survey for Honey Ridge Estates Phase I prepared by Warren E. Poythress, R.L.S. No. 1953, dated July 24, 2000, revised August 12, 2000 and recorded in Plat Cabinet B, Slide 107-F, Effingham County, Georgia Records, and any amendments and additions thereto, together with any additional plats filed in the office of the Clerk of the Superior Court of Effingham County, Georgia, in connection with the subjection of additional property to this Declaration by amendment hereto, as herein provided. Additional property may be subjected to these covenants by written instrument only.

(x) "Property" or "Community" shall mean that certain real property located in Effingham County, Georgia being more particularly described on Exhibit "A" attached hereto, together with such portion or portions of the Additional Property as may hereafter be subjected to the terms and provisions of this Declaration by supplementary declaration or by amendment hereto and by the recording of a plat thereof in the office of the Clerk of the Superior Court of Effingham County, Georgia, which real property is known as "Honey Ridge Estates.

(xi) "Rules and Regulations" shall mean those certain rules and regulations concerning the use of the Common Areas, the Lots and the facilities and improvements located thereon as may be established by the Board of Directors from time to time, a copy of which shall be made available to any Owner upon request.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

2.1. Property Hereby Subjected To This Declaration. The real property which is, by the recording of this Declaration, subjected to the covenants, conditions, easements, restrictions, assessments and liens hereafter set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied and mortgaged or otherwise encumbered subject to this Declaration is the real property described in Exhibit "A" attached hereto and by reference made a part hereof.

2.2. Other Property. Only the real property described in Exhibit "A" attached hereto is hereby made subject to this Declaration; provided, however, by one or more supplementary declarations or amendments to this Declaration, Declarant and/or the Association shall have the right, but not the obligation, to subject other real property to this Declaration or any portion hereof as hereinafter provided.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. The Owner of each Lot shall be a member of the Association. The period of membership shall correspond to and be coincident with the period of ownership of such Lot by such Owner and shall automatically terminate upon the transfer, conveyance or other disposition of such Owner's ownership interest in such Lot. Each Lot is allocated one membership only, which shall be appurtenant to that certain Lot and which shall be shared in the same proportion as the ownership interest if the ownership interest in a Lot is held by more than one person. The foregoing notwithstanding, a mortgagee or other person who holds an ownership or other interest in a Lot merely as security for the performance of an obligation shall not be a member or share in a membership.

3.2. Classes and Votes. The Association shall have two classes of membership.

(a) Class A: Initially, the Class A members of the Association shall be the Owners, with the exception of Declarant. If the same Owner owns more than one Lot, such Owner shall be a Class A member and shall have membership privileges and pay assessments with respect to each Lot so owned. Class A membership shall be a non-voting membership except on such matters and in such events as hereinafter specified. Class A members shall be entitled to full voting privileges at such time as the Class B membership, as hereinafter defined, shall terminate and cease to exist. Before the termination of such Class B membership, Class A members shall be entitled to vote only on (i) any proposal to change the method of determining the amount of the annual assessment to be levied by the Association, (ii) any proposal that the annual assessment exceed the maximum which the Board of Directors is permitted to levy under the provisions of this Declaration, (iii) except as otherwise specifically provided in Paragraph 7.2(b) hereof, any proposal that a special assessment for capital improvements be levied by the Association, (iv) any proposal to subject additional properties, other than by Declarant (or its mortgagee or assignee as herein provided), to the provisions of this Declaration and the jurisdiction of the Association, (v) any proposal to dedicate or transfer all or any part of the real property of the Association, other than the dedication or transfer of any roads or utilities to any public agency or authority or to any private utility serving the Property or the granting of easements, and (vi) any proposal of merger, consolidation or dissolution. When entitled to vote, Class A members shall be entitled to one vote for each Lot owned. If the Owner of a Lot consists of more than one person and only one of those persons is present at a meeting of the Association, that person shall be entitled to cast a vote appertaining to that Lot; however, if more than one of those persons is present, the vote appertaining to that Lot shall be cast only in accordance with their unanimous agreement, and such agreement shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Lot without protest being made forthwith by any of the others to the person presiding over the meeting. In the event of disagreement among such persons and two or more persons attempt to cast such vote, such persons shall not be recognized, and none of such attempted votes shall be counted for any purpose. During any period in which an Owner is in default in the payment of any amount due and owing the Association, the vote appertaining to that Lot shall not be counted for any purpose whatsoever.

(b) Class B: The sole Class B member of the Association shall be the Declarant. Class B membership shall be a full voting membership, and, during its existence, any act of the Association requiring the approval or affirmative vote of the membership shall not be valid unless approved by the Class B member. At the election of the Class B member, the Class B membership shall terminate and cease to exist at any time, but in no event later than the earlier to occur of (i) the date on which all of the Lots shall have been conveyed by Declarant to Owners, other than Declarant, provided that theretofore all of the Additional Property has been subjected to this Declaration, or (ii) the expiration of twenty (20) years from the date of recording of this Declaration. From and after the date on which the Class B membership shall terminate and cease to exist, the Class B member shall be and become a Class A member with respect to any Lot owned by it, in which event it shall be entitled to one vote for each Lot so owned.

3.3. Meetings. Except as may be herein otherwise provided, all matters concerning meetings of members of the Association, including the time within which and the manner in which notice of any meetings shall be given to said members, and the quorum required for the transaction of business at any of such meetings shall be as specified in the Articles of Incorporation or Bylaws of the Association, as amended from time to time, and by law.

3.4. Casting of Votes. Subject to the provisions of this Declaration, the votes of the members shall be cast under rules and procedures as may be prescribed in the Articles of Incorporation or Bylaws of the Association, as amended from time to time, or by law.

3.5. Amplification. The provisions of this Article are to be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners as set forth herein. In the event of any conflict or inconsistencies between this Declaration, the Articles of Incorporation or the Bylaws of the Association, this Declaration and the Articles of Incorporation (in that order) shall prevail.

ARTICLE IV

ASSESSMENTS

4.1. Purpose of Assessments. The assessments provided for herein shall be used for the purpose of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and Occupants, including, without limitation, the following: the acquisition, improvement, repair, replacement, maintenance, management and operation of properties, services and facilities devoted to these purposes and related to the use and enjoyment of the Property; the payment of taxes and insurance on such properties and facilities; the establishment and maintenance of one or more reasonable reserve funds to cover unforeseen contingencies or deficiencies; emergency expenditures; and such other matters as may be authorized from time to time by the Board of Directors. In determining the fiscal needs of the Association, the Board of Directors shall be authorized to establish from time to time, at its sole discretion, a reasonable amount, which shall be contributed as a part of the annual assessment for capital purposes. As and when determined by the Board of Directors, such capital contributions shall be deposited in a separate capital account with separate records maintained therefor, and disbursements therefrom shall be only for capital purposes as determined from time to time by the Board of Directors. The Association shall not be obligated to spend in any calendar year all of the sums collected in such year by way of 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 of Directors may deem

to be desirable for the greater financial security of the Association and the effectuation of its purposes.

4.2. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, covenants and agrees to pay to the Association assessments which shall be fixed, established and collected from time to time as herein provided. Such assessments, together with such late charges and interest thereon and costs of collection thereof as herein provided, shall be a charge on and a continuing lien upon the Lot against which each such assessment is made. Such lien shall be perfected by filing of record in the office of the Clerk of the Superior Court of Effingham County, Georgia, a claim of lien within ninety (90) days after the assessment for which a lien is claimed became due. Such a claim of lien shall also secure all assessments and other amounts, which come due thereafter, until the claim of liens cancelled of record. Also, each Owner shall be personally liable for the portion of any assessment coming due while he is the Owner of a Lot, and his grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. Provided, however, any person who becomes the Owner of a Lot as purchaser at a judicial or foreclosure sale conducted with respect to a first mortgage on such Lot or pursuant to any proceeding in lieu of the foreclosure of such mortgage shall be liable only for assessments coming due after the date such person so acquires title to such Lot.

4.3. Annual Assessments. Subject to the provisions of Paragraph 4.9, below, the annual assessment payable to the Association for common expenses and capital contributions shall be as follows:

(a) IN ADDITION TO THE \$300.00 PER LOT INITIATION FEE DUE AT CLOSING OF THE SALE OF ANY LOT, for the calendar years 2001 and 2002, the annual assessment which shall be payable to the Association shall be TWENTY FIVE Dollars (\$25.00) per Lot, per month, to be used for common expenses and capital purposes, as determined by the Board of Directors from time to time in its sole discretion. At the time of the recording of this Declaration, the amount of the annual assessment for the calendar years 2001 and 2002 is an estimated amount and has not been based on any extended period of experience as to the actual fiscal needs of the Association. Therefore, should the Board of Directors determine, from time to time, from actual experience that said amount is unrealistic, then, subject to the limitation set forth in subparagraph 4.3(b)(ii) below, the Board of Directors may increase the assessment and/or may levy a further assessment at any time during the calendar year. FEES SHALL BE DUE FROM THE INITIAL TRANSFER OF LOT FROM THE DECLARANT TO THIRD PARTIES, INCLUDING DURING THE CONSTRUCTION PERIOD.

(b) Beginning with the calendar year 2003, an annual assessment payable to the Association for common expenses and capital purposes shall be determined as follows:

(i) Annual Assessment. Subject to the provisions of subparagraph (ii) below, not later than November 1st of the previous calendar year, the Board of Directors shall estimate and prepare a budget for the ensuing calendar year for the total of all common expenses and capital purposes which shall be paid by annual assessments. If said estimated sum proves inadequate for any reason, then, subject to the provisions of subparagraph (ii) below, the Board of Directors may levy at any time during the calendar year a further assessment for common expenses or capital purposes. If for any reason an annual budget is not made as required hereby, the annual assessment for the ensuing calendar year shall remain the same as for the previous calendar year.

(ii) Limitation on Increase. Not later than November 15th of the previous calendar year, the Board of Directors shall furnish the total amount of the proposed budget for common expenses and for capital purposes, if any, for the ensuing calendar year to all Owners subject to assessment as herein provided. A copy of the proposed budget shall be available upon request. If the amount thereof does not exceed the amount of the total of all assessments for common expenses and for capital purposes, other than special assessments for capital improvements, in effect for the previous calendar year by more than twenty percent (20%), then such proposed budget may be adopted by the Board of Directors as the budget of the Association for the ensuing calendar year without a vote of the membership of the Association; provided however, if such proposed budget exceeds such percentage increase; then such budget shall not be adopted as the budget of the Association for the ensuing calendar year unless the same is approved by at least (i) a majority of the votes which the Class A members of the Association present, or represented by proxy, are entitled to cast at a meeting duly called and held for such purpose, and (ii) by the Class B member, of the Association, so long as such membership shall exist.

4.4. Special Assessments. In addition to the annual assessments authorized above, the Board of Directors may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto. Except as provided in Subparagraph 7.2(b), any such special assessment shall be approved (i) by at least a majority of the votes which the Class A members of the Association present, or represented by proxy, are entitled to cast at a meeting duly called for such purposes, and (ii) by the Class B member of the Association, so long as such membership shall exist. In addition, the Board of Directors may levy special assessments against all or less than all of the Lots and Owners in such amounts and for such purposes as expressly provided elsewhere in this Declaration, including on Exhibit "B" hereto.

4.5. Uniform Rate of Assessment. Except as expressly provided in this Declaration, both annual and special assessments assessed against all Lots must be fixed at a uniform rate for all Lots and may be collected in any manner as may be determined by the Board of Directors.

4.6. Due Dates of Assessments.

(a) The annual assessments payable to the Association, as provided for in this Article IV, shall be established on a calendar year basis and shall commence as to each Lot as of the first day of the month next following conveyance of any lot from Declarant to another owner. The date of the commencement of the annual assessment as to a particular Lot, as determined aforesaid is hereinafter sometimes referred to as "the commencement date." The first annual assessment payable to the Association shall be adjusted according to the number of months remaining in the calendar year as of the commencement date. Unless otherwise provided by the Board of Directors, all annual assessment, including prorated assessment, shall be paid in equal monthly installments beginning on the commencement date or the first day of the first month thereafter. The Board of Directors shall fix the amount of the annual assessment payable to the Association against each Lot and send written notice of same to every Owner subject thereto in advance of each annual assessment period. Unless otherwise provided by the Board of Directors, and subject to the foregoing provisions of this Paragraph, the annual assessment for each Lot shall become due and payable on the first (1st) day of January of each year in advance.

(b) The special assessments payable to the Association, as provided for in this Article IV, shall be due on the date(s) specified by the Board of Directors.

(c) The Association shall, upon demand at any time, furnish to any Owner liable for any such assessment a certificate in writing signed by either the President or Treasurer of the Association, or by the manager of the Association, if any, setting forth whether the same has been paid. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

4.7. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid when due shall be delinquent. If the same is not paid within five (5) days after the due date, then a late charge equal to ten (10%) percent of the amount thereof or \$15.00, whichever is greater, shall also be due and payable to the Association. In addition, any assessment not paid when due, together with the late charge, shall bear interest from the date of delinquency until paid at the maximum legal rate. The voting rights of the Owner and right to use the Common Areas, other than roads, shall be suspended during the period in which any assessment remains unpaid and the Board of Directors may bring an action at law against the Owner personally obligated to pay the same or foreclose its lien against such Owner's Lot, in which event late charges, interest and costs of collection, including attorney's fees in an amount equal to the greater of \$500.00 or fifteen (15%) percent of the past due amount plus interest due thereon, may be added to the amount of such assessment which is past due. All payments on account shall be applied first to the costs of collection, then late charges, then interest, and then to the assessment lien first due. All late charges and interest collected shall be credited to the common expense fund. Each Owner, by his acceptance of a deed or other conveyance to a Lot, vests in the Board of Directors, on behalf of the Association, the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien against his Lot in the same manner as other liens for the improvement of real property. The lien provided for in this Article IV shall be in favor of the Association and shall be for the benefit of all Owners. Any legal action brought by the Association to enforce such lien against such Lot shall be commenced within two (2) years from the time the assessment became due. Failure to bring such action within such time shall cause the lien to be extinguished as to such assessment more than two (2) years past due, but shall not bar an action by the Association against the Owner(s) obligated to pay the same in accordance with the provisions hereof. The Association shall have the power to bid in a Lot at any judicial or foreclosure sale and to acquire, hold, lease, encumber and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas and facilities located thereon or abandonment of his Lot.

4.8. Priority of Lien. The lien of the assessments provided for in this Article IV shall be prior and superior to all other liens except only (a) ad valorem taxes and (b) all sums unpaid on a first mortgage, if any, filed of record in the office of the Clerk of the Superior Court of Effingham County, Georgia. The sale or transfer of any Lot shall not affect the assessment lien; provided, however, that the sale or transfer of any Lot which is subject to a first mortgage pursuant to the judicial sale or foreclosure thereof, or pursuant to any proceeding in lieu of foreclosure, shall extinguish the lien of such assessments as to the payments thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve the acquirer of title, and the successors-in-title and assigns thereof from liability for any assessment thereafter becoming due or the Lot from the lien thereof. Provided, however, the Association may at any time, either before or after a first mortgage is placed on a Lot, waive, relinquish or quitclaim in whole or in part the right of the Association to assessments provided for herein with respect to such Lot coming due during the period while such Lot is or may be held for liquidation by the first mortgagee pursuant to such sale or transfer.

4.9. Exempt Property. Notwithstanding the Commencement Date otherwise

established by Paragraph 4.6, above, or any other provision hereof, all Lots shall be exempt from the assessments created herein until conveyed by Declarant to another Owner. Provided, however, that all Lots not so conveyed by Declarant shall be and become subject to such assessments as of the beginning of the calendar year next following the calendar year in which the Class B membership of the Association shall terminate and cease to exist. Thereupon, such assessments shall be imposed at such rates and on such terms and conditions as may then be applicable to all Lots conveyed by the Declarant prior thereto. In addition, any Lot owned by the Association shall be exempt from the assessments created herein during the period of such ownership. Provided, further, notwithstanding the foregoing, any Lot owned by Declarant or the Association and rented shall be subject to said assessments (on a prorated basis if during a calendar year) during the period of such rental. Every grantee of any interest in any Lot or other portion of the Property, by acceptance of a deed or other conveyance of such interest, agrees that any Lot owned by Declarant or the Association shall be exempt from said assessments as herein set forth.

4.10. Property Not Owned by the Association. The Association shall be authorized to expend assessments for the improvement and maintenance of certain real and personal property which is not owned by the Association but which is made available for use by all Owners by Declarant or other persons. Such expenditures may be made only for so long as all Owners make such property available for use. Such expenditures shall create no ownership rights, easements or licenses, whether legal or equitable, express or implied, over such property in the Association or any Owner, such use being permissive only and subject to termination by Declarant or the owner of such property at any time, without notice.

ARTICLE V

ADMINISTRATION

5.1. Responsibility for Administration. The maintenance, repair, replacement and operation of the Common Areas and facilities located thereon shall be the responsibility of the Association. Such administration shall be governed by this Declaration and the Articles of Incorporation and Bylaws of the Association, as amended from time to time. The powers and duties of the Association shall be those set forth in said documents together with those reasonably implied to effect their respective purposes, and shall be exercised in the manner provided therein. The Association shall accept such conveyances of the Common Areas as are made from time to time to the Association by the Declarant.

5.2. Management Agreements. The Board of Directors may employ a professional manager for the administration and operation of the Property. Such professional manager may be the Declarant or his appointed representative. The employment agreement may provide that, during his tenure, such manager shall be authorized and responsible for exercising all powers and performing all duties of the Association, excepting only those powers and duties specifically and exclusively assigned or reserved to the officers, directors or members of the Association by this Declaration or the Association's Articles of Incorporation or Bylaws. The manager may be an individual, corporation, or other legal entity, as the Board of Directors shall determine. The Board of Directors may require that such manager be bonded in such amount as the Board of Directors may require. The cost of acquiring any such bond shall be an expense of administration, payable from the common expense fund. Each Owner hereby agrees to be bound by the terms and conditions of all management agreements entered into as herein above provided.

5.3. Limitation of Liability: Indemnification. Notwithstanding the duty of the Association to maintain, repair and replace the Common Areas and facilities, the Association shall not be

liable for injury or damage caused by any latent condition of such property and facilities nor for injury or damage caused by the elements, its members or other persons, nor shall any officer or director of the Association be liable to any of its members for injury or damage caused by such officer or director in the performance of his duties unless due to the willful misfeasance or malfeasance of such officer or director. Each officer or director of the Association shall be indemnified by the Association against all expenses and liabilities including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been such an officer or director, whether or not he is such an officer or director at the time such expenses and liabilities are incurred, except in such cases wherein the officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. Provided, however, in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. THE BOARD OF DIRECTORS OF THE ASSOCIATION SHALL CARRY ERRORS AND OMISSIONS INSURANCE THROUGH A REPUTABLE COMPANY.

ARTICLE VI

PROPERTY RIGHTS, EASEMENTS & USE RESTRICTIONS

The Property which is now or hereafter made subject to this Declaration shall be and is hereby made subject to the property rights, easements and use restrictions set forth on Exhibit "B" attached hereto and by this reference made a part hereof.

ARTICLE VII

INSURANCE AND CASUALTY LOSSES

7.1. Insurance. The Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements constructed on the Common Areas against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors or the Association's manager shall also obtain a public liability policy covering the Common Areas and facilities thereon for the hazards of premises operation or actions arising out of bodily injury, property damage, false arrest, invasion of privacy or libel and slander caused by the negligence of the Association or any of its agents, which public liability policy shall be at least \$1,000,000.00 single limit, or such greater amount as may be determined by the Board of Directors from time to time, as respects the hazards enumerated herein. Premiums for all such insurance shall be common expenses paid for by the Association. Such insurance shall be governed by the following provisions:

- (a) All policies shall be written with a company licensed to do business in the State of Georgia.
- (b) Exclusive authority to negotiate and accept settlement under policies hereafter in force on the Common Areas shall be vested in the Board of Directors.
- (c) The Board of Directors or the Association's manager shall conduct an

annual insurance review which shall include a replacement cost appraisal, without respect to depreciation, of all insurable improvements constructed on the Common Areas.

(d) The Board of Directors or the Association's manager shall be required to make every reasonable effort to secure insurance policies that will provide for the following: (1) a waiver of subrogation by the insurer as to any claims against the Association, the Board of Directors, the Association's manager or its members and their respective families, tenants, agents and guests, with respect to property coverage, except for arson and fraud; (2) a waiver by the insurer of its right to repair or reconstruct instead of paying cash; (3) that the policies cannot be cancelled, invalidated or suspended on account of the conduct of any one or more of the members of the Association or on account of the conduct of any director, officer or employee of the Association or its manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its agent, mortgagee or any member.

7.2. Damage and Destruction.

(a) Immediately after any damage or destruction by fire or other casualty to all or any part of the Common Areas or -facilities thereon, the Board of Directors or the Association's manager shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Article means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty. Subject to subparagraphs (b) and (d) hereof, all such damage or destruction shall be repaired or reconstructed as soon as practicable after any such casualty shall occur.

(b) In the event such damage or destruction is not covered by insurance or the insurance proceeds paid to the Association are not sufficient to defray the cost of such repair or reconstruction, then, without a vote of the Class A members, the Board of Directors may levy a special assessment in a total amount of not more than the amount of the annual assessment in effect for the then current calendar year to provide funds for such repair or reconstruction. In the event the aforementioned special assessment and the insurance proceeds are not sufficient to defray the cost of such repair or reconstruction, then, subject to approval by the Association membership, as provided in Paragraph 4.4, above, the Board of Directors may levy a special assessment of not more than the amount so approved by the membership to provide funds for such repair or reconstruction.

(c) In the event that the insurance proceeds and assessments, if any, are in excess of the actual expenses and cost of repair or reconstruction, such excess shall be disbursed to the Association as hereinafter provided.

(d) Any such damage or destruction to the Common Areas or facilities thereon shall be repaired or reconstructed unless a special assessment requiring Class A membership approval shall be required and the Class A members of the Association shall fail to approve the same within sixty (60) days after the casualty, in which event the damaged or destroyed property shall not be repaired or reconstructed, but rather shall be cleaned up and maintained in a neat and attractive condition. If, for any reason, the amount of the insurance proceeds to be paid as a result of such damage or destruction or reliable and detailed estimates of the cost of repair or reconstruction are not made available by the Association within thirty (30) days after the casualty, then said sixty-day period shall be extended correspondingly until such information shall be made available to the Association.

7.3 Disbursement of Proceeds.

(a) If the damage or destruction is not to be repaired, then the net proceeds of any insurance shall be disbursed to the Association to pay for the cost of cleaning up the damaged property and for such other purposes as the Board of Directors shall determine.

(b) If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, then, the proceeds shall be disbursed in payment of such costs in the manner required by the Board of Directors or upon approval of a contractor selected and employed by the Board of Directors to supervise or perform the work, provided such contractor is approved by the holder of any mortgage affecting that portion of the Common Areas being repaired or reconstructed. Any proceeds remaining after defraying such costs shall be disbursed to the Association for such purposes as the Board of Directors shall determine.

ARTICLE VIII

CONDEMNATION

8.1. General. Whenever any part of the Common Areas shall be taken by any authority having the power of condemnation or eminent domain, the award made for such taking shall be payable to the Association and unless otherwise provided by law at the time of such taking, any award made therefor shall be disbursed as hereinafter provided.

8.2. Disbursement of Award. If the taking involves a portion of the Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking the Class B member (if such membership shall then exist) and at least a majority of the Class A members of the Association, as well as the holders of all first mortgages encumbering the Lots of such Class A members and the holders of any mortgages encumbering all or any part of the Common Areas so taken, shall otherwise agree, the Association shall restore or replace such improvements, so taken on the remaining land included in the Common Areas to the extent funds are available therefor in accordance with plans approved by the Board of Directors. If such improvements are to be repaired or restored, the above provisions in Article VII hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then, subject to the consent of the holders of any mortgages encumbering all of any portion of the Common Areas so taken, such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors shall determine. With respect to the disbursement of funds under this Paragraph, the provisions of Article VII hereof shall apply so far as the same may appertain.

ARTICLE IX

ANNEXATION OF ADDITIONAL PROPERTY

9.1. Annexation Without Approval of Class A Membership.

(a) As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege and option from time to time at any

time until the Class B membership in the Association shall terminate and cease to exist or until twenty (20) years from the date of recording of this Declaration in the public records of Effingham County, Georgia, whichever first occurs, to subject all or any portion of the Additional Property described on Exhibit "A-I" attached hereto and by reference made a part hereof to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the office of the Clerk of the Superior Court of Effingham County, Georgia, a supplementary declaration or amendment to this Declaration in respect to the property being annexed. Any such annexation shall be effective upon the filing for record of such supplementary declaration or amendment unless otherwise provided therein.

(b) The rights reserved unto Declarant to subject all or any portion of the Additional Property to this Declaration from time to time shall not, and shall not be implied or construed so as to, impose any obligation upon Declarant to subject any of the Additional Property to this Declaration or to the jurisdiction of the Association, nor shall such rights impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon the Additional Property nor shall such rights in any manner limit or restrict the use to which the Additional Property may be put by Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

9.2 Annexation With Approval of Class A Membership. Subject to the consent of the owner thereof, upon the affirmative vote of the Class B member (if such membership shall "then exist) and a majority of the Class A members of the Association present or represented by proxy at a meeting duly called for such purpose, the Association may annex other real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the office of the Clerk of the Superior Court of Effingham County, Georgia, a supplementary declaration or amendment to this Declaration in respect to the property being annexed. Any such supplementary declaration or amendment shall be signed by the President and Secretary of the Association, and any such annexation shall be effective upon the filing for record of such supplementary declaration or amendment unless otherwise provided therein. The time within which and the manner in which notice of any such meeting of Class A members of the Association called for the purpose of determining whether other real property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the Bylaws of the Association.

ARTICLE X

GENERAL PROVISIONS

10.1. Enforcement. Each Owner and Occupant shall comply strictly with the Bylaws and Rules and Regulations of the Association, as any of the same may be amended from time to time, and with the covenants and restrictions set forth in this Declaration. Each Owner is responsible for the compliance of all Occupants occupying or otherwise using or visiting any portion of the Property as such Owner's guest, invitee, tenant, lessee, employee or family member with said Bylaws, Rules and Regulations, and covenants and restrictions, and such Owner and such Owner's Lot are subject to the rights and remedies hereinafter provided in connection with any violation or breach thereof. In the event of a violation or breach, or threatened violation or breach, of any of the same, Declarant, the Association or any aggrieved Owner, jointly and severally, shall have the right to proceed at law or in equity to compel compliance therewith or to prevent a threatened violation or breach thereof. In addition to all other remedies, Declarant or the Association, or any duly authorized agent thereof, shall have the right to enter upon any portion of the Property where a violation exists and summarily abate or remove, at the expense of the violating Owner, and using such force as may be reasonably

necessary, any thing or condition that may be or exist contrary to the intent and meaning of the provisions hereof, if after ten (10) days' written notice of such violation it shall not have been corrected by such Owner. Neither Declarant nor the Association, nor their agents, shall be deemed guilty or liable for any manner of trespass for such entry, abatement or removal. Such notice may be given in person or in the manner provided for notices in the Bylaws of the Association. Should the Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be specially assessed against the violating Owner and his Lot. Inasmuch as the enforcement of the provisions of this Declaration and the Bylaws and such Rules and Regulations is essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof cannot be adequately compensated by recovery of damages, and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy by injunction to restrain any such violation or breach or threatened violation or breach. Further, in any case of flagrant or repeated violation by an Owner, then, in addition to the foregoing remedies, the Board of Directors may levy summary charges against the Owner for such violation, provided that no summary charges may be levied for more than Fifty Dollars (\$50.00) for any one violation; but each day or time a violation is continued or repeated after written notice is given to the Owner to cease and desist, it shall be considered a separate violation. Collection of summary charges may be enforced against an Owner by special assessment as if such charges were a common expense owed by the Owner involved. No delay, failure or omission on the part of Declarant, the Association or any aggrieved Owner in exercising any right, power or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, shall bar or affect its exercise or enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach of the provisions of this Declaration, or the Bylaws, or such Rules and Regulations, however long continued, or for imposing provisions which may be unenforceable.

10.2. Rights of Third Parties. This Declaration shall be recorded in the public real estate records of the Clerk of the Superior Court of Effingham County, Georgia, and shall inure to the benefit of Declarant, the Association, the Owners and the holders of mortgages affecting any of the Property, their respective heirs, legal representatives, successors-in-title, successors and assigns; and by such recording no owner of property not located within the Property shall have any right, title or interest whatsoever in the Property or in the operation or continuation thereof or in the enforcement of any of the provisions hereof.

10.3. Duration. The provisions of this Declaration 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 the period during which covenants restricting lands to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law and such provisions may be renewed or extended in whole or in part beyond the initial period permitted by such law for successive periods not to exceed the period permitted by such law, provided such renewal or extension is approved (i) by at least a majority of the votes which the Class A members of the Association present, or represented by proxy, are entitled to cast at a meeting duly called for such purpose, and (ii) by the Class B member of the Association, so long as such membership shall exist. The time within which and the manner in which notice of any such meeting shall be given to said members, and the quorum required for the transaction of business at any such meeting shall be as specified in the Bylaws of the Association. Further, no such renewal or extension shall be effective unless there is filed for record in the Office of Clerk of the Superior Court of Effingham County, Georgia, on or before the effective date thereof, an instrument executed by the President and Secretary of

the Association which shall state the terms of such renewal or extension and which shall contain a certification by such Secretary that such extension and renewal was duly approved by the Class A members of the Association and by the Class B member, if the Class B membership shall then exist. Every purchaser or grantee of any interest in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that such provisions of this Declaration may be extended and renewed as provided in this Paragraph.

10.4. Amendment. This Declaration 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 Property, or any portion thereof, (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration or the Federal Housing Administration, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration, (iv) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration, or (v) if such unilateral amendment is expressly authorized by any provision of this Declaration, provided any such amendment shall not adversely affect the title to any Lot or materially alter or change any Owners s right to the use and enjoyment of the Common Areas as set forth herein unless any such Owner shall consent thereto in writing. Further, this Declaration may be amended by the Association at any time and from time to time during said first period, and at any time and from time to time during the period of any extension and renewal thereof. Any such amendment shall require the approval of (i) at least a majority of the votes which the Class A members of the Association present, or represented by proxy, are entitled to cast at a meeting duly called for such purpose, and (ii) the Class B member of the Association, so long as such membership shall exist. The time within which and the manner in which notice of any such meeting shall be given to said members, and the quorum required for the transaction of business at any such meeting, shall be as specified in the Bylaws of the Association. No amendment to the provisions of this Declaration shall alter, modify, change or rescind any right, title, interest or privilege herein expressly granted or accorded to the holder of any first mortgage affecting any Lot unless such holder shall consent thereto in writing. Further, no amendment by the Association shall be effective unless there is filed for record in the office of the Clerk of the Superior Court of Effingham County, Georgia, an instrument executed by the President and Secretary of the Association which shall state the terms of such amendment and which shall contain a certification by such Secretary that such amendment was duly approved by the Class A members of the Association and by the Class B member, if the Class B membership shall then exist. The written consent of the holder of any first mortgage required hereby shall also be filed with such amendment. Every purchaser or grantee of any interest in any real property now or hereafter subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that this Declaration may be amended as provided in this Paragraph.

10.5. Partition. The Common Areas shall remain undivided and no Owner nor any other person shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners and all holders of any mortgage encumbering any portion of the Property, including but not necessarily limited to the Lots.

10.6. Obligations to Mortgagees. The following provisions are established for the benefit of the holders of first mortgages encumbering any Lot now or hereafter located within the Property. In the event of any conflict between other provisions in this Declaration, or in the Articles of Incorporation or Bylaws of the Association or other Association document and the

following provisions, the latter shall control:

(a) Each Owner shall be obligated to furnish to the Association written notice of the name and address of the holder of any first mortgage encumbering such Owner's Lot, and, upon receipt of a written request by any such holder and the designation of an address for receipt of notice, the Association shall be obligated to notify any such holder at such address of any default by such Owner in the performance of any of such Owner's obligations (including failure to pay assessments as and when due) under this Declaration, or the Articles of Incorporation or Bylaws of the Association or other Association document, which is not cured within thirty (30) days from the date of any such default, provided, however, that the failure to give any such required notice shall not affect in any manner the lien for any assessment due hereunder. Such Owner hereby consents to such notification to any such mortgage holder by the Association.

(b) Written notice by the Association shall be sent to the holders of all first mortgages encumbering any Lot, as to which the Association has received written notice, setting forth the purpose of the meeting not less than thirty (30) days in advance of any meeting being called for the purpose of amending, extending or renewing any of the provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association expressly regarding the rights of such holders. No such amendment, extension or renewal shall alter, modify, change or rescind any right, title, interest or privilege herein expressly granted or accorded to such holder unless such holder shall consent thereto in writing. Further, no such amendment, extension or renewal shall change the ratio for levying and collecting assessments as provided in Paragraph 4.5 hereof without the written consent of each such holder of a first mortgage encumbering any Lot encumbered thereby.

(c) Notwithstanding the provisions of Paragraph 9.2, above, the Association shall not annex additional lands to this Declaration and to the jurisdiction of the Association without the written consent of at least a majority of the holders of first mortgages encumbering any Lot, as to which the Association has received written notice; provided, however, this provision shall not be construed to limit the right of Declarant to annex all or any part of the Additional Property as herein otherwise provided.

(d) The Owners shall not by an act or omission seek to abandon the status of the Property as established pursuant to the provisions of this Declaration, except as may be provided by statute in the case of substantial loss, without the written consent of the holders of first mortgages encumbering any Lot, as to which the Association has received written notice; provided, however, that this provision shall not be construed so as to require Declarant to annex all or any part of the Additional Property or to impose any requirements, restrictions or covenants on the Additional Property which would require the use thereof to be compatible with the uses planned for the Property.

(e) The holder of any mortgage affecting any Lot shall have the right to examine the books and records of the Association at the Association's office during normal business hours, upon prior request.

10.7. Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of the Board of Directors, will best effect the intent of the general plan of development of the Property. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective.

10.8. Gender and Grammar. The singular wherever used herein shall be construed to

mean the plural when applicable, and the use of the masculine pronoun shall include the neuter and the feminine.

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

10.10. Captions. The captions of each Article and Paragraph hereof as to the contents of each Article and Paragraph are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Paragraph to which they refer.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument under seal this 27 day of March, 2001.

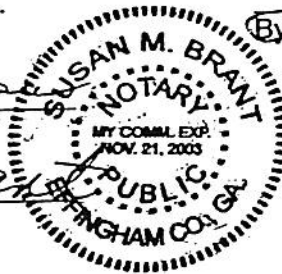
MIKE STEWART CONSTRUCTION, INC.

Sworn to and subscribed before me
this 27 day of March, 2001.

James M Stewart
By: James M. Stewart, CEO

Rose M. Tebeau
Witness

Susan M Brant
Notary Public



(CORPORATE SEAL)

Sworn to and subscribed before me
this 27 day of March, 2001.

Rose M. Tebeau
Witness

Susan M Brant
Notary Public



James M Stewart (Seal)
James M. Stewart, Individually

EXHIBIT "A"

**TO DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS FOR HONEY RIDGE ESTATES**

DESCRIPTION OF PROPERTY

All that certain lot, tract or parcel of land situate, lying and being in the 10th G.M. District, Effingham County, Georgia, containing 16.46 acres, more or less, known and designated as Lot Numbers 1 through 9, Honey Ridge Estates Subdivision, that is shown and more particularly described by the plat of survey made by Warren E. Poythress, R.L.S. #1953, dated July 24, 2000, revised August 12, 2000, recorded in the Office of the Clerk of the Superior Court of Effingham County, Georgia, in Plat Cabinet B, Slide 107-F, which is incorporated into this description by specific reference thereto.

DESCRIPTION OF ADDITIONAL PROPERTY

ANY PORTION OF THE FOLLOWING DESCRIBED PROPERTY WHICH DECLARANT DETERMINES IN WRITING TO BECOME A PART OF THIS DEVELOPMENT, TO WIT:

All that certain tract or parcel of land situate, lying and being in the 10th G.M. District, Effingham County, Georgia, containing one hundred sixty-five and one tenths (165.10) acres, more or less, as shown upon the map or plat of the same prepared by Warren E. Poythress, Registered Land Surveyor #1953, State of Georgia, for Mike Stewart Construction, Inc., dated October 14, 1999, and recorded in the Office of the Clerk of the Superior Court of Effingham County, Georgia in Plat Record Book B, page 69C, said tract of land hereby conveyed being more fully described as follows: Commencing at a concrete marker where the southwest corner of a concrete bridge, which lies one and one-tenth miles northwest of Pineora, Georgia, on Honey Ridge Road, meets the south line of Honey Ridge Road, and running thence, North 55°00'42" West, a distance of two hundred eighty-six and twenty-three one-hundredths (286.23) feet to a concrete marker which is the point of beginning, thence South 51°22'21" West, a distance of eight hundred fifty-eight and eighteen one-hundredths (858.18) feet to a concrete marker, thence South 45°39'17" West, a distance of six hundred ninety-seven and forty one-hundredths (697.40) feet to a concrete marker, thence South 00°42'34" West, a distance of eight hundred thirty-eight and ninety-seven one-hundredths (838.97) feet to a concrete marker, thence South 83°41'17" West, a distance of one thousand three hundred sixty-six and seventy-three one-hundredths (1,366.73) feet to a concrete marker, thence North 41°34'03" West one thousand six hundred ninety-six and sixty-five one-hundredths (1,696.65) feet to a concrete marker, thence North 02°06'01" West, a distance of three hundred twenty-one and seventeen one-hundredths (321.17) feet to a concrete marker, thence North 17°29'53" East, a distance of one thousand nine hundred twenty-five and ninety-five one-hundredths (1,925.95) feet to a concrete marker, thence South 54°58'11" East, a distance of one thousand eight hundred seven and thirty-five one-hundredths (1,807.35) feet to a concrete marker, thence North 35°09'37" East, a distance of two hundred ten and fifty-eight one-hundredths (210.58) feet to a concrete marker, thence North 18°43'19" East, a distance of

four hundred thirty-one and eighty-five one-hundredths (431.85) feet to a concrete marker, thence South 52°44'45" East, a distance of one hundred eighty-seven and seventy one-hundredths (187.70) feet to a point, thence South 55°00'42" East, a distance of one thousand four hundred seventy-three and fifty one-hundredths (1,473.50) feet to a concrete marker, the point of beginning, all of which will more fully appear by reference to the map or plat hereinbefore referred to and by reference is made a part of this description.

And being subject to that certain Right-of-Way Easement dated September 6, 1972, from Samuel Zemurray, III to the Savannah Electric and Power Company, which is recorded in Deed Book 160, page 278, aforesaid records, and also to that certain Right-of-Way Easement dated February 20, 1979, from Samuel Zemurray, III to the Savannah Electric and Power Company, which is recorded in Deed Book 189, page 172, aforesaid records.

PROPERTY RIGHTS, EASEMENTS & USE RESTRICTIONS

1. Easements of Use and Enjoyment of Common Areas. Every Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to his Lot, subject to the following:

(a) The right of the Association, upon a majority vote of its Board of Directors and the approval of Declarant, so long as Declarant shall be the Class B member of the Association, to dedicate or transfer title to all or any portion of the Common Areas for such purpose and subject to such conditions as the Board of Directors may determine. No such dedication or transfer of title, other than a dedication or transfer of any roads or utilities to any public agency, authority, or utility or to any private utility serving the Property or any portion thereof, shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least a majority of the votes which the Class A members of the Association present, or represented by proxy, are entitled to cast at a meeting duly called for such purpose; and

(b) The right of the Association, upon a majority vote of its Board of Directors, and the approval of Declarant, so long as Declarant shall be the Class B member of the Association, to grant a license to use or easement over all or any portion of the Common Areas to any public entity, authority or utility, or to any other person or entity for such purpose and subject to such conditions as the Board of Directors may determine in its sole discretion; and

(c) Such other covenants, conditions, easements, rights and restrictions as may be set forth in this Declaration or the Rules and Regulations promulgated by the Board of Directors from time to time. Any Owner may delegate, in accordance with the Bylaws and subject to the Rules and Regulations of the Association, his right of use and enjoyment in and to the Common Areas and facilities located thereon to the members of his family, his tenants and guests.

2. Association's Rights and Easements. In addition to any other rights and easements set forth in this Declaration, the Association, for the benefit of all Owners and Occupants, shall have the following rights and easements:

(a) The utility, ditch, drainage and other easements on, over, through, under

and across the Property, as shown on the Plat, for access and for the construction, use and maintenance of utilities and a drainage system serving the Property, or any portion thereof; and

(b) The right of the Association, upon a majority vote of its Board of Directors, and the approval of Declarant, so long as Declarant shall be the Class B member of the Association, to grant a license to use or easement over all or any portion of the Common Areas to any public entity, authority or utility, or to any other person or entity for such purpose and subject to such conditions as the Board of Directors may determine in its sole discretion; and

(c) Such other covenants, conditions, easements, rights and restrictions as may be set forth in this Declaration or the Rules and Regulations promulgated by the Board of Directors from time to time. Any Owner may delegate, in accordance with the Bylaws and subject to the Rules and Regulations of the Association, his right of use and enjoyment in and to the Common Areas and facilities located thereon to the members of his family, his tenants and guests.

2. Association's Rights and Easements. In addition to any other rights and easements set forth in this Declaration, the Association, for the benefit of all Owners and Occupants, shall have the following rights and easements:

(a) The utility, ditch, drainage and other easements on, over, through, under and across the Property, as shown on the Plat, for access and for the construction, use and maintenance of utilities and a drainage system serving the Property, or any portion thereof; and

(b) A general easement on, over, through, under and across all portions of the Property for the purpose of performing its duties, providing services, exercising its rights or enforcing the provisions set forth in this Declaration or in any other document or agreement affecting the Property, or any portion thereof.

(c) Declarant, their successors and/or assigns shall have a perpetual easement over the roads and rights of way within the Property for the purpose of providing ingress and egress into the Additional Property and for the location of necessary utilities as determined by Declarant, his successors and/or assigns, for the development of such Additional Property regardless of whether such Additional Property is encumbered with other provisions of this declaration.

In the exercise of the rights and easements set forth in this Paragraph 2, the Association, or its successor or assign, shall repair any damage to any portion of the Property occasioned by such exercise and shall restore such damaged portion of the Property, as nearly as practicable, to its condition prior to such exercise.

3. Utilities and Other Common Service Facilities. Any provision of this Declaration to the contrary notwithstanding, Declarant, so long as Declarant shall be the Class B member of the Association, and thereafter the Association upon a majority vote of its Board of Directors, is hereby authorized and empowered to grant such permits, licenses and easements as Declarant or the Board of Directors, as the case may be, shall deem necessary and appropriate upon, across, above and under the Property, or any portion thereof, on which buildings or other improvements have not or are not intended to be constructed for the installation, repairing, replacing and maintaining of all utilities or other common service facilities serving the Property, any portion thereof or any adjoining property, including, but not limited to gas, water, sanitary sewer, telephone, electricity, storm drainage, master television antenna, cable television system or security system. It shall be expressly permissible for Declarant or the Association, as the

case may be, to install, repair, replace and maintain or to authorize the installation, repairing, replacing and maintaining of such poles, pipes, wires, conduits, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific permit, license or easement by separate recordable document, Declarant, or the Association, as the case may be, shall have the right to execute and deliver such written document and every grantee of any interest in any property located within the Property consents thereto and further hereby agrees to give his specific written consent thereto in recordable form if requested by Declarant or the Board of Directors. Any permit, license or easement granted pursuant hereto by Declarant or the Association shall be and remain in full force and effect perpetually or for such shorter period of time as may be specified in the particular instrument creating the same. The foregoing notwithstanding, it shall be a condition of any permit, license or easement granted pursuant to this Paragraph 3, that the grantee (i) shall repair any damage to any portion of the Property occasioned by such grant, and (ii) shall not unnecessarily interfere with the use of such Property by the Owner thereof.

4. Architectural Approval and Use Restrictions. The following architectural, maintenance and use restrictions shall apply to each and every Lot and Common Area now or hereafter subjected to this Declaration. All of the rights or functions reserved to Declarant in this Paragraph 4 shall be exercised by Declarant, so long as Declarant shall be the Class B member of the Association, and thereafter shall be exercised by the Association upon a majority vote of its Board of Directors; provided, however, Declarant shall have the unilateral right to transfer, convey or assign to the Association at any time and from time to time all or any of the rights or functions reserved to Declarant in this Paragraph 4 while remaining a Class B member of the Association.

(a) Residential Use. All Lots shall be used for residential purposes exclusively. Except as hereinafter provided, no structure or other improvements shall be erected, altered, placed, maintained or permitted to remain on any Lot other than one (1) detached single family dwelling having the minimum number of square feet of finished interior space and enclosed garage, as set forth with respect to such Lot on Schedule 1 attached hereto, and such other small one-story accessory buildings as may be approved by Declarant. No business or business activity shall be carried on upon any Lot at any time, except with the written approval of Declarant and in accordance with any and all zoning regulations of Effingham County, Georgia affecting said Lot; provided, however, that nothing herein shall prevent Declarant from using any Lot owned by Declarant for the purpose of carrying on business related to the development and management of the Property. The foregoing notwithstanding, any Lot owned by the Association may be used for any non-residential purpose benefiting all Owners, provided that such use shall be approved by the Owners of all Lots adjoining any boundary of such Lot at the time such use is first commenced.

(b) Subdivision of a Lot. No Lot shall be subdivided, or its boundary lines changed, except with the prior written approval of Declarant. Declarant, however, hereby expressly reserves the right to replat any two (2) or more Lots in order to create a modified Lot or Lots, and to take such other steps as reasonably may be necessary to make such replatted Lot or Lots suitable as a building site or sites. All of the covenants and restrictions set forth herein shall apply to each such Lot, if any, so created. Any such division, boundary line change or replatted Lot(s) shall comply with the applicable Effingham County zoning regulations.

(c) Approval of Plans. No building, fence, wall, road, driveway, parking area, tennis court, swimming pool, utility line or system, or other structure or improvement of any kind shall be erected, placed, altered, added to, modified, maintained or reconstructed in any way on any Lot until the plans therefor, and for the proposed location thereof upon the Lot, shall have

been approved in writing by Declarant. "Improvement" shall mean and include any improvement, change or modification of a Lot, other than the interior of any building, from the state existing on the date of the conveyance of such Lot by Declarant to an Owner. Before taking any action requiring approval under this Paragraph, an Owner shall submit to Declarant a construction schedule and two (2) complete sets of final plans and outline specifications, showing site plan, including parking and utilities, landscape layout, floor plans, exterior elevations and exterior materials, colors and finishes, TOGETHER WITH HEALTH DEPARTMENT APPROVAL OF SEPTIC TANK SITE AND INSTALLATION PLANS SHOWING THE SITUS OF ALL DRAIN FIELDS . Declarant shall prepare architectural guidelines, which may be changed or added to by Declarant at any time and from time to time, for use by an Owner in preparing said plans and specifications. No changes, additions or deviations to or from such plans and specifications as approved, other than to the interior of any building, shall be made without the prior written approval of Declarant. Further, before beginning any construction, the name of the builder must be submitted to and approved by Declarant as to building experience and ability to build structures of the class and type of those, which are to be built on the Property. Declarant shall act with all reasonable promptness upon receipt of such information to approve or disapprove the same. Neither Declarant, nor any person or party to whom Declarant shall assign such function, shall be responsible or liable in any way for the performance of any builder or for any defects in any plans or specifications approved in accordance with the foregoing, nor for any structural defects in any work done according to such plans and specifications. Declarant may refuse approval of plans, siting or specifications upon any ground, including purely aesthetic considerations, which in its sole discretion shall seem sufficient.

(d) Building Location. Each Lot shall have the front building setback lines as shown on the Plat with respect to such Lot or, in the event not such setback line is shown, a setback distance from the front property line of no less than 35 feet. In addition, each Lot shall have side building setback lines on each side boundary of said Lot of fifteen (15) feet for the main residence structure and ten (10) feet for approved detached accessory buildings, and a rear building setback line of thirty (30) feet for the main residence structure and ten (10) feet for approved detached accessory buildings. Declarant reserves the right to amend the Plat and this Declaration to change any such setback lines and to control solely and absolutely the precise site and location of any proposed structure or improvement upon all Lots. Such location shall be determined, however, only after reasonable opportunity is afforded the Owner to request a specific site and shall comply with all applicable governmental rules and regulations, including zoning.

(e) Uniform Lighting. Contemporaneously with the construction of a residence on a Lot, the Owner thereof shall also install on the Lot an outdoor photocell light fixture and pole of the type prescribed by Declarant for all Lots. Such light fixture and pole shall be located on the Lot as directed by Declarant and shall be acquired, installed, maintained, repaired and operated at the expense of said Owner.

(f) Other Building Requirements. The requirements set forth below are in no way to be construed as limiting the exercise of the Declarant's discretion pursuant to Paragraphs 4b, 4c, and 4d, above.

(i) Each structure shall be constructed only of materials approved in writing by Declarant.

(ii) Driveways and parking areas shall be constructed only of materials approved in writing by Declarant.

(iii) The exterior of all structures must be completed within one year

after commencement of construction, except where, in the sole discretion of the Declarant such completion within one year is not possible or would result in great hardship to the Owner or builder due to strike, fire, national emergency or natural calamity.

(iv) All utilities shall be placed underground, and no exterior pole, tower, antenna or other device for the transmission or reception of television signals, radio signals or any other form or electromagnetic radiation, or for any other purpose, shall be erected, placed or maintained on any Lot except as may be constructed by the Declarant or approved in writing by the Declarant. Further, the design, type, location, size, color and intensity of all exterior lighting shall be subject to control by the Declarant and only such exterior lighting as shall have been approved in writing by the Declarant shall be installed or used on any Lot.

(v) All clotheslines, garbage cans, woodpiles, dumpsters, etc. shall be located or screened so as to be concealed from view of neighboring Lots and streets, as approved by Declarant. All rubbish, trash, and garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon. A vegetable garden may be maintained in the rear yard of a Lot only.

(vi) No heating, air conditioning or other mechanical equipment, and no fuel or water tanks or similar storage receptacles may be exposed to view. Such equipment and receptacles may be installed only within the main or accessory building, buried underground, or otherwise located or screened so as to be concealed from view of neighboring Lots and streets, at ground level and as approved by Declarant.

(vii) No structure of a temporary character shall be placed upon any Lot at any time, except for shelters used by a building contractor during the course of construction. Such temporary shelters may not, at any time, be used as residences, nor be permitted to remain on the Lot after completion of construction.

(viii) No accessory building shall be placed, erected or maintained upon any part of any Lot except in connection with a residence already constructed or under construction at the time that such outbuilding is placed or erected upon that Lot and with express written approval of Declarant.

(ix) No mobile home or house trailer shall be placed on any Lot at any time for any purpose, and no motor home, camper, tent, shack, or other structure shall be placed on any Lot at any time for use as temporary or permanent occupancy; provided, however, house trailers, temporary buildings and the like shall be permitted for construction purposes during the construction period or as one or more real estate sales offices of Declarant -for the sale of property. Motor homes, campers and boat trailers may be kept or parked on a Lot for storage purposes only and only if the same are operational, are intended for the personal use of the Owner of such Lot and are kept or parked in an enclosed garage.

(x) Unless located within ten (10) feet of a main dwelling or accessory building or within ten (10) feet of an approved building site, no trees, shrubs, bushes or other vegetation having a trunk diameter of eight (8) inches or more at two (2) feet above ground level or any dogwood, holly or magnolia tree or bush having a trunk diameter of three (3) inches or more at two (2) feet above ground level may be cut, pruned, mutilated or destroyed at any time without the prior written consent of Declarant; provided, however, that dead or diseased trees, shrubs, bushes or other vegetation shall be cut and removed promptly from any Lot by the Owner thereof.

(xi) Any structure used for parking or storage of cars or other motor

vehicles shall be enclosed on all sides. No open carports may be placed on any Lot.

(g) Attachment of Utilities. No permanent utility connections shall be made to any structure by any utility, public or private, until Declarant has verified general compliance with these covenants and restrictions and with the plans and specifications therefor submitted pursuant to Paragraph (c) above, and has approved said utility connections in writing. Each Lot, when required to be served by a utility, must be served by a water system and other utilities approved by Declarant.

(h) Signs. No temporary or permanent signs of any kind shall be erected, placed or maintained on any Lot or the Common Areas except with the written consent of Declarant, or except as may be required by legal proceedings. The approval of signs shall be upon such conditions as may from time to time be determined by Declarant. If such permission is granted, Declarant reserves the right to restrict the size, color, material and content of such signs. Nothing herein shall be construed, however, to prevent Declarant from erecting, placing or maintaining upon any Lot or the Common Areas, during the period of the development and sale of the Lots and/or construction thereon, such signs as Declarant may deem necessary or desirable.

(i) Mail Boxes and Property Identification Markers. Declarant reserves the right to approve the location, color, size, design, lettering and all other particulars of mail and newspaper boxes, if any, and of name signs of such boxes, as well as property identification markers. ALL MAILBOXES SHALL BE BUILT TO UNIFORM SPECIFICATIONS DETERMINED SOLELY BY DECLARANT AND MUST BE COMPLETED PRIOR TO OCCUPANCY OF RESIDENCE.

(j) Nuisances. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition of buildings or grounds on his Lot or Lots. No Lot 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 upon any Lot 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 owners of surrounding property. No noxious or offensive activity shall be carried on upon any Lot.

(k) Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of no more than a total of four (4) dogs, cats or other usual and common household pets per lot, provided that said pets are not kept, bred or maintained for any commercial purpose, are not permitted to roam free, and, in the sole judgment of Declarant, do not endanger the health, make objectionable noise or constitute a nuisance or inconvenience to the Owners of other Lots. Dogs which are household pets shall at all times, whenever they are outside a dwelling, be confined within a pen, fenced yard or on a leash. No structure for the care, housing or confinement of any pets shall be maintained so as to be visible from neighboring property from ground level.

(l) Antennae. No antenna, satellite dish in excess of 24 inches in diameter or other device for the transmission or reception of television signals, radio signals, or any form of electromagnetic radiation shall be erected, used or maintained outdoors or within view of any public street on any portion of the Property. Satellite dishes which are 24 inches or less in diameter may be erected provided such satellite is not visible from the street and written approval of placement from DECLARANT is obtained prior to the placement of same.

(m) Required Maintenance. All Lots, together with the exterior of all

improvements located thereon, shall be maintained in a neat, attractive and safe condition by their respective Owners. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and caring of roofs, gutters, downspouts, building surfaces, trees, shrubs, grass, walks, parking areas and other exterior improvements. The Association may, after ten (10) days notice to an Owner, enter upon his Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, for removing garbage or trash, or for performing such exterior maintenance as the Association, in the exercise of its discretion, deems necessary or advisable. Any and all direct and indirect costs of such maintenance shall be specially assessed against the Owner of such Lot, which assessment shall be a lien upon the Lot and may be collected as provided in this Declaration. The provisions of this Paragraph shall not be construed, however, as an obligation on the part of the Association to mow, clear, cut or prune any Lot, to provide garbage or trash removal service, or to perform such exterior maintenance.

5. No Discrimination. No action shall, at any time, be taken by the Association or its Board of Directors, which in any manner would unreasonably discriminate against any Owner or Owners in favor of any other Owner or Owners.

6. Governmental Regulations. All governmental building codes, health regulations, zoning restrictions and the like applicable to the Lots and Common Areas shall be observed. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

7. Rules and Regulations. Rules and Regulations concerning the use of the Common Areas, Lots and improvements located thereon may be made and amended from time to time by the Board of Directors; provided that copies of such Rules and Regulations and amendments thereto shall be furnished by the Association to all Owners upon request. Such Rules and Regulations shall be binding upon the Owners and Occupants until and unless they are cancelled or modified by the Board of Directors. Such Rules and Regulations shall govern activities including but not limited to the following: unsightly and unkempt conditions, water conservation, air, water and noise pollution, outside storage and traffic control.

SCHEDULE 1

to

EXHIBIT "B"

MINIMUM SQUARE FOOTAGE REQUIREMENTS

Declarant reserves the right to determine which lots shall require construction of single-family dwellings containing a minimum of 1,500 square feet of heated, interior living space and shall have attached to it under the same roof an enclosed garage containing a minimum of 336 additional square feet to be used for the parking of one (1) permitted motor vehicle. In the event of two (2) story construction, the minimum ground floor area shall be 800 heated, interior square feet together with the same garage requirements.

Lots

Declarant reserves the right to determine which lots shall require construction of single-family dwellings containing a minimum of 1,800 square feet of heated, interior living space and shall have attached to it under the same roof an enclosed garage containing a minimum of 528 additional square feet to be used for the parking of two (2) permitted motor vehicles. In the event of two (2) story construction, the minimum ground floor area shall be 1000 heated, interior square feet together with the same garage requirements.

Lots

The single-family dwellings to be constructed on the following Lots shall contain a minimum of 2,500 square feet of heated, interior living space and shall have attached to it under the same roof an enclosed garage containing a minimum of 528 additional square feet to be used for the parking of two (2) permitted motor vehicles. In the event any home is two or more stories, the minimum ground floor heated, interior living space shall be 1,800 square feet and the garage requirements shall be the same

Lots 1, 2, 3, 4, 5, 6, 7, 8, and 9, Phase 1.

