

SUGARMILL PLANTATION
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
(Residential)

THIS DECLARATION, made on the date hereinafter set forth by SUGARMILL PLANTATION DEVELOPMENT CORPORATION, a Georgia corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in St. Mary's, County of Camden, State of Georgia, which is more particularly described on Exhibit A attached hereto and made a part hereof (property").

WHEREAS, Declarant desires to provide for the orderly development of the Property so as to promote the well being of the residents thereon and value of the Property.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ADDITIONAL PROPERTY more fully described on Exhibit B ("Additional Property") may be annexed by the Declarant, without consent of the Owners whose Lots may be subject to this Declaration or the consent of holders of deeds to secure debt on such Lots, within ten (10) years of the date of recording of this Declaration pursuant to the provisions more fully set forth in Article VIII hereof; provided that, if approval of the Federal Housing Administration ("FHA") and/or the Veterans Administration ("VA") is obtained for the development of the Property, then the annexation shall be in accord with the general plan heretofore approved by the VA and/or the FHA.

ARTICLE I
DEFINITIONS

Section 1. "Articles" shall mean and refer to the Articles of Incorporation of the Association as amended from time to time.

Section 2. "Association" shall mean and refer to SugarMill Plantation Owners Association, Inc., its successors and assigns.

Section 3. "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time.

Section 4. "Common Property" shall mean and refer to all real property which is owned by the Association and designated in the deed as Common Property" and such improvements

thereon as are specifically conveyed to the Association. The term Common Property" shall also include any personal property acquired by the Association, if the personal property is designated as Common Property," as well as certain easements conveyed to the Association.

Section 5. "Common Expenses" shall mean and refer to those items of expense for which the Association is or may be responsible under this Declaration.

Section 6. "Declarant" shall mean and refer to Sugarmill Plantation Development Corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot or parcel of undeveloped Property from the Declarant for the purpose of development and provided that such rights as Declarant are specifically assigned to the successor or assign and such successor or assign shall specifically assume the obligations of Declarant under the Declaration, Articles and Bylaws.

Section 7. "Declaration" shall mean and refer to this SugarMill Plantation Declaration of Covenants, Conditions Restrictions and Easements (Residential) applicable to the Property as recorded in the public records of Camden County, Georgia and amended from time to time.

Section 8. "Lot" shall mean and refer to any unimproved plot of land shown upon any recorded subdivision plat of the Property.

Section 9. "Member" shall mean and refer to those persons entitled Class "A", "B", and "C" Membership in the Association as provided in the Declaration and Articles.

Section 10. "Holder" shall mean and refer to any institutional holder of a first deed to secure debt on any portion of the Property as security for the performance of an obligation; an insurer or guarantor of such deed to secure debt, including without limitation, the Veterans Administration ("VA") or Federal Housing Administration ("FHA") and/or a purchaser of such deeds to secure debt in the secondary market including without limitation, Federal National Mortgage Association ("FNMA") and Governmental National Mortgage Association ("GNMA"); and the Declarant, if it is holding a first deed to secure debt on any portion of the Property.

Section 11. "Multi-Family Residential Unit" ("MFRU") shall mean and refer to any Unit within the Property which is zoned for residential use and for which the applicable land use designation permits more than twelve Units per acre. MFRU may also refer to a condominium unit, apartment, townhome or other such dwelling unit which is constructed at a density of more than twelve such units per acre.

Section 12. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is located on the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Property" or properties shall mean and refer to that certain real property described in Exhibit A together with improvements thereon, (except such improvements, the title

of which are reserved by the Declarant or its assignees,) and such additions to the Property as may hereafter be brought within the jurisdiction of the Association by annexation of such parcel of land pursuant to the provisions of Article VIII.

Section 15. "Single Family Residential Unit" ("SFRU") shall mean and refer to any Unit within the Property which is zoned for residential use and for which the applicable land use designation permits twelve or less Units per acre.

Section 16. "Subdivision" shall mean and refer to a parcel of land within the Property which is subdivided into Lots in accordance with the applicable state and local law. The use of Lots in a Subdivision may be subjected to this Declaration as well as its own declaration of restrictive covenants ("Subdivision Declarations") and governed by its own association ("Subdivision Associations") in addition to the covenants contained in this Declaration or such Subdivision may be subjected only to the covenants of this Declaration by recording of a Supplemental Declaration and shall be governed by this Association. For purposes of this Declaration' an apartment complex or other grouping of Multi Family Residential Units shall also be deemed a "Subdivision".

Section 17. "Unit" shall mean and refer to the improvements made to any Lot or portion of the Property which are for residential purposes including both a SFRU or MFRU and unless specifically set forth to the contrary, references to "Unit" shall include both types of Units.

ARTICLE II PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Subject to the provisions of the Declaration, the rules and regulations of the Association, and any prior use rights granted in the Common Property, all Owner(s) and their families and every guest, tenant, and invites of such Owner(s) shall have a right and easement of ingress and egress and enjoyment in and to Common Property which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Property;

(b) The right of the Association to suspend the voting rights of the Owner and right of the Owner or such Owner's tenants to use the recreational facilities located on the Common Property for any period during which any Assessment against such Owner's Unit remains unpaid; and for a period, not to exceed 60 days, for any infraction of its published rules and regulations. In no event may the Association deny an Owner the use of the entrance areas or private roads or cul-de-sacs, if any, so as to prohibit ingress and egress to his Unit.

(c) The right of the Board of Directors, without further consent from Owners or any Holders, except for Citicorp Real Estate, Inc., to dedicate, transfer or grant an easement over all or any part of the Common Property to any public agency, authority or utility company for the purpose of providing utility or cable television service to the Property or for the purposes of a

right of way or other purpose generally serving the Property and the Owners.

(d) The right of the Association to sell, convey or transfer the Common Property or any portion thereof to any third party other than those described in subsection (c) for such purposes and subject to such conditions as may be approved by a majority vote of each class of Members.

(e) The right of the Board of Directors to adopt reasonable rules and regulations pertaining to the use of the Common Property.

(f) The right of the Declarant or the Association to authorize other persons to enter upon or use the Common Property for uses not inconsistent with the Owners' rights therein.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with Bylaws, his right of enjoyment to the Common Property to the members of his immediate family. In the event that the Owner leases his Unit in accordance with the provisions hereof, such tenant and his immediate family shall have the right to use of the Common Property in the place of the Owner.

Section 3. Buffer Easements. Certain Lots will be subject to an easement for berming, landscaping and buffering the Lots from the roadways. Such Buffer Easements may be described in the applicable Subdivision Declarations, in the plat of a Subdivision or created or reserved by Declarant by separate instrument. The use of such Buffer Easements shall be strictly prohibited unless the Declarant or Association specifically grants to the Owners or the Association an easement thereupon for specified purposes.

The Buffer Easements shall be maintained by the Association at its sole cost and expense. The Association shall also obtain and maintain public liability insurance to cover any injuries or damage which may occur on the Buffer Easements which insure the Owner(s) of the Lot subject to the Buffer Easement as well as the Association. In the event that an Owner's Lot is subject to the Buffer Easement, such Owner's use of the portion of the Lot subject to the Buffer Easement shall be restricted as provided herein or in the applicable instrument creating the easement.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Qualification for Membership: Every Owner of a Unit which is subject to this Declaration shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to this Declaration.

Section 2. Classes of Membership: The Association shall have three classes of voting membership:

Class A. Class A Members shall be all Owners of an MFRU, with the exception of the Declarant, and each shall be entitled to one-fourth (1/4) vote for each MFRU owned.

Class B. Class B Members shall be all owners of an SFRU, with the exception of the

Declarant, and each shall be entitled to one vote for each SFRU owned.

Class C. Class C Member shall be the Declarant who shall be entitled to three votes for each Lot and for each SFRU which it owns, three-fourth of a vote for each MFRU it owns, and three votes for each acre of land it owns within the Additional Property. The Class C membership shall cease upon the happening of the first of the following events occurs:

(a) at such time as construction by the Declarant within the Property or Additional Property is abandoned (e.g. no new construction has been initiated for a period of six months and no continuing construction or sales are taking place);

(b) ten years from the date of recording this Declaration;

(c) when Declarant, in its sole discretion, elects to transfer control to the Class A and Class B Members.

At such time as the Class C Membership is terminated, the Declarant shall have one vote for each Lot and each SFRU it owns, one-fourth vote for each MFRU it owns, and one vote for each acre of land it owns in the Additional Property.

When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Unit.

There shall be no vote for any Unit owned by the Association.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Unit owned within the Properties, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) Annual Assessments or charges, (b) Special Assessments for capital improvements as set forth in Section 4 of this Article, for maintenance as set forth in Section 16 of this Article and in Article VI, Section 3 and for repairs as set forth in Article IX, Section 3 and (c) SugarMill Common Facilities Assessments (as hereinafter defined), such assessments to be established and collected as hereinafter provided (Annual Assessments, Special Assessments and SugarMill Common Facilities Assessments are jointly referred to herein as Assessments). The Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be

used to promote the recreation, health, safety, and welfare of the Owners and residents of the Property, for the improvement and maintenance of the Common Property, for the operation and administration of the Association, for the support of certain common facilities providing services to the Owners and for such other purposes as are set forth in this Declaration the Articles or Bylaws. Without limiting the foregoing, the Association may elect to provide cable television service to all Units within the Property. Such decision by the Board shall be made prior to the conveyance of the first Unit to a resident of such Unit, and upon the approval of the decision to provide such service by the Board, the charge therefor shall be a line item within the Association budget.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum Annual Assessment per Unit shall be as follows:

(a) The maximum Annual Assessment for a SFRU shall be Three Hundred Sixty and 00/100 Dollars (\$360.00) per year. The maximum Annual Assessment for a MFRU shall be computed by deducting from the budget the line item for any cable television service provided by the Association and multiplying the remaining amount by twenty-five percent (25%). Thereafter, if cable television service is provided by the Association, the per unit charge for cable television service shall be added to the MFRU assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum Annual Assessment may be increased each year not more than 5% above the maximum Annual Assessment for the previous year without a vote of the classes of membership.

(c) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum Annual Assessment to be levied against each class of Members may be increased above 5% by a vote of two-thirds (2/3) majority of the votes of each class of Members.

(d) The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum in effect from year to year.

Section 4. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto, provided that any such Special Assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members, unless the Special Assessment is required due to the inadequacy of the insurance proceeds to cover the cost of repair to Common Property (See Article IX, Section 1) .

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 (c) or 4 shall be sent to all persons who are designated to cast the votes not less than 30

days nor more than 60 days in advance of the meeting. At such meeting, the presence of members or of proxies entitled to cast majority of all the Votes of each class of membership shall constitute a quorum and the proposed assessment shall be approved upon receipt of approval of 2/3 of the votes of each class of Members who are voting at such meeting.

Section 6. Uniform Rate of Assessment. Both Annual and Special Assessments for the purposes set forth in Section 4 above, must be fixed at a uniform rate for all Units in a class and any increase must be applied uniformly for all classes. In the event that an Owner or his family, guest or invitees damage the Common Property as provided in Article IX, Section 3, or fails to maintain his Unit as described in Section 16 of this Article or Section 3 of Article VI, such Unit and its Owner may be subjected to a nonuniform, Special Assessment for payment of such Costs.

Section 7. General Common Facilities Assessments. It is hereby acknowledged that the Owners will share the use of certain common facilities including, without limitation, landscaped medians, rights-of-way, entrance signage, directional signage and opera landscaped areas ("General Common Facilities"). General Common Facilities shall not include facilities primarily serving one group of owners to the exclusion of other owners, such as recreational facilities.

Each year the Board of Directors of the Association shall appoint two persons to be members of the General Common Facilities Committee. The Board of Directors of the SugarMill Plantation Commercial Owners Association, Inc., the association operating the commercial property, shall appoint one member and the Declarant shall appoint the remaining member of the committee. Such General Common Facilities Committee shall meet at least once a year for the purpose of reviewing and amending, if necessary, the budget for the maintenance and operation of the General Common Facilities and for reviewing and amending any rules and regulations passed in connection therewith. The General Common Facilities Committee shall also meet upon written request therefor sent by any member of the General Common Facilities Committee or by request of the Board of Directors of the Association. Prior to the annual meeting, the Declarant shall deliver a list of the General Common Facilities. Upon the termination of the Declarant's Class C Membership, additions or deletions of improvements constituting General Common Facilities shall be determined by action of the General Common Facilities Committee.

Any action of the General Common Facilities Committee must be approved by a 3/4 majority of votes of the members of the General Common Facilities Committee and upon such approval shall be binding upon members of both Associations. Notice of all actions taken by the General Common Facilities Committee shall be delivered to the Board of Directors of each Association for distribution to its members.

Each year the General Common Facilities Committee shall establish a budget for the operation, maintenance and insuring of all improvements or parcels of land deemed to constitute General Common Facilities. Upon approval of such budget by 3/4 majority of the General Common Facilities Committee each Association shall be responsible for the payment of a prorate share of the budget, which shall be calculated by multiplying the total budget by a fraction, the numerator of which is the number of votes in each respective Association and the denominator of which is the number of votes in both Associations.

The prorata share to be paid by each Association shall be incorporated as a part of the Annual Assessment of such Association and paid by the Owners in the same proportion as the Annual Assessment of such Association.

In the event that either Association fails to make the required payment, the paying Association is hereby granted a lien right against the Common Property of the non-paying Association; such claim of lien may be enforced by the paying Association by filing a Claim of Lien in the public records of Camden County, Georgia and foreclosing thereupon in the manner of foreclosure on a deed to secure debt. The obligation to make such payments shall also constitute a corporate obligation of the Association.

The funds collected for the maintenance, operation and insuring of the General Common Facilities shall be paid to the Association, which shall enter into such contracts or employ such persons as are necessary to undertake the maintenance, operation or insuring of the General Common Facilities. The Association is permitted to enter into such contracts or agreements in connection with similar agreements or contracts entered into for the maintenance of its Common Property so as to obtain certain economies of scale by providing for the maintenance, operation and insuring of the General Common Facilities. Provided, however, the Association shall account for such funds as a fiduciary and at the end of each calendar year shall provide a written account of the income and expenses for the operation, maintenance and insuring of the General Common Facilities.

In the event that certain parcels of land constituting a portion of the Additional Property are developed as apartment complexes and the owners or tenants of such complexes are granted the right to use any portion of the General Common Facilities, the granting of such right may be conditioned upon the agreement by such owners to pay to the General Common Facilities Committee a use fee which is agreed to by the parties as a condition of such grant of use.

Section 8. Date of Commencement of Annual Assessments. Due Dates, The Assessments in each Subdivision shall commence upon the conveyance of the first SFRU or MFRU in a Subdivision to an Owner other than Declarant which Owner intends to occupy the Unit. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of v the Annual Assessment against each Unit at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The payment schedule and frequency shall be established by the Board.

Section 9. Association Certificate. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments for a specified Unit have been paid. A properly executed certificate of the Association as to the status of Assessments on a Unit is binding upon the Association as of the date of its issuance.

Section 10. Effect of Nonpayment of Assessments Remedies of the Association. Any Annual Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of fifteen percent (15%) per annum or the then applicable highest rate of

interest permitted by the VA. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Unit. In connection with any enforcement proceeding, the Association shall be entitled to recover, in addition to any outstanding Assessment and interest thereon, its attorney's fees and all costs. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Property or abandonment of his Unit.

Section 11. Subordination of the Lien to Deeds to Secure Debt. The lien of the Assessments provided for herein shall be subordinate to the lien of any first deed to secure debt held by a Holder. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to foreclosure on a deed to secure debt or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any Assessment thereafter becoming due or from the lien thereof. Any such delinquent Assessments which were extinguished pursuant to the foregoing may be reallocated and assessed against all of the Units as part of the annual budget.

Section 12. Exempt Property. All parcels of the Properties dedicated to, and accepted by, a local public authority or utility company and serving a public use and all properties owned by a charitable or non-profit organization, exempt from taxation by the laws of the State of Georgia shall be exempt from the Assessment created herein, except no land or improvements which constitute a SFRU or MFRU shall be exempt from Assessments.

Section 13. Reserves. The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Property. This reserve fund shall constitute a portion of the Common Expenses. In addition, the Board of Directors may establish reserve funds from the regular Annual Assessments to be held in reserve in an interest bearing account for:

- (a) major rehabilitation or major repairs;
- (b) for emergency and other repairs required as a result of storm, fire, mutual disaster or other casualty loss; and
- (c) initial cost, if any, new service to be performed by the Association.

Section 14. Declarant Payment. The Declarant, for so long as it is a Class C member, is obligated to pay the greater of twenty five percent (25%) of the Annual Assessment for each Unit it owns or Declarant shall pay the difference between the total of the Annual Assessments paid by Owners, other than the Declarant, and the Common Expenses as such occur. Declarant's payment for any Units in a Subdivision shall commence upon the conveyance of the first Unit in the Subdivision to an Owner, other than the Declarant, who intends to occupy the Unit.

Section 15. Subdivision Associations. In the event that the Unit is subject to an additional assessment created by a separate declaration governing the Unit and enforced by a Subdivision Association, the Subdivision Association is authorized to collect the Annual Assessment created

herein and transfer the Annual Assessments to the Association.

Section 16. Special Assessments for Failure to Maintain. In the event that an Owner fails to maintain his Unit as required herein, the Association shall give written notice specifying such failure to the Owner and if the Owner fails to correct such unperformed maintenance within ten (10) days from the Association's written notice, the Association may perform such maintenance and the cost of such shall constitute a Special Assessment for which a claim of lien may be filed and enforced.

ARTICLE V ARCHITECTURAL CONTROL

Section 1. General Provisions. No building, fence, wall or other structure, landscaping or exterior lighting plan or any other type of improvement, other than those erected by the Declarant, shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Residential Architectural Control Committee.

Section 2. Residential Architectural Control Committee ("RACC").

(a) Composition of the RACC.

The architectural review and control functions of the Association shall be administered and performed by the RACC, which shall consist of at least three (3) members who need not be members of the Association. The Declarant shall have the right to appoint all of the members of the RACC, or such lesser number as it may choose, as long as it owns any Property or Additional Property. Members of the RACC as to whom Declarant may relinquish the right to appoint, and all members of the RACC subsequent to the Declarant terminating such right to appoint members, shall be appointed by, and shall serve at the pleasure of, the Board of Directors of the Association. At any time that the Board of Directors has the right to appoint one or more members of the RACC, the Board shall appoint at least one (1) qualified professional. A majority of the RACC shall constitute a quorum to transact business' at any meeting of the RACC, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the RACC. Any vacancy occurring on the RACC because of death, resignation, or other termination of service of any member thereof shall be filled by the Board of Directors; except that Declarant, to the exclusion of the Board, shall fill any vacancy created by the death, resignation, removal or other termination of services of any member of the RACC appointed by Declarant.

(b) Powers and Duties of the RACC.

The RACC shall have the following powers and duties:

(i) To draft Architectural Planning Criteria and to recommend from time to time, to the

Board modifications and/or amendments to the Architectural Planning Criteria. Any modification or amendment to the Architectural Planning Criteria shall be consistent with the provisions of this Declaration, and shall not be effective until adopted by a majority of the members of the Board of Directors of the Association and are approved in writing by the Declarant if the Declarant still has the right to appoint the members of the RACC. Notice of any modification or amendment to the Architectural Planning Criteria, including a verbatim copy of such change or modification, shall be delivered to each member of the Association however, a receipt of a copy of a modification or amendment to the Architectural Planning Criteria shall not constitute a condition precedent to the effectiveness or validity of such change or modification.

(ii) To require submission to the RACC of one (1) complete set of all plans and specifications for any improvement or structure of any kind, including, without limitation, any building, fence, wall, sign, site paving, grading, parking and building additions, alterations, screen enclosure, sewer, drain, disposal system, decorative or storage building, landscaping, landscape device or object, exterior lighting scheme or other improvement (jointly referred to herein as proposed Improvements), the construction or placement of which is proposed upon any Unit, Lot or Property, together with a copy of any building permits which may be required. The RACC may also require submission of samples of building materials and colors proposed to be used for any Proposed Improvement on any Unit, Lot or the Property, and may require such additional information as reasonably may be necessary for the RACC to completely evaluate the Proposed Improvement in accordance with the Declaration and the Architectural Planning Criteria.

(iii) To approve or disapprove any Proposed Improvement or change or modification thereto, the construction, erection, performance or placement of which is proposed upon any Unit, Lot or the Property and to approve or disapprove any Proposed Improvement including the color thereof, therein or thereon. The evaluation undertaken by the RACC relates to matters of judgment and taste which cannot be reduced to a simple list of measurable criteria. It is possible therefore that a submission to the RACC might meet individual criteria delineated in this Declaration and still not receive approval, if in the sole judgment of the RACC, its overall aesthetic impact is unacceptable. The approval of an application for one improvement shall not be construed as creating any obligation on the part of the RACC to approve applications involving similar designs for improvements pertaining to different Lots.

(iv) Any party aggrieved by a decision of the RACC shall have the right to make a written request to the Board within thirty (30) days of such decision, for a review thereof. The determination of the Board upon reviewing any such decision shall in all events be dispositive.

(v) If any Proposed Improvement or existing improvement shall be changed, modified or altered without prior approval of the RACC of such change, modification or alteration, and the plans and specifications therefor, then the Owner shall, upon demand, cause the improvement to be restored to comply with the original plans and specifications, or the plans and specifications originally approved by the RACC, and shall bear all costs and expenses of such restoration, including costs and reasonable attorneys' fees of the RACC and the Association in connection therewith.

(vi) In addition, any Owner making or causing to be made any Proposed Improvement to the Property, a Lot, or a Unit agrees and shall be deemed to have agreed, for such Owner and his heirs, personal representatives, successors and assigns to hold the RACC, Declarant, Association and all other Owners harmless from any liability or damage to the Property or to persons resulting therefrom and expenses arising from any alteration, modification or change and such Owner shall be solely responsible for the maintenance, repair and insurance of any Proposed Improvement upon installation thereof and for its compliance with any governmental codes, rules or regulations.

(vii) In the event of a disagreement between this RACC and the RACC or equivalent entity of any Subdivision Association, the decision of this RACC shall prevail.

Section 3. Architectural Planning Criteria. The following Architectural Planning Criteria shall apply to any improvements to the Property. The following list is not comprehensive and may be modified as deemed necessary and reasonable by the RACC.

(a) Antennae. No aerial, antenna, satellite dish or similar device shall be placed or erected upon any Unit or Lot or affixed in any manner to the exterior of any building on such Lot.

(b) Trees. No tree or shrub, the trunk of which exceeds six (6) inches in diameter as measured three feet from the ground, shall be cut down, destroyed or removed from a Lot or the Property without the prior express written consent of the RACC. Violation of this provision will result in an automatic fine equal to the cost of replacing the tree with a tree of substantially similar size.

(c) Artificial Vegetation. No artificial grass, plants or other artificial vegetation or sculptural landscape decor shall be placed or maintained upon the exterior portion of any Unit or on the Lot unless approved by the RACC.

(d) Landscaping. An initial basic landscaping plan for each Lot, including a written estimate of the costs of effectuating such plan, must be submitted to and approved by the RACC at the time of construction of a Unit on such Lot. The RACC may specify minimum initial expenditures for landscaping of Lots, which may vary on the basis of Lot use and location. The RACC may also require or prohibit specific plants, and may vary such requirements or prohibitions on the basis of Lot use or location.

(e) Signs. No signs, except for one for Sale" or "For Rent" sign, no greater than 3 square feet, may be placed on any Lot or on any Unit.

(f) Games and Play Structures. All play structures, including basketball backboards, shall be located at the rear of the Lot or Unit, or on the inside portion of corner Lots within the setback lines. No platform, doghouse, tennis court, playhouse or structure of a similar kind or nature shall be constructed on any part of a Lot located in front of the rear line of the Unit constructed on the Lot, nor shall any such structure exceed six feet in height and such structure must have prior approval of the RACC. It is specifically acknowledged that in reviewing such plans for any raised structure, the RACC shall assure that any use of such raised structure does not result in

violation of the privacy of adjacent Owners. No basketball backboards may be installed adjacent to the street or on any cul-de-sac.

(g) Fences and Walls. The composition, location, color and height of any fence or wall to be constructed on any Lot is subject to the approval of the RACC. The RACC will require that the composition of any fence or wall be consistent with the material used in the surrounding buildings and other fences, if any. In no event and for no purpose shall chain link fencing be installed on any Lot. Certain Lots adjacent to the roadways will be subject to a Buffer Easement as described in Article II, Section 3; no Owner whose Lot is subject to such Buffer Easement shall install a fence which encroaches on the Buffer Easement. Without limiting any other provision or requirement hereof, the type and location of fences which are or may obstruct the sight lines at intersections may be specifically restricted.

(h) Garbage and Trash Containers. No Lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in sanitary containers and completely screened from view, except during pickup, if required to be placed at the curb. The Association or Subdivision Association will be entitled to specify the type of trash container to be used by each Owner, and to contract for trash removal for all of the Property or for specific areas within the Property.

(i) Temporary Structures. Unless first approved in writing by the RACC, no structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other out building shall be used on any Lot at any time as a residence, either temporarily or permanently, except that the Lot or Unit may be used by Declarant or its designee as a sales office, contraction office or model during any development of the Property or Additional Property by Declarant or its designee.

(j) Mailboxes. No mailbox, paperbox or other receptacle of any kind for use in the delivery of mail, newspapers, magazines or similar material shall be erected on any Lot or Unit without the approval of the RACC as to style and location. If and when the United States Postal Service or the newspapers involved shall indicate a willingness to make delivery to wall receptacles attached to Units, each Owner, on the request of the RACC, shall replace the boxes or receptacles previously employed for such purpose or purposes with wall receptacles attached to Units.

(k) Energy Conservation. Solar energy and other energy conservation devices are not prohibited or discouraged, but the design and appearances of such devices will be closely scrutinized and controlled to assure consistency with neighborhood aesthetics.

(l) Utility Connections. Permanent building connections for all utilities, including, but not limited to, water, electricity, telephone and cable television, shall be underground from the proper connecting points to the building structure in such a manner to be acceptable to the governing utility authority. All exterior lighting plans for Lots or Subdivisions including any modifications or changes to existing plans shall be approved by the RACC.

(m) Air Conditioning Equipment. Central air conditioning units only shall be permitted within the Property, and window or wall air conditioning units shall be prohibited.

(n) Window Coverings. No reflective window coverings or treatments shall be permitted on any Unit or other building in the Property. The RACC, at its discretion, may control or prohibit window coverings and treatments in Units which are not reasonably compatible with aesthetic standards in the area of the Property where located.

(o) Garages. All garage doors shall be kept closed except when vehicles are entering or exiting. No garage may be enclosed for use as a part of a Unit unless a replacement garage is constructed on such Lot, which garage shall be in all ways in compliance with the architectural guidelines.

(p) Well Limitation; Water Supply. Any wells to be installed and constructed on any portion of the Property shall be approved by the RACC and shall be in strict compliance with any regulations of the applicable utility company.

(q) Exterior Clothes Drying. No clothes lines or similar devices shall be erected or installed on the exterior of any Unit for the purposes of drying clothes or other items.

ARTICLE VI USE RESTRICTIONS

In order to provide for congenial occupancy of the Property and for the protection of the value of the Units and/or Lots, the use of the Property shall be in accordance with the following provisions so long as the Property is subject to this Declaration.

Section 1. Residential Uses. Units and Lots shall be used for residential living purposes and for no other purpose, and no business or commercial use may take place on any Unit or Lot and no business may be conducted on any part thereof. Provided, however, nothing herein shall be deemed to prevent any portion of the Additional Property from being used for commercial, institutional or industrial uses as may be permitted by the applicable land use designations approved by the governmental entities. Declarant further reserves the right for itself, its successors and designees, the right to use a Lot or Unit for a sales office, model or construction office or, for so long as sales or construction is taking place.

Section 2. Nuisances. Nothing shall be done or maintained on any Unit or Lot which may be or become an annoyance or nuisance to adjacent Owners. Any activity on a Unit or Lot which interferes with television, cable or radio reception on another Lot or in another Unit shall be deemed a nuisance and a prohibited activity. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors of the Association and the written decision of the Board shall be dispositive of such dispute or question.

Section 3. Maintenance Required and Failure to Maintain. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot, and no refuse piles or unsightly objects shall be allowed to be placed or suffered to remain anywhere on any Lot. The Owner shall maintain the exterior of his Unit and any buildings and improvements on his Lot in

good and workmanlike manner, and shall present a neat and clean appearance upon the Lot and the Unit. In the event that any Owner fails or refuses to keep his Lot free of weeds, underbrush, refuse piles, debris or other unsightly growths or objects, or to keep the buildings or improvements on his Lot in a good and workmanlike manner, or in a neat and clean appearance, after giving written notice of the Association's intent to do so and the Owner's failure to act within three (3) days from receipt of notice, the Board may authorize its agents to enter upon the Lot and perform any necessary maintenance at the expense of the Owner, and such entry will not be deemed a trespass. In the event that the exterior maintenance of the Units are governed by a Subdivision Association and such Association fails to maintain the Units as required, the Board or the RACC may authorize its agents to enter onto the Lot and perform the maintenance at the expense of the Association and such entry will not be deemed a trespass. During construction of a Unit or other improvement, each Owner will be required to maintain his Lot in a clean condition, providing for trash and rubbish receptacles and disposal. Construction debris shall not be permitted to remain upon any Lot.

Section 4. Off-Street Motor Vehicles. No motorized vehicles including, without limitation, two and three wheel all terrain vehicles or "dirt bikes" may be operated off of paved roadways and drives. Without limiting the Association's right to collect and assess fines in other instances, it is specially acknowledged that Owners may be fined for each violation of this provision by themselves, their families, guests, tenants and invitees. Violations will result in automatic fines of \$25.00 for the first offense, \$50.00 for the second offense and \$100.00 for each subsequent offenses.

Section 5. Noise. Exterior noise, and noise emanating from within Units or other improvements, including without limitation, talking, singing, television, radio, record or tape player or musical instruments, shall be maintained from 11:00 p.m. until 7:30 a.m. at such volume that the noise is not audible beyond the boundaries of the Lot, or outside the boundaries of the Unit, if the Unit is in a condominium, apartment complex or similar attached dwelling from which it originates, and at all times so as not to constitute a nuisance or unreasonable annoyance to neighbors.

Section 6. Pets and Animals. The Board shall have the right from time to time to adopt with respect to any Subdivision within the Property rules and regulations governing the type, number and size of pets or other animals that may be kept within that Subdivision; and rules and regulations governing pets may vary between Subdivisions in the Property to the extent that the Board of Directors deems appropriate.

Section 7. Oil and Mining Operation. No oil drilling, mining operations, oil refining, quarrying or oil development operations, oil refining, or tanks, tunnels, mineral excavations or shafts shall be permitted upon, in, or under any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. It is specifically acknowledged that certain areas within the Property are subject to reserved dwelling and excavation rights of third parties who are authorized to undertake such activities. Such permitted use of these areas shall not be deemed to permit others owning Property to do likewise.

Section 8. Commercial Trucks, Trailers and Boats. In order to maintain the standards of

the Property with respect to residential appearance, no vehicles of any kind including, without limitation, commercial trucks, trailers, recreational vehicles or boats shall be permitted to be parked or to be stored on blocks or maintained outside of an enclosed garage.

Section 9. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Properties or any part thereof and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 10. Water System. The central water supply system provided for the service of the Property shall be used as the sole source of potable water spigots and outlets located within or on all Units. Each Owner shall pay water meter charges of the supplier thereof and shall maintain and repair all lateral portions of such water lines located within the boundaries of such Owner's Lot. No individual potable water supply system or well for consumptive purposes shall be permitted on any Lot. Properly permitted wells may be used to provide water for irrigation only and such wells shall be subject to the approval of the RACC.

Section 11. Sewer System. The central sewage system provided for the service of the Property shall be used as the sole sewage System for each Unit. Each Owner shall maintain and repair all portions of such sewer lines located within the boundaries of its Unit and shall pay, when due, the periodic charges or rates for the furnishing of such sewage collection system. No sewage shall be discharged onto the open ground or into any marsh lake, pond, park or ravine, and no septic tanks or drain fields shall be placed or allowed within the Property.

Section 12. Resubdivision. No Lot or portion thereof shall be divided or resubdivided by any entity or person other than Declarant into a smaller Lot without the consent of the Declarant, which consent may be withheld for any reason. Provided, however, that a Lot may be resubdivided for the purposes of a road with the consent of the Declarant.

Section 13. Sight Distance at Intersection. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines or in the case of a rounded property corner from the intersection of street property lines extended. The same sight line limitations shall apply on any Lot within 10 feet from the intersection of a street property line with the edge of a driveway. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstructing of such sight lines.

Section 14. Additional Use Restrictions. The Board may adopt such additional use restrictions, rules or regulations, applicable to all or any portion or portions of the Property and to waive or modify application of the foregoing use restrictions with respect to any Units, Lots or Property as the Board, in its sole discretion, deems appropriate.

ARTICLE VII RIGHTS OF HOLDERS OF DEEDS TO SECURE DEBT

Section 1. Notice Rights. Upon written request to the Association., identifying the name and address of Holder, such Holder. will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Lot or Unit on which such Holder holds a first deed to secure debt.

(b) Any delinquency in the payment of Assessments or charges owed by an Owner of a Unit subject to a first deed to secure debt held, insured or guaranteed by such Holder, which remains uncured for a period of 60 days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of Holders.

Section 2. Information. The Association shall make available to Owners and Holders current copies of this Declaration, Articles, Bylaws and rules and regulations of the Association, as well as books, records and financial statements of the Association. "Available" means available for inspection, upon written request during normal business hours or under other reasonable circumstances.

ARTICLE VIII ANNEXATION OF PROPERTY

Section 1. Declarant's Annexation. The Declarant shall have the right, until ten years from the date of recording this Declaration, from time to time and in its sole discretion, to annex to the Property and to include within this Declaration all or part of the Additional Property.

Section 2. Members Annexation. The Owners may annex additional lands owned by such Owners to the Property with the approval of 2/3 of the votes of each class of Members. Such approval may be given at a meeting duly called for such purpose or by written consent of the required number of votes of each class of Members.

Section 3. Supplemental Declarations. Any such additions authorized in section 1 or 2 above may be made by filing of record of one or more supplemental declarations. With respect to the any Additional Property annexed by the Declarant, the supplemental declaration need only be executed by the Declarant; in the case of a Section 2 annexation, the supplemental declaration shall be executed by the President of the Association. A supplemental declaration shall contain a statement that the real property that is the subject of the supplemental declaration is to be deemed a part of the Property subject to this Declaration. Such supplemental declaration shall become effective upon being recorded in the public records of Camden County, Georgia.

Section 4. Effect of Annexation. In the event that any Additional Property is annexed to the Property pursuant to the provisions of this Article, then such Additional Property shall be considered within the definition of Property for all purposes of this Declaration, and each Owner

of a Unit shall be a Class A, B or C Member and the votes of Members of the respective classes shall be adjusted accordingly. In the event that the land described in Exhibit B is not annexed as provided herein, this Declaration shall not be construed as a lien, encumbrance or defect on the land described on Exhibit B.

Section 5. Additional Declarations. Declarant intends, as the Property is developed and offered for sale, to subject portions thereof to specific covenants and restrictions which apply only to each portion as defined and described in each such set of covenants and restrictions. Such additional covenants and restrictions shall be subject to the provisions hereof so that the SugarMill Plantation Community remains an integrated development. The additional covenants and restrictions may be contained in a Supplemental Declaration or Subdivision Declaration.

ARTICLE IX INSURANCE AND RECONSTRUCTION

Section 1. Damage to Common Property. In the event that any portion of the Common Property is damaged or destroyed by casualty, it shall be repaired or restored to substantially its condition prior to the damage or destruction by the Association.

Repair or reconstruction of the Common Property shall be substantially in accordance with the plans and specifications pursuant to which the same was originally constructed. All insurance proceeds shall be applied to the restoration and repair. If the insurance proceeds are insufficient, the deficit shall be assessed against all Owners as a Special Assessment. If there is a surplus of insurance proceeds, it shall become the property of the Association.

Section 2. Damage to the Units. In the event of damage or destruction to any portion of the improvements constituting a Unit, the Unit shall be repaired or restored. In the event that the damage or destruction renders the Unit uninhabitable or the damage is so substantial that the Owner determines not to rebuild the Unit, the Owner shall clear the debris and have the Lot leveled, within 60 days from the date of destruction or damage.

Section 3. Damage to Common Property Due to Owner Negligence. In the event that the Common Property is damaged as a result of the willful or negligent acts of the Owner, his family, tenants, guests or invitees, such damage shall be repaired by the Association and the cost thereof shall be a Special Assessment as described in Article IV, Section 15.

Section 4. Insurance. The policy of property insurance maintained by the Association shall cover all of the Common Property (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building service equipment, to the extent that they are part of the common personal property and supplies.

The policy shall afford, as a minimum, protection against the following:

(a) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement.

(b) all other perils which are customarily covered with respect to projects similar in construction, location and use, including flood insurance, if applicable, and all perils normally covered by the standard nail risks endorsement, where such is available. If flood insurance is required, it must be in an amount of 100% of current replacement cost of the improvement or the maximum coverage which may be obtained under the National Flood Insurance Program.

(c) losses covered by general liability insurance coverage covering all Common Property in the amount of at least 51,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of Common Property and any legal liability that results from lawsuits related to employment contracts in which the Association is a party.

The hazard policy shall be in an amount equal to 100% of the current replacement cost of the insured properties exclusive of land, foundation, excavation and items normally excluded from coverage. The policy shall provide that it may not be canceled or substantially modified without at least 10 days' prior written notice to the Association. The Board may obtain such additional insurance as it in its sole discretion deems reasonable, convenient or necessary.

ARTICLE X EASEMENTS

Section 1. Utility and Cable Television Easements. For so long as the Declarant is a Class C member, the Declarant hereby reserves the right to grant perpetual nonexclusive easements for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Property for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and service systems, public and private, including without limitation cable television. Declarant, for itself and its designees, reserves the right to retain title to any and all pipes, lines, cables or other improvements installed on such easements. Upon termination of the Class C membership, the Association shall have the right to grant the easements described herein.

Section 2. Declarant's Easement of Correct Drainage. For so long as the Declarant is a Class C member, Declarant hereby reserves the blanket easement on over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance.

Section 3. Easement for Unintentional Encroachment. The Declarant hereby reserves an exclusive easement for the encroachment by any SFRU or MFRU upon the Common Property or vice-versa caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall exist at all times during the continuance of such encroachment, easement appurtenant to the encroaching Property to the extent of such encroachment.

Section 4. Entry Easement. In the event that the Owner and/or the applicable Subdivision

Association, if any, fails to maintain a Unit or any portion of the Property for which it is responsible as required herein or in the applicable Subdivision Declaration or in the event of emergency, the Association shall have the right to enter onto the Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Except in the case of an emergency, such entry shall take place only after written notice is given to the Owner. Entry onto the Lot or Unit as provided herein shall not be deemed a trespass and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

ARTICLE XI LAKE AND WATER RIGHTS

Section 1. Ownership of Lakes. The Declarant shall construct or cause to be constructed certain lakes or retention ponds ("lakes") forming part of an overall drainage system, for the Property. The bottom of any such lakes subjected to this Declaration may be conveyed to an individual Owner, the Association or a Subdivision Association, who shall be the "owner" of the lake for the purposes set forth in this Declaration; provided however, the waters of such lakes shall be controlled by the Association. In the event that the lakes are not owned by the Association, the Association is hereby granted an easement to the extent necessary for the purpose of ingress and egress to maintain the lakes as required.

Section 2. Maintenance of Lake Embankments and Lake Bottoms. Irrespective of the ownership of the lakes, the Association shall maintain and control the water level and quality of the lakes and shall have the power and right as it deems appropriate to control and eradicate plants, fowl, reptiles animals, fish and fungi in and on any lakes within the Property, as well as to maintain any drainage device and water level and/or devices so as to insure compliance with applicable governmental regulations as they exist from time to time. The owner of the bottom of any lakes shall maintain the embankment above the water line. Such maintenance shall be conducted so that the grass, planting or other natural support of the embankment shall be maintained in a clean and safe manner and so as to prevent erosion. If the Owner of the bottom of any lakes shall fail to maintain the embankment, the Association shall have the right, but not the obligation, to enter onto the Owner's property and perform the maintenance at the expense of the Owner which expense shall be a special assessment against the Owner and his Lot as provided in Article IV Section 16.

Section 3. Improvements on Lake. In the event that Declarant, an entity designated by the Declarant, or the Association shall construct any bridges, docks or other improvements which may extend over or into lakes or construct any bulkheads or similar improvements to support or enhance the lakes, the Association shall maintain any and all improvements in good repair and condition. No Owner, except the Declarant, its designee or the Association, shall be permitted to construct any improvement, permanent or temporary, on, over, under, or adjacent to any lakes without the written consent of the RACC, which consent may be withheld for any reason.

Section 4. Easements. All Owners shall have a perpetual non-exclusive easement for enjoyment and use of the lake surface waters together with an easement for ingress and egress at the locations so designated by the Association. The Owners' use and access to the lakes shall be

subject to and limited by the rules and regulations of the Association. The use of lakes shall be limited to fishing, boating, and/or recreational use. The Association shall have a non-exclusive easement for ingress and egress over the lakes for the purpose of providing the maintenance required herein.

Section 5. Use Restrictions and Covenants. In connection with the use of any lakes the following restrictions shall apply:

a. No motorized or power boats shall be permitted on any lakes with the exception of boats used for maintenance thereof.

b. No bottles, trash, cans or garbage of any kind or description shall be placed in any lakes.

c. No activity shall be permitted on any lakes which may become an annoyance or nuisance to the adjacent property and the Owners thereof. The Association's determination whether any activity constitutes an annoyance or nuisance shall be dispositive.

d. No person or entity, except Declarant or the Association, shall have the right to pump or otherwise remove any water from any lakes for the purpose of irrigation or other use.

e. Any lakes within the Property shall not be used in conjunction with any business enterprise or public use whatsoever.

f. There shall be no fishing permitted from bridges, streets or rights of way. Only Owners shall be permitted to fish in the lakes and only in areas so designated.

g. No swimming shall be permitted in any lake.

h. The Board of Directors shall be entitled to establish, amend, or modify rules and regulations governing the use of the lakes as the Board deems necessary or convenient.

ARTICLE XII GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Term. The covenants and restrictions of this Declaration shall run with and

bind the Property, for a term of twenty (20) years from the date this Declaration is recorded, after which time the covenants shall be automatically extended for successive periods of ten (10) years unless by a vote of ninety-percent (90%) of the votes of each class of members, the Members determine to terminate this Declaration.

Section 4. Amendment. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the votes in the Association, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the votes of each class of members. Any amendment must be recorded. Notwithstanding the foregoing, the Declarant reserves and shall have the sole right to (a) amend this Declaration with respect to Lots still owned by it at the time of amendment, but all such amendments shall conform to the general purposes and standards of the covenants and restrictions herein contained; (b) to amend this Declaration for the purposes of curing any ambiguity in or any inconsistency between the provisions contained herein; (c) to include in any contract or deed or other instrument hereafter made any additional covenants and restrictions applicable to any Lot which do not lower the standards of the covenants herein contained; and (d) to release any Lot or Unit thereon from any part of the covenants and restrictions which have been violated (including without limitation violations of building restriction lines and provisions hereof relating thereto) if the Declarant or the RACC determines such violation to be minor or non-adverse.

Section 5. Declarant's Successors. So long as the Declarant owns any parcel of the Property, the Declarant shall have the sole and exclusive right at any time and from time to time to transfer and assign to, and to withdraw from, such person, firm, corporation, trust or other entity as it shall select, any or all rights, powers, privileges, authority and reservation give- to or reserved by the Declarant by any part or section of this Declaration. At such time as Declarant exercises its rights hereunder, Declarant shall record an instrument in the public records of Camden County, Georgia specifying with reasonable detail the particulars of the assignment made by Declarant. If at any time after Declarant no longer owns any Property or Additional Property there shall be no person, firm, corporation trust or other entity specified by the Declarant to exercise any rights, powers, privileges, authorities and reservations given to or reserved by the Declarant under the provisions hereof, the same shall be vested in and exercised by the Association.

Section 6. Attorney's Fees. It is specifically acknowledged that in the event that any action is taken by any party authorized herein to enforce this Declaration, the prevailing party shall be entitled to receipt of its attorney's fees and court costs. Wherever in the Declaration there is a section providing for the payment of attorney's fees, such provision shall include attorney's fees incurred prior to or during any litigation of the matter or on appeal.

Section 7. FHA/VA Approval. As long as there is a Class C membership, the following actions will require the prior approval of the FHA or the VA: annexation of additional property, dedication of Common Property, and amendment of this Declaration of Covenants, Conditions, Restrictions and Easements.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, as hereunto set his hand and seal this 27th day of July, 1987.