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Treva W. Shelton
Clerk Superior Court, Paulding County, Ga.
Bk **02336** Pg **0876-0898**

Record & Return to:
J. Jayson Phillips
P.O. Box 197
Dallas, GA 30132

DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS RUNNING WITH THE LAND AND RESERVATIONS OF EASEMENTS

FOR

CHESTNUT HILLS SUBDIVISION

STATE OF GEORGIA
COUNTY OF PAULDING

THIS declaration of protective covenants and restrictions running with the land and reservations of easements made and published this *30th* day of January, 2007, by CRIMSON COMMUNITIES, LLC; LEE BUILT HOMES, INC; and S.R. GOLDEN HOMES, INC. ("Developer" or "Declarant") applicable to CHESTNUT HILLS SUBDIVISION.

WITNESSETH

THAT Developer is the owner of certain property located in Land Lots 1173, 1174, 1203 & 1204, 2nd District, 3rd Section, Paulding County, Georgia, as shown and delineated upon the "Plat", as hereinafter defined, which Plat and the record thereof are incorporated herein by reference thereto for a full and complete metes and bounds description of the property hereby encumbered; and

WHEREAS, the Declarant intends to subdivide said property into single lots for the construction of single family homes; and

WHEREAS, it is in the best interest of those purchasing "Lots" (as said term is hereinafter defined) in the "Subdivision" (as said term is hereinafter defined) that covenants and

restrictions be established to ensure the use of the Subdivision for attractive residential purposes only, to prevent nuisances, to prevent the impairment of the attractiveness of the Subdivision, to assure its compatible and coordinated development, to maintain the desired quality of the Subdivision, and thereby to enhance the full economic benefit and general enjoyment of the Lot of each Owner;

NOW THEREFORE, in consideration of the premises, Developer does declare the following to apply to the Subdivision:

ARTICLE I

DEFINITIONS

1.01 "Association" shall mean and refer to Chestnut Hills Homeowners Association, Inc., its successors and assigns.

1.02 "Common Area" shall mean any and all real and personal property, including, without limitation, easements and other interests therein, and the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of all Owners.

1.03 "Lot" shall mean each portion of the Subdivision, other than Common Area and any Public Roads, which has been subdivided for use as an individual building lot, as shown upon the Plat, and which is subjected to the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration by the recording of this Declaration.

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

1.05 "Developer" or "Declarant" shall mean and refer to Crimson Communities, LLC; S.R. Golden Homes, Inc. and Lee Built Homes, Inc., their successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

1.06 "Declaration" shall mean and refer to this Declaration of Protective Covenants and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision recorded in the Office of the Clerk of the Superior Court of Paulding County, Georgia.

1.07 "Member" shall mean and refer to those persons entitled to membership in the Association, as provided in the Declaration.

1.08 "Plat" or "Plats" shall mean the final plat of Chestnut Hills Subdivision, Phase I, prepared by Carlton Rakestraw & Associates, RLS # 2236, dated June 28, 2006, recorded in Plat Book 49, Pages 125 - 132 in the Paulding County, Georgia, land records; and shall include any and all other plats of survey which shall be recorded pursuant to the provisions of Article 5, Section 5.04.

1.09 "Structure" means:

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

(b) Any excavation, grading, fill ditch, diversion, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across any Lot; and

(c) Any change in grade at any point on a Lot of more than six (6) inches whether or not subsection (b) of this Section 1.09 applies to such change.

1.10 "Subdivision" shall mean the entirety of the real property described on the Plats, as may be expanded pursuant to Article 5, Section 5.04, which is hereby made subject to this Declaration.

ARTICLE II

PERMITTED AND PROHIBITED USES

2.01. General. This Article, beginning at Section 2.01, sets out certain use restrictions which must be complied with by all Owners and occupants of Lots. In addition, the Board may, from time to time, adopt, modify, or delete rules and regulations applicable to the Subdivision. These rules shall be distributed to all Owners prior to the date that they are to become effective and after distribution shall be binding upon all Owners and occupants of Lots until and unless overruled, canceled, or modified in a regular or special meeting by a majority of the total eligible Association vote and the consent of Declarant (so long as the Declarant has the right to appoint persons to the Architectural Review Committee as provided in Article III).

2.02 Residential Use. Each Lot shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Lot or any part of the Subdivision, including business uses ancillary to a primary residential use, except that the Owner or occupant residing in the residence on a Lot may conduct such ancillary

business activities within the residence so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the residence; (b) the business activity does not involve persons coming onto the Subdivision who do not reside in the Subdivision or door-to-door solicitation of residents of the Subdivision; (c) the business activity conforms to all zoning requirements for the Subdivision; (d) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; and (e) the business activity is consistent with the residential character of the Subdivision and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision as may be determined in the sole discretion of the Board of Directors; and (f) the business activity does not result in a materially greater use of common area facilities or Association services.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other that the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) the activity is engaged in full or part-time; (ii) the activity is intended to or does generate a profit; or (iii) a license is required for the activity. Notwithstanding the above, the use of a Lot by an on-site management company operating on behalf of the Association shall not be considered a trade or business within the meaning of this Section.

2.03 Building Type and Location. No building or dwelling shall be erected, altered, placed or permitted to remain on any Lot which exceeds two and one-half stories in height. All dwellings shall have an enclosed garage for not less than two (2) or more than three (3) vehicles. No building shall be located on any Lot nearer to the front Lot line or nearer to the side property line than the minimum building setback lines shown on the recorded plats. Any dwelling on any Lot shall have a minimum of 1,800 square feet of heated and cooled space excluding basements and garages.

2.04 Temporary Buildings. No mobile home or modular home shall be placed or erected on any Lot of the Subdivision, except as may be used by Builder or Developer on a temporary basis. A mobile home is a detached single family dwelling unit built on a chassis and designed for long term occupancy, containing sleeping and living area, a flush toilet, and tub or shower bath, and kitchen facilities, equipped with plumbing and electrical connections and designed for transportation after fabrication on street or highways on its own wheels or on detachable wheels, arriving at the sites as a complete dwelling unit and ready for occupancy after minor incidental unpacking, assembly operation on jacks or other temporary or permanent foundation, or the connecting of two units together (referred to as a double wide), connection to utilities and the like. Removal of the wheels and placement on a foundation does not change its classification as a

mobile home. A modular home is a factory fabricated transportable building consisting of building modules designed to be incorporated at a building site on a permanent foundation as a permanent structure with the appearance of a conventionally on-site constructed building and to be used for residential purposes. The use of prefabricated walls or trusses shall not be considered a modular home.

2.05 Outbuilding. Except as otherwise expressly provided in this Declaration, no trailer, tent, shack, barn or other outbuilding shall be placed or erected on any Lot in the Subdivision nor shall any structure of a temporary character be placed on any Lot in the Subdivision. A garage or storage building may be erected if the following criteria are met:

(a) A full set of plans including foundation, framing and elevation plans with full details must be submitted to and approved by the Architectural Review Committee prior to any construction or land disturbance, as hereinafter provided;

(b) The building must be made with the same materials as are on the house, i.e., brick, stucco or vinyl siding;

(c) The buildings must be located in the rear yard and a minimum setback from the rear property of 25 feet;

(d) The building must have a 12 inch cornice section that matches the existing structure;

(e) The maximum size of any structure will be 16 foot by 16 foot.

2.06 Signs. Except as may be required by legal proceedings, no sign of any kind shall be erected by an Owner or occupant of a Lot within the Subdivision without the prior written consent of the Architectural Review Committee except as follows: (a) one (1) “For Sale” or “For Rent” sign of a size not exceeding two (2) feet by three (3) feet, and (b) one (1) professionally lettered security sign, per Lot. No signs may be placed on any portion of the Common Area, including the entrance area, unless approved in writing by the Architectural Review Committee. Notwithstanding the foregoing, the Board shall have the right to erect reasonable and appropriate signs.

2.07 Vehicles. Boats, trailers, buses, trucks and commercial vans (excluding mini-vans, passenger vans without commercial writings on their exteriors, and sport utility vehicles used as passenger vehicles), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes (as determined in the sole discretion of the Board of Directors), and vehicles with commercial writings on their exteriors are also prohibited from being parked on a Lot or in the Subdivision, except: (1) in garages or

areas approved by the Board, or (2) in the case of service vehicles, on a temporary basis during the daytime business hours for the purpose of serving a Lot.

If any vehicle is parked on any portion of the Subdivision in violation of this Section or in violation of the Association's rules and regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice also shall be conspicuously placed at the Subdivision stating the name and telephone number of the person or entity which will do the towing. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the vehicle owner or user.

2.08 Exterior of Home.

(a) No man made object may be placed in the front or side of any home, excluding one flag less than 3' x 4', flower pots and seasonal holiday decorations.

(b) All window treatments on the front of any house must be either white blinds, or window treatments with white backing.

(c) As the exteriors of homes need repairing or repainting, any change from the original color scheme must be approved in advance by the Architectural Review Committee. The request submittal should include color chips for Architectural Review Committee review. Repainting in the same color as the original color scheme does not require Architectural Review Committee approval.

(d) Storm doors are permitted, however, they must be either full glass or half glass/screen and be factory finished in white, dark brown or dark green. Other colors may be approved by the Architectural Review Committee provided they match the house trim or door in color.

2.09 Easements. The Lots are subject to the easements and building set-back lines as shown on the Plat. All Lots are subject to the present location of any branch, stream or creek crossing any such Lots. Notwithstanding anything herein to the contrary, the Developer hereunder shall have the right, but not the obligation, to relocate any such branch, stream or creek.

2.10 Leasing. Lots may be leased for residential purposes only. All leases shall have a minimum term of six (6) months and a copy of all leases shall be given to the Board of Directors by the Owner of the Lot within thirty (30) days of entering the lease. All leases shall require that the tenant acknowledge receipt of a copy of the Declaration, Bylaws,

use restrictions, and rules and regulations of the Association and shall also obligate the tenant to comply with these documents.

The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Area of the Association, including, but not limited to the use of any and all recreational facilities and other amenities.

2.11 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 a reasonable number of domestic pets, determined solely by the Board, including dogs, cats, or other usual and common household pets, as may be determined in the discretion of the Board. No pets shall be kept, bred or maintained for any commercial purpose. No structure for the housing, care or confinement of any animal or pet shall be constructed, placed or altered on any Lot unless plans are approved by the Architectural Review Committee. Pet owners shall not allow pets to roam unattended. Dogs shall at all times whenever they are outside be on a leash held by a responsible person or otherwise confined in a manner acceptable to the Board, such as within a fence. All Owners and occupants keeping pets within the Subdivision shall comply with all applicable governmental ordinances and regulations.

No pit bulldogs or other dogs determined in the sole discretion of the Board to be dangerous dogs may be brought onto or kept on the Subdivision at any time by any Lot Owner, Occupant, or guest of an Owner or Occupant. Any pet which endangers the health of any Owner or Occupant of any Lot or which creates a nuisance or unreasonable disturbance, as may be determined in the sole discretion of the Board of Directors, must be permanently removed from the Subdivision upon seven (7) days' written notice by the Board of Directors. Any pet which, in the sole discretion of the Board, presents an immediate danger to the health, safety or property of any member of the Subdivision may be removed by the Board without prior notice to the pet's owner.

2.12 Garbage Receptacles. No trash disposal unit may be visible from the street. No garbage cans, receptacles, refuse containers or trash disposal unit may be utilized in the Subdivision except those which have been approved by the Architectural Review Committee. No private garbage collection service or sanitation service may be contracted with for garbage or refuse pick-up except those private services or companies or individuals which have been approved in advance by the Architectural Review Committee. Garbage receptacles must not be left at the street except on the day of pickup.

2.13 Mail Boxes. All mail box and mail box posts will be supplied by the Builder at the initial closing of the house. Any replacement mail boxes and posts different than the initial ones supplied by the Builder must have prior written approval by the Architectural Review Committee.

2.14 Driveways. All front driveways or front driveway extensions must be poured concrete.

2.15 Exterior of Buildings. The visible exterior of any concrete blocks, cinder blocks, or other fabricated masonry block units shall have an exterior finish of rock, brick, stucco, natural stone or similar covering or shall be painted.

2.16 Repair and Maintenance. Each Owner shall keep his Lot and all Structures thereon in good repair and order, including but not limited to, the seeding, watering and mowing of the Lot, the pruning and cutting of all trees and shrubbery and the painting or other appropriate external care needed for the proper maintenance of his home. All care shall be maintained at such frequency as is consistent with good property management. Upon failure of an Owner to comply with this paragraph after written notice to do so, Developer or the Architectural Review Committee (or representative) may enter on the Lot of such Owner and maintain said Lot as per this paragraph at such Owner's expense, and Owner shall reimburse Developer or the Architectural Review Committee for the expense of same.

2.17 Antennas and Satellite Dishes. No exterior antennas, aerials, satellite dishes, or other apparatus for transmission of television, radio, satellite or other signals of any kind larger than one (1) meter in diameter or in height shall be placed, allowed, or maintained upon any portion of the Subdivision, including any Lot, without the prior written consent of the Architectural Review Committee.

2.18 Nuisances. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on their Lot. No Lot within the Subdivision 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 unreasonably unclean or untidy condition or that will be obnoxious to a person of common and reasonable senses; nor shall any substance, thing or material be kept that will emit unreasonably foul or obnoxious odors or that will cause any unreasonable noise or other condition that will or might disturb the reasonable peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any property within the Subdivision. No plants, animals, device or thing of any sort shall be maintained in the Subdivision whose activities or existence is in any way unreasonably noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Subdivision by other Owners and occupants. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot.

2.19 Vegetable Gardens and Playground Equipment. No vegetable gardens or play equipment shall be erected on any Lot without the prior written consent of the Architectural Review Committee and any such items must be located between the rear of the dwelling and the rear lot line. Play equipment must be constructed of natural unpainted wood. No metal swing sets are allowed.

2.20 Basketball Goals. All basketball goals must be portable and pulled to the rear of the house when not in use.

2.21 Clotheslines, Woodpiles, Swimming Pool Equipment, Etc. All woodpiles, swimming pool pumps, filters and related equipment and other similar items shall be located or screened so as to be concealed, to the extent possible, as determined in the sole discretion of the Architectural Review Committee, from the view of neighboring Lots, the Common Area and the street on which the Lot (on which the item is located) fronts. No outside clotheslines shall be erected or placed on any Lot. No laundry shall be hung on any Lot to dry if it is visible from any street in the Subdivision.

2.22 Local Ordinances. All governmental building codes, health regulations, zoning restrictions and the like applicable to the Subdivision 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.

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

2.24 Fences. No fence or fencing-type barrier of any kind shall be placed, erected, allowed, installed or maintained upon any portion of the Subdivision, including any Lot, without the prior written consent of the Architectural Review Committee. The Architectural Review Committee may issue guidelines detailing acceptable fence locations, styles and/or specifications. Applications shall be submitted in accordance with Article III of this Declaration. Fences may only be placed, installed or erected in locations even with, or rearward of the rear wall of the particular Lot's residential structure. Additionally, on corner lots, no fences shall be placed, installed or erected that would be located nearer to the side street line than the building set-back lines shown on the recorded plat. The Architectural Review Committee may require that all or part of the fencing be painted or screened in order to preserve architectural harmony within the Subdivision.

2.25 Swimming Pools. No above-ground or in-ground swimming pool or spa shall be erected, constructed, or installed on any Lot unless its design, location and placement are approved by the Architectural Review Committee.

ARTICLE III

ARCHITECTURAL REVIEW COMMITTEE

3.01 Architectural Review Committee Created. There has been created and presently exists a committee known as The Architectural Review Committee. All references herein to "Review Committee" or "Architectural Review Committee" are to this Committee. The Review Committee is presently comprised of Steve R. Golden and Perry Lee. The Committee may designate a representative to act for it. In the event of the resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee, nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant. At the time that permanent improvements are constructed on each Lot and all such Lots are sold to permanent residents, or at such other time as the Declarant in its sole discretion shall turn same over to the Association, then the record owners of a majority of the Lots shall have the power, through a duly recorded written instrument, to change the membership of the committee or to withdraw from the committee or restore it to any of its powers and duties. All plans which are required to be submitted for approval by said committee must receive a majority vote of the members of the committee for approval.

3.02 Committee Approval Required. All plans for any Structure to be erected on any Lot of the Subdivision, and all other items otherwise required by this Declaration to be submitted to the Architectural Review Committee, shall be submitted to the Architectural Review Committee for approval or disapproval prior to commencing construction of any variety on such Structures. Without limiting the generality of the foregoing, the builder of any proposed house within the Subdivision shall submit all exterior colors and roof elevations to the Architectural Review Committee. To preserve the architectural appearance of the neighborhood, no construction or placement of improvements of any nature whatsoever shall be commenced or maintained by any owner, his family, tenants, visitors, guests, servant, or agent with respect to the exterior of any house or with respect to any other portion of any Lot or other parcel of land, including without limitation, the construction or installation of houses, sidewalks, driveways, decks, patios, swimming pools, tennis courts, greenhouses, playhouses, garages, guest or servants' quarters or other outbuilding, nor shall any exterior addition to or change or alteration therein be made, unless and until the plans and specifications showing the nature, color, type, shape, height, materials and location of the same shall have been submitted to and approved in writing as to the harmony of external design, location, and appearance in relation to surrounding structures and topography by the Architectural Review Committee. The Architectural Review Committee shall have the sole discretion to determine whether the

plans and specifications submitted for approval are acceptable and in compliance with the total scheme of the neighborhood.

3.03 Approval Process. Matters presented to the Committee for action shall be in writing and acted upon within thirty (30) days after submission. Matters submitted but not acted upon within thirty (30) days shall be deemed granted. Any matter presented to the Committee and denied shall not be resubmitted for further action until one year has elapsed from the action of the Committee.

3.04 Waiver. The Architectural Review Committee may grant waivers from this Declaration in instances where unique and unusual circumstances prevail that would cause significant economic loss on the part of a Lot owner to comply with this Declaration.

3.05 Submission of Information. Submission of the information herein required may be done until further notice or otherwise by delivering the same personally to any member of the Review Committee, or by mailing the same by United States mail to the Review Committee at the following address:

Perry Lee and Steve R. Golden
ATTN: Chestnut Hills ARC
815 Lee Road
Dallas, Georgia 30132

3.06 Death or Resignation. In the event of the death or resignation of any member of the Review Committee, the remaining member or members shall have full authority to designate a successor.

3.07 Additional Members. The members of the Review Committee from time to time shall further be empowered to designate and name additional members to the Review Committee who shall be either owners of Lots within the Subdivision or spouses of Owners of Lots within the Subdivision.

3.08 No Members-Election. If at any time there are no members serving as a Review Committee for the Subdivision, the Review Committee may be reconstituted by petition or election of members to the Review Committee by Owners owning two-thirds (2/3) of the Lots within the Subdivision.

ARTICLE IV

COMMON AREA

4.01 Common Area. All portions of Chestnut Hills Subdivision which the Declarant shall transfer or convey to the Association shall thereafter constitute Common Area. All

portions of the Chestnut Hills Subdivision which shall be transferred to the Association by the Declarant (a) shall be conveyed to the Association by limited warranty deed, and (b) shall be conveyed to the Association subject to the rights and easements set forth herein, irrespective of whether the deed of conveyance shall make a specific reference to such rights and easements.

4.02 Members Rights in Common Areas. Every owner of any Lot shall have a non-exclusive right and easement of enjoyment and use in and to the Common Area, and such right and easement shall be appurtenant to, and shall pass with, title to the Lot(s) owned by such Owner. Such right and easement of enjoyment and use are and shall be subject to any easements created herein and to the right of the Association to promulgate reasonable rules and regulations regarding the use of Common Area, the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, and the right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of the Owner of any Lot during any period in which assessment due to the Association from such Owner remains unpaid, and such period as the Board of Directors of the Association may consider appropriate for any infraction of the Declaration or of its published rules and regulations. No such suspension, however, shall prohibit the Owner of any Lot from using the Common Area to the extent necessary for such owner to have access to and from his Lot. In addition, the Board of Directors may permit other persons who are not residents of any Lots to use the Common Areas upon such terms and conditions and for the payment of such fees as shall be determined by the Board of Directors.

4.03 Maintenance of Common. Area. The Association shall be responsible for the maintenance and repair of all Common Area.

4.04 Utility Easements. There is hereby created in favor of the Association an easement upon, across, over, through and under all of the Common Area for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and systems, including but not limited to water, sewers, gas, telephones, electricity, television cable or communication lines and systems. An easement is further granted to the Association, its officers, agents, employees and any management company retained by the Association, to enter in or to cross over the Common Area, to inspect and to perform the duties of maintenance and repair of the Common Area, as provided herein. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines or other utilities may be installed or relocated on the Subdivision except as initially programmed and approved by the Declarant or thereafter approved by the Declarant or the Board. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by a separate recordable document, Declarant or the Association shall have the right to grant such easement on the Common Area without conflicting with the terms hereof.

4.05 The Common Area cannot be mortgaged or conveyed without the consent of at least two-thirds (2/3) of the Lot owners (excluding the Developer).

4.06 If ingress or egress to any residence is through the Common Area, any conveyance or encumbrance of such area is subject to the Owners' easement for ingress and egress.

4.07 Easement for Declarant. Declarant hereby reserves for itself, its successors, and assigns, the following easements and rights-of-way in, on, over, under and through any part of the Subdivision owned by Declarant and the Common Area for so long as Declarant owns any Lot primarily for the purpose of sale:

(a) For the erection, installation, construction and maintenance of wires, lines and conduits, and necessary to proper attachments in connection with the transmission of electricity, gas, water, telephone, community antennae, television cables and other utilities;

(b) For the construction of improvements on the Lots;

(c) For the installation, construction and maintenance of storm-water drains, public and private sewers, and for any other public or quasi-public utility facility;

(d) For the use of the Common Area and any sales office, model units and parking spaces in connection with its efforts to market Lots;

(e) For the maintenance of such other facilities and equipment as in the sole discretion of Declarant may be reasonably required, convenient or incidental to the completion, improvement and sale of Lots.

ARTICLE V

HOMEOWNERS' ASSOCIATION

5.01 Establishment and Purpose. The Developer shall establish a homeowners' association in the form of a Georgia non-profit corporation, herein referred to as the "Association". The purpose of the Association shall be to accept and hold title to, construct, maintain, repair, landscape and improve the Common Areas and provide other public services for the mutual benefit of Owners within the Subdivision and to collect, hold, administer and expend the Assessments provided for in Article VI hereof. The Association shall also be empowered to enact Bylaws and rules and regulations providing for the organization and operation of the Association and the utilization of Common Areas and public services provided or made available by the Association.

5.02 Required Membership. Every person who is, or who becomes, a record owner of a fee or undivided fee interest in any Lot in the Subdivision is and shall be a member of the Association; provided, however, that any such person who holds such interest merely as security for the performance of an obligation shall not be a member of the Association. The transfer of ownership of a fee or undivided fee interest in any Lot shall automatically transfer membership in the Association, and in no event shall such membership be severed from the ownership of such Lot. Each member shall be bound by the By-Laws and rules and regulations established from time to time by the Association, provided that the Association shall have no power to establish By-Laws or rules and regulations which:

(a) Conflict with or vary the terms hereof as they may be amended;

(b) Provide for voting rights of the Class A membership other than one (1) vote per Lot, on all issues and votes coming before the Association;

(c) Are established by a vote of less than a majority of the votes cast in person or by proxy at a meeting of members at which a quorum is present and which is held not less than fifteen (15) days after written notice is sent to the Owners at their record address or such other address as any owner may furnish in writing to the Association of the time, place and purpose of the meeting, together with a copy of the proposed bylaw, rule or regulation or amendment thereto.

5.03 Classes of Membership; Voting Rights. The Association shall have two classes of voting membership; Class A and Class B.

(a) Class A. The Class A members shall be all those persons holding an interest required for membership in the Association, as specified in Section 5.02 of this Article V, except for those persons who are Class B members. Until such time as the Class A members shall be entitled to full voting privileges, as hereinafter specified, the Class A membership shall be entitled to vote only in regard to the following matters: (a) any proposal of merger, consolidation or dissolution of the Association; (b) any proposal by Members pursuant to Article VIII of this Declaration to amend this Declaration; (c) any proposal by Members to modify or amend the Articles of Incorporation or the By-Laws of the Association; and (d) any other matter for which it is herein specifically provided, or for which it is provided for by law, that approval of each and every class of membership of the Association is required. Except in regard to the foregoing matters, the Class A membership shall be a non-voting membership until such time as the Class B membership shall terminate, at which time the Class A membership shall be the sole class of membership and shall be entitled to full voting privileges. When entitled to vote, only one vote per Lot shall be entitled to be cast, regardless of how many persons may be on the record title of such Lot.

(b) Class B. The Declarant shall be the sole Class B member. Class B membership shall be a full voting membership and during its existence, the Class B member shall be

entitled to vote on all matters and in all events. In addition to such other rights and privileges hereto granted, the Class B member shall be entitled to three (3) votes for each Lot owned. The Class B membership shall terminate and cease to exist, and the Class B member shall become a Class A member insofar as it may then hold any interest required for membership by Section 5.02 of this Article V, upon the earliest to occur of: (i) the date on which Declarant shall have conveyed to individual owners thereof seventy-five percent (75%) of the Lots within the Subdivision, or (ii) seven years from the date this Declaration is recorded in the public land records of the County in which the Subdivision lies, or (iii) on such earlier date as the Declarant shall designate in written notice delivered to the Association.

5.04 Additional Lots Hereafter Subjected to Declaration

(a) The Developer may, at any time, and from time to time, up to the date ten (10) years from the date this Declaration was recorded in the land records of the County in which the Subdivision lies, subject additional property or properties to the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration by:

(i) Executing and recording in the deed records of the County in which the Subdivision lies, a supplemental declaration to this Declaration describing such additional Lots and stating that this Declaration is thereby extended to, or shall thereafter apply to, such additional Lots; and

(ii) Recording in the plat books of the County in which the Subdivision lies, a plat of survey showing and depicting the additional Lots being thereby subjected to this Declaration.

(b) From and after the subjecting of additional Lots to this Declaration, such additional Lots shall thereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration, including, without limitation, all lien and Assessment provisions set forth in this Declaration. From and after the subjecting of such additional Lots to this Declaration, all terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration as applicable to Lots shall be a permanent charge thereon, and shall run with, such additional Lots.

(c) Any supplemental declaration which may be executed and recorded pursuant to the provisions of this Section 5.04 for the purpose of subjecting additional Lots to the terms and provisions of this Declaration, may set forth certain easements and restrictions which may apply only to the Lots being subjected to this Declaration by such supplemental declaration. Any such easements and restrictions which shall be set forth in any supplemental declaration shall be thereafter as binding on the Lots which are the subject of such supplemental declaration as if such easements and restrictions were set forth in their entirety in this Declaration.

(d) Notwithstanding anything contained in this Declaration to the contrary, including but not limited to the provisions of Article VIII of this Declaration, no approval from any Owner, Member of the Association, or from anyone else whomsoever, shall be required for the Developer to subject any additional real property to this Declaration as additional Lots.

ARTICLE VI

ASSESSMENTS FOR MAINTENANCE OF COMMON AREAS AND OTHER PUBLIC SERVICES

6.01 Assessment. The Owner of each Lot within the Subdivision, for himself, his heirs, executors and assigns, covenants and agrees to pay to the Association, its successors and assigns, from the date of the purchase of any such Lot, an assessment (the "Assessment") as provided for herein, to be utilized only to pay the cost of constructing, maintaining, repairing and operating any Common Areas established by Developer or the Association, for operating and managing the Association, for use by Lot owners within the Subdivision, and for the maintenance, upkeep, landscaping and improvement thereof and of roadsides and easements and to provide other public services to the extent not adequately provided by any public authority, including but not limited to underground electrical and/or telephone communication or other telecommunications service, garbage collection, street lighting and lighting of any easement areas and Common Areas. The cost of any of the aforementioned services shall be borne by the Owners on the basis of an equal Assessment for each Lot, whether same is built upon or not. Notwithstanding, the Assessment may be waived for unimproved Lots, such waiver to be in the sole discretion of the Developer (or the Association if the right to collect the Assessment has been transferred and assigned to the Association, pursuant to Section 6.05 herein).

6.02 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 Area, including fixtures and personal property related thereto provided that any such assessment shall have the assent of two-thirds (2/3) of the votes entitled to be cast in person or by proxy at a meeting called for this purposes. However, such assessments shall be within the limitations set forth in Section 6.05 hereof.

6.03 No Absolute Liability. Absolute liability is not imposed on Owners for damage to Common Areas or Lots if Subdivision is considered a Planned Unit Development by the Federal Housing Authority, VA or other government agency insuring mortgage loans within the Subdivision.

6.04 Lien for Assessments. All sums assessed against any Lot pursuant to this Declaration, whether an Assessment, fine or other charge made against the Owner of such Lot, together with late charges, interest, and costs, including, without limitation, reasonable attorney's fees actually incurred, as provided herein, shall be the personal obligation of the Owner, secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes; or (b) the lien of any mortgage, deed of trust or security deed recorded prior to the recording of this Declaration; or (c) the lien of any purchase money mortgage, purchase money deed of trust or purchase money security deed encumbering the Lot, provided that the mortgagee, beneficiary or security deed holder was not an owner of the Lot while any Assessments, fines or charges were outstanding or unpaid.

6.05 Assessment Limited. All Owners purchasing a Lot in the Subdivision shall pay an annual Assessment of $500.00, for each calendar year. The annual Assessment shall be payable on or before March 1st of the year of assessment. The annual assessment for the year in which a purchaser buys a Lot shall be prorated as of the date of closing over the entire year in which the closing occurs. Such Assessment amount may be increased by the Developer at any time until such time as the Developer has transferred more than fifty percent (50%) of the Lots to the other Owners. After the Developer has transferred more than fifty percent (50%) of the Lots, the Assessment amount may be increased by a vote of sixty percent (60%) of the Owners of the Lots within the Subdivision provided that any increase in the monthly payment shall not exceed ten percent (10%) of the amount of the monthly Assessment assessed at the end of the previous calendar year, unless an increase in excess of ten percent (10%) is approved by the vote of eighty percent (80%) of the Owners. The Assessments provided for herein shall be held separately by the Developer until turned over to the Association at the time the Class B membership terminates pursuant to paragraph 5.03 (b) and shall only be used for the aforesaid purposes.

6.06 Effect of Nonpayment of Assessments: Remedies of the Association. The personal obligation of each Owner and the lien for Assessments shall also include:

(a) A late charge not in excess of ten percent (10%) of the amount of each Assessment or installment thereof not paid when due, as liquidated damages as a best estimate of damages arising out of the inconvenience and administrative cost to the Association of any late payment;

(b) Interest on each Assessment or installment thereof, as well as on any late charge pertaining thereto, which is not paid within thirty (30) days from the due date. Such interest shall accrue from the date the delinquent obligation was first due and payable at an annual rate equal to the lesser of eighteen percent (18%) or the highest rate permitted by law, until paid;

(c) The costs of collection, including court costs, the expenses required for the protection and preservation of the lien and the collateral, and reasonable attorney's fees actually incurred; and

(d) The fair rental value of the Lot in question from the time of the institution of an action until the sale of the Lot at foreclosure, or until judgment rendered in the action is otherwise satisfied.

6.07 Suit to Enforce/Foreclose Lien. In the event that the Assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or foreclose its lien, provided the Association complies with the Notice provisions of paragraph 6.08 herein. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against such Owner personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners.

6.08 Notice of Enforcement of Lien. Not less than ten (10) days after notice is sent by certified mail, return receipt requested, to the Owner both at the address of the Lot and at any other address or addresses which the Owner may have designated to the Association in writing, the lien may be foreclosed by the Association by an action, judgment, and foreclosure in the same manner as other liens on improved real property. The notice shall specify the amount of the Assessments then due and payable, together with authorized late charges and interest accrued thereon. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, encumber, and convey the same. The lien for Assessments shall lapse and be of no further effect, as to Assessments or installments thereof, together with late charges and interest applicable thereto, which first become due and payable more than three years prior to the date upon which the notice contemplated in this paragraph is given or more than three years prior to the institution of an action therefore if an action is not instituted within 90 days after the giving of the notice.

6.09 No Waiver of Lien. No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein, including, by way of illustration, but not limitation, abandonment of any Lot, the non-use of any Common Area or other Association-provided service, or the purported withdrawal from the Association. No diminution or abatement of any Assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or any bylaws adopted by the Association (the "Bylaws"), or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any

order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

6.10 Application of Payments Toward Lien and Costs. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent Assessments.

6.11 Assessment Certificates. The Association shall upon demand, and for a reasonable charge not to exceed thirty-five Dollars ($35.00), furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as the status of assessments on a specified Lot is binding upon the Association as of the date of its issuance. If the Association fails to respond to any such request within ten (10) days after receipt of such request, any lien then outstanding shall be deemed to have been extinguished.

ARTICLE VII

COVENANTS, MEANS OF ENFORCEMENT. ENFORCEABILITY, JOINTLY AND SEVERALLY

7.01 Independent and Separate. Each and every one of the terms and provisions of this Declaration shall be considered to be independent and separate and, in the event any one or more of such terms or provisions shall for any reason be held to be invalid or unenforceable, all remaining terms and provisions shall nevertheless remain in full force and virtue.

7.02 Enforcement. Each Owner and occupant of each Lot shall comply strictly with the Bylaws, the rules and regulations, the use restrictions, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and in the deed to such Owner's Lot, if any. Failure to comply with this Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for damages, fines or injunctive relief, or any combination thereof, maintainable by Developer, the Association or by any other Owner. Failure to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Review Committee shall have the right to record in the appropriate land records a notice of violation of the Declaration, Bylaws, rules and regulations, use restrictions, or design guidelines and to assess the cost of recording and removing such notice against the Owner who is responsible (or whose occupants are responsible) for violating the foregoing.

7.03 Fines. In the event of a violation or breach of any restriction, condition or provision contained in this Declaration, in addition to any other remedies provided for herein or at law, the Association may impose a fine against the offending Owner not to exceed $100.00 per violation. Each day that a continuing violation is occurring shall be

deemed a separate and distinct violation for the purpose of the imposition of such a fine or fines. Prior to imposing any such fine or fines, the Association shall give written notice of the violation and its intent to impose such fines to the violating Owner. If the violation is not remedied within 10 calendar days from the date such notice is given, the Association may impose a fine and collect same by any means provided for in this Declaration.

7.04 Self-Help. In the event of a violation or breach of any restriction, condition or provision contained in this Declaration, in addition to any other remedies provided for herein, the Architectural Review Committee or the Association may give the violating Owner ten (10) days written notice of its intent to exercise self-help. Self-help, as used in this paragraph and this Declaration, means the right of the Association or the Review Committee, through their respective agents/or employees, to enter at all reasonable times upon any Lot or structure thereon, as to which a violation, breach or other condition contrary to the provisions of this Declaration may exist, and investigate, abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, the Bylaws of the Association, or the rules or regulations or other restrictions incident thereto, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions. All costs of exercising such self-help, including without limitation, reasonable attorney's fees, together with interest on such costs and/or fees at the highest rate allowed by Georgia Law, shall be assessed against the violating Owner and shall be enforced and collected as provided for in this Declaration for the collection of Assessments, and any lien resulting therefrom shall maintain the same priority as that of the lien for assessments pursuant to Paragraph 6.03 herein.

7.05 Injunction, Suit for Specific Performance, Etc. It is agreed that in the event of a violation of any of the within Covenants, the economic detriment to any party hereto shall be indefinite and incapable of determination and that this Declaration, therefore, may be enforced in equity by injunction, restraining order or by suit for specific performance.

7.06 Attorney's Fees. In the event that any party hereto successfully institutes an action for enforcement, resulting in a final judgment or decree of injunction, specific performance or providing for monetary damages, the party violating this Declaration shall pay all costs of the court and reasonable attorney's fees associated with the institution and prosecution of such action.

ARTICLE VIII

AMENDMENT

8.01 Amendment. This Declaration may only be amended in accordance with the following requirements and procedures:

(a) Such amendment must be approved by the record Owners of two-thirds (2/3) of the Lots within the Subdivision, provided that the Developer, his successors or assigns may amend this Declaration so long as Developer, his successors or assigns owns any Lot within the Subdivision. Such amendment shall be effective only upon the recording of the written amendment(s), signed by one or more record Lot owners (including the Developer), attaching the written evidence of the approval of said amendment by the requisite number of record Owners or, if applicable, the Developer.

(b) Notwithstanding the foregoing, the Developer, his successors or assigns, so long as it has record title to more than one of the Lots in the Subdivision, reserves the right at any time to amend the Declaration and/or the plat as may be required by any lending institution or public body, or in such manner as the Developer may determine to be necessary to carry out the purposes in such a way as to be beneficial to all purchasers or to further clarify and to explain the obligations, responsibilities and limitations of the Owners as set forth in the preamble hereof.

ARTICLE IX

STREETS

9.01 Streets. Developer has, or will shortly dedicate the streets within the Subdivision to Paulding County, which shall then be responsible for the maintenance and upkeep of same.

ARTICLE X

MISCELLANEOUS

10.01 Covenants run with the Land. The protective covenants and restrictions set forth herein shall apply to the property described above and shall be covenants running with the land and shall be binding on all parties, persons or entities owning a Lot or Lots in the property described above.

10.02 Use of Undeveloped Lot as Road. The restrictions and covenants set forth herein shall not limit or prohibit the Developer, its successors or assigns, from using a Lot or Lots as a road, street or driveway to other property. Any Owner of a Lot other than Developer shall obtain the written permission of the Developer before any Lot may be used as a street, driveway or road to any other property. Such written consent is in the sole discretion of the Developer and may be granted upon such terms as Developer deems appropriate.

10.03 Non-Enforcement does not Constitute Waiver. The failure of the Association, Declarant or the Architectural Review Committee to insist in any one or more cases upon

the strict performance of any of the terms, covenants, conditions, provisions, or agreements herein contained shall not be construed as a waiver or a relinquishment in the future of the enforcement of any such term, covenant, condition, provision, or agreement. The acceptance of performance of anything required to be performed with knowledge of the breach of a term, covenants, condition, provision or agreement shall not be deemed a waiver of such breach, and no waiver by the Association, the Declarant or the Architectural Review Committee of any term, covenant, condition, provision, or agreement shall be deemed to have been made unless expressed in writing and signed by the Association, the Declarant or the Architectural Review Committee.

10.04 Easement for Corrective Purposes. For a period of five (5) years from the date of conveyance of the first Lot in a parcel, the Declarant reserves a blanket easement and right on, over and under the ground within that parcel to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as near as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected owners, unless in the opinion of the Declarant any emergency exists which precludes such notice.

10.05 Duration of Covenants, Restrictions, Reservations and Servitudes. The covenants and restrictions of this Declaration shall run with and bind the Subdivision, and shall inure to the benefit of, and shall be enforceable by, the Association, the Developer or any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by law; provided, however, so long as Georgia law limits the period during which covenants restricting land 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, after which time, any such provisions shall be (a) automatically extended (to the extent allowed by applicable law) for successive periods of ten (10) years, unless a written instrument reflecting disapproval signed by a majority of the then Owners has been recorded within the year immediately preceding the beginning of a ten (10) year renewal period agreeing to change such provisions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated to the extent provided therein; or (b) extended as otherwise provided by law. Every purchaser or grantee of any interest (including, without limitation, a security interest) in any real property subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that such provisions of this Declaration may be extended and renewed as provided in this Section.

IN WITNESS WHEREOF, CRIMSON COMMUNITITES, LLC; S.R. GOLDEN HOMES, INC. & LEE BUILT HOMES, INC. have caused these protective covenants and restrictions to be executed this 30 day of January, 2007.

CRIMSON COMMUNITIES, LLC (SEAL)

Unofficial Witness

By: STEVE R. GOLDEN, MEMBER

Notary Public

LEE BUILT HOMES, INC.

Unofficial Witness

By: SANDRA LEE, Secretary

Notary Public

S. R. GOLDEN HOMES, INC.

Unofficial Witness

By: STEVE R. GOLDEN, President

Notary Public

Deed Doc: AGRE
Recorded 07/31/2007 08:23AM
Georgia Intangible Tax Paid: $0.00
Treva W. Shelton
Clerk Superior Court, Paulding County, Ga.
Bk **02452** Pg **0265-0266**

STATE OF GEORGIA

COUNTY OF PAULDING

Please Return To:
J. Jayson Phillips
Talley, Richardson & Cable
367 West Memorial Drive
Dallas, GA 30132

1st Amendment to Protective Covenants

for the Chestnut Hills Subdivision

COMES NOW THE DECLARANTS, CRIMSON COMMUNITIES, LLC; LEE BUILT HOMES, INC.; and S.R. GOLDEN HOMES, INC.; and amend the Declaration of Protective Covenants and Restrictions Running with the Land and Reservations of Easements for the Chestnut Hills Subdivision ("the Covenants"), dated January 30, 2007, and recorded in Deed Book 2336, Page 876 of the Paulding County Deed Records, pursuant to and under the guidelines of ARTICLE VIII of the said Covenants as follows:

ARTICLE I, Paragraph 1.05 of the aforementioned covenants is hereby amended by striking said paragraph in its entirety and in its place substituting the following:

"1.05 "Developer" or "Declarant" shall mean and refer to Crimson Communities, LLC; S.R. Golden Homes, Inc.; Lee Built Homes, Inc.; and Stan Stephens Enterprises, LLC; their successors and assigns, is such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development."

ARTICLE I, Paragraph 1.08 of the aforementioned covenants is hereby amended by striking said paragraph in its entirety and in its place substituting the following:

"1.08 "Plat" or "Plats" shall mean the final plat of Chestnut Hills Subdivision, Phase I, prepared by Carlton Rakestraw & Associates, RLS #2236, dated June 28, 2006, recorded in Plat Book 49, Pages 125 - 132, as revised in Plat Book 50, Page 30 - 37, and further revised in Plat Book 51, Page 117 - 124, and as may be further revised hereafter, said revisions being specifically incorporated herein by reference."

All other conditions, covenants, restrictions and easements in the Covenants shall remain in full force and effect.

WITNESS the hand and seals of the undersigned this 27th day of July, 2007.

Unofficial Witness

Notary Public

Unofficial Witness

Notary Public

Unofficial Witness

Notary Public

CRIMSON COMMUNITIES, LLC

(SEAL)

By: STEVE R. GOLDEN, Member

LEE BUILT HOMES, INC.

(SEAL)

By: SANDRA LEE, Secretary

S.R. GOLDEN HOMES, INC.

(SEAL)

By: STEVE R. GOLDEN, President

Deed Doc: COVE
Recorded 06/18/2009 12:16PM

Treva W. Shelton
Clerk Superior Court, Paulding County, Ga.
Bk **02713** Pg **0725-0735**

Prepared by and to be returned after recording to:

Troutman Sanders LLP
600 Peachtree Street, Suite 5200
Atlanta, Georgia 30308
Attn: William W. Burton, Esq.

Cross Reference:

Deed Book 2336. Page 876
Deed Book 2452, Page 265

Clerk of Superior Court of Paulding County, Georgia Records

SECOND AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS, AND RESTRICTIONS RUNNING WITH THE LAND AND RESERVATIONS OF EASEMENTS FOR CHESTNUT HILLS SUBDIVISION

THIS SECOND AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS, AND RESTRICTIONS RUNNING WITH THE LAND AND RESERVATIONS OF EASEMENTS FOR CHESTNUT HILLS SUBDIVISION (this "Second Amendment") is made and entered into as of the *18th* day of June, 2009, by and among **FLF-I DALLAS, LLC**, a Georgia limited liability company ("FLF"), **ATLANTA BUSINESS BANK**, a Georgia banking association ("Atlanta Business Bank"; FLF and Atlanta Business Bank shall hereinafter collectively be referred to as the "Declarant"), and **BANK OF NORTH GEORGIA**, a Georgia banking association, as successor by merger to **CITIZENS & MERCHANTS STATE BANK**, a Georgia banking association ("Bank of North Georgia").

WITNESSETH:

WHEREAS, Crimson Communities, LLC, a Georgia limited liability company ("Crimson"), Lee Built Homes, LLC, a Georgia limited liability company ("Lee Built"), and S.R. Golden Homes, Inc., a Georgia corporation ("S.R. Golden"; collectively, Crimson, Lee Built, and S.R. Golden shall hereinafter be referred to as the "Original Declarant") entered into that certain Declaration of Protective Covenants, and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision dated January 20, 2007 and recorded as Deed Book 2336, Page 876, with the Clerk of Superior Court of Paulding County, Georgia, as amended by First Amendment to Declaration dated July 5, 2007, recorded at Deed Book 2452, Page 265, aforesaid records (collectively, the "Declaration") to establish certain easements, covenants, conditions and restrictions affecting the Property, as more particularly described in the Declaration;

WHEREAS, the Subdivision as depicted on the Plat contains One Hundred Three (103) Lots;

WHEREAS, the Original Declarant only owned Seventy (70) Lots as described on **Exhibit "A"** attached hereto as of January 30, 2007 when the Original Declarant executed the Declaration; therefore, certain Lots (the "Unencumbered Property") within the Subdivision were never made subject to the Declaration;

WHEREAS, pursuant to Section 5.04 of the Declaration, Declarant now desires to subject some of the Unencumbered Property to the easements, covenants, conditions and restrictions as set forth in the Declaration, subject to this Second Amendment; and

WHEREAS, Bank of North Georgia is the owner of certain real property as described on **Exhibit "B"** attached hereto (the "Additional Property") which is part of the Unencumbered Property;

WHEREAS, Bank of North Georgia desires to subject the Additional Property to the Declaration;

WHEREAS, FLF and Atlanta Business Bank are the successors in interest to the Original Declarant and as of the date hereof are designated as the Declarant pursuant to Section 1.05 of the Declaration;

WHEREAS, pursuant to Section 8.01(b) of the Declaration, Declarant desires to amend the Declaration in certain additional respects as set forth in this Second Amendment which are necessary to carry out the purposes of the Declaration.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby amends the Declaration as follows:

1. Defined Terms. Whenever defined terms are used in this Second Amendment, as indicated by the initial capitalization thereof, such defined terms shall have the meaning given therefor in the Declaration if not otherwise defined herein.

2. The Additional Property. The Additional Property is hereby added to the Subdivision and will be deemed Lots or part of the Common Area, as specified on **Exhibit "B"** attached hereto, for all purposes under the Declaration, as amended by this Second Amendment.

3. Common Areas. Concurrently with execution of this Second Amendment, pursuant to Section 4,01 of the Declaration, Bank of North Georgia hereby agrees to convey part of the Common Area as described on **Exhibit "C"** attached hereto and made a part hereof to the Association.

4. Assessments. (a) Declarant hereby reaffirms that from and after January 30, 2007 all unimproved Lots located within the Subdivision are not subject to Assessment as set forth in Section 6.01 of the Declaration. Furthermore, no Assessment or other financial obligations may be imposed on the owner of any unimproved Lots located within the Subdivision without the express prior written consent of such owner.

5. Submission of Information. The address for submission of information contained in Section 3.05 of the Declaration is hereby deleted and replaced with the following:

Jeffrey Stein
c/o FortCap Partners
223 E. City Hall Avenue, Suite 200
Norfolk, Virginia 23510

6. Amendment of the Declaration. So long as Bank of North Georgia owns Lots located within the Subdivision, the Declarant shall not amend the Declaration without first obtaining Bank of North Georgia's express written consent, not to be unreasonably withheld.

7. Notices. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the party to be notified may have designated to the sender by like notice):

FLF:	FLF-1 Dallas, LLC c/o FortCap Partners 223 E. City Hall Avenue Suite 200 Norfolk, Virginia 23510 Attn: Jeffrey Stein Phone: 404-256-9369 Fax: 404-921-0072
Atlanta Business Bank	Atlanta Business Bank 5660 New Northside Drive, Suite 200 Atlanta, GA 30328
Bank of North Georgia	Bank of North Georgia 2991 Chapel Hill Road Douglasville, GA 30135 Attn: Steven C. Walburn Phone: 678-715-2442 Fax: 678-715-2447

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

8. Ratification. The Declaration, as amended by this Second Amendment, shall remain enforceable in accordance with its terms. As amended by this Second Amendment, the terms and provisions of the Declaration are hereby ratified and affirmed in all respects.

9. Due Authority. The Declarant hereby represents and warrants that it has the full right, power and authority to enter into and carry out the terms of this Second. Amendment.

10. Miscellaneous. This Second Amendment shall be governed in accordance with the laws of the State of Georgia. The paragraph headings in this Second Amendment are for convenience only,

shall in no way define or limit the scope or content of this Second Amendment, and shall not be considered in any construction or interpretation of this Second Amendment or any part thereof. This Second Amendment shall be binding upon and inure to the benefit of the successors and assignors of the parties hereto. If any provisions of this Second Amendment or portion thereof, or the application thereof to any person or circumstance, shall, to any extent be held invalid, inoperative or unenforceable, the remainder of this Second Amendment, or the application of such provision or portion thereof to any other person or circumstance, shall not be affected thereby. This Second Amendment may be executed in two or more counterparts and shall be deemed to have become effective when and only when one or more of such counterparts shall have been signed by or on behalf of each of the parties hereto (although it shall not be necessary that any single counterpart be signed by or on behalf of each of the parties hereto, and all such counterparts shall be deemed to constitute but one and the same instrument), and shall have been delivered by each of the parties to the other.

[*Signatures Commence on Following Page*]

IN WITNESS WHEREOF, Declarant has executed this Second Amendment in multiple original counterparts as of the date hereof.

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Notary Public

Commission Date: 9-30-11

(NOTARIAL SEAL)

BARBARA W. BARNES
Notary Public
Commonwealth of Virginia
212521
My Commission Expires

FLF:

FLF-I DALLAS, LLC
a Georgia limited liability company

By: _____ (SEAL)
Name: Paul Var
Its: Manager

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Notary Public

Commission Date: _____

(NOTARIAL SEAL)

ESS BANK:

ATLANTA BUSINESS BANK,
a Georgia banking association

By: _____
Name: _____
Its: _____

[BANK SEAL]

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Notary Public

Commission Date: _____

(NOTARIAL SEAL)

BANK OF NORTH GEORGIA:

BANK OF NORTH GEORGIA,
a Georgia banking association,
successor by bank merger to
Citizens & Merchants State Bank,
a Georgia banking assocation

By: _____
Name: _____
Its: _____

[BANK SEAL]

Deed Doc: COVE
Recorded 11/23/2010 02:13PM

Treva W. Shelton
Clerk Superior Court, Paulding County, Ga.
Bk **02849** Pg **0273-0274**

Return to: Weissman, Nowack, Curry & Wilco, P.C.
One Alliance Center, 4th Floor
3500 Lenox Road
Atlanta, GA 30326
Attn: George E. Nowack, Jr.

STATE OF GEORGIA

COUNTY OF PAULDING

Cross Reference: Deed Book 2336
Page 876

THIRD AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS RUNNING WITH THE LAND AND RESERVATIONS OF EASEMENTS FOR CHESTNUT HILLS SUBDIVISION

THIS AMENDMENT is made this 16th day of November, 2010.

WHEREAS, Crimson Communities, LLC, a Georgia limited liability company ("Crimson"), Lee Built Homes, LLC, a Georgia limited liability company ("Lee Built"), and S.R. Golden Homes, Inc. a Georgia corporation ("S.R. Golden"; collectively, Crimson, Lee Built, and S.R. Golden shall hereinafter be referred to as the "Original Declarant") entered into that certain Declaration of Protective Covenants and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision dated January 20, 2007 and recorded as Deed Book 2336, Page 876, with the Clerk of Superior court of Paulding County, Georgia, as amended by First Amendment to Declaration dated July 5, 2007, recorded as Deed Book 2452, Page 265, aforesaid records, as amended by Second Amendment to Declaration dated June 18, 2009 and recorded as Deed Book 2713, Page 725, aforesaid records (collectively, the "Declaration") to establish certain easements, covenants, conditions and restrictions affecting the Property, as more particularly described in the Declaration; and

WHEREAS, FLF-I Dallas, Inc. became the successor Declarant in the Second amendment; and

WHEREAS, Article VIII(b) of the Declaration permits the Declarant to unilaterally amend the Declaration in order to carry out purposes beneficial to all purchasers; and

WHEREAS, Article I, Section 1.01 of the Declaration defines the word "Association" as "Chestnut Hills Homeowners Association, Inc."; and

WHEREAS, Chestnut Hills Homeowners Association, Inc. was never incorporated; and

WHEREAS, "The Hills at Chestnut Grove Homeowners Association, Inc." was incorporated and has functioned as the Association; and

WHEREAS, Declarant has determined it to be in the best interest of the community to change the definition of the word "Association";

NOW, THEREFORE, Article I, Section 1.01 is amended by deleting Chestnut Hills Homeowners Association, Inc. and replacing it with The Hills at Chestnut Grove Homeowners Association, Inc.

IN WITNESS WHEREOF, Declarant has executed this Third Amendment.

DECLARANT
FLF-I, Dallas, LLC
a Georgia limited liability company

By: _____

Name: Adam Sager

Title: Authorized Signer

Signed, sealed, and delivered this
16th day of November, 2010.

_____
Witness Louise A. Jackson

_____
Notary Public
My Commission Expires:

[NOTARY SEAL]

NICHOLAS R ONEAL
Notary Public
Fulton County
State of Georgia
My Commission Expires Jul 14, 2012

Deed Doc: NOT
Filed 04/26/2017 03:50PM

Treva W. Shelton
Clerk Superior Court, Paulding County, Ga.
Bk 03696 Pg 0689-0705

After Recording Return To:
Lueder, Larkin & Hunter, LLC
5900 Windward Parkway, Suite 390
Alpharetta, Georgia 30005
Attn: Cynthia C. Hodge, Esq.

Cross Reference:
Deed Book 2336, Page 876
Deed Book 3618, Page 651

STATE OF GEORGIA

COUNTY OF PAULDING

NOTICE OF FILING
BYLAWS OF THE HILLS AT CHESTNUT GROVE HOMEOWNERS ASSOCIATION, INC.

W I T N E S S E T H:

WHEREAS, Crimson Communities, LLC, a Georgia limited liability company ("Crimson"), Lee Built Homes, LLC, a Georgia limited liability company ("Lee Built"), and S.R. Golden Homes, Inc., a Georgia corporation ("S.R. Golden"; collectively, Crimson, Lee Built, and S.R. Golden shall be hereinafter referred to as the "Original Declarant") entered into that certain Declaration of Protective Covenants, and Restrictions Running with the Land and Reservation of Easements for Chestnut Hills Subdivision dated January 30, 2007 and recorded on January 31, 2007 at Deed Book 2336, Page 876 *et seq.*, of the Paulding County, Georgia land records (hereinafter referred to as the "Original Declaration");

WHEREAS, the Original Declaration was amended by the First Amendment to Protective Covenants for the Chestnut Hills Subdivision recorded on July 31, 2007 at Deed Book 2452, Page 265 *et seq.*, of the Paulding County, Georgia land records ("First Amendment"), and was amended by the Second Amendment to Declaration of Protective Covenants, and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision recorded on June 18, 2009 at Deed Book 2713, Page 725 *et seq.*, of the aforesaid records ("Second Amendment"), and was amended by the Third Amendment to Declaration of Protective Covenants, and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision recorded on November 23, 2010 at Deed Book 2849, Page 273 *et seq.*, of the aforesaid records ("Third Amendment"), and was further amended by the Amendment to the Declaration of Protective

Covenants, and Restrictions Running with the Land and Reservation of Easements for Chestnut Hills Subdivision recorded on July 22, 2013 at Deed Book 3177, Page 278 *et seq.*, of the aforesaid records ("Fourth Amendment"); and was further amended by the Amendment to the Declaration of Protective Covenants, and Restrictions Running With the Land and Reservations of Easements for Chestnut Hills Subdivision recorded on October 2, 2013 at Deed Book 3205, Page 109 *et seq.*, of the aforesaid records ("Amendment") (Original Declaration, along with First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Amendment are collectively referred to as the "Declaration");

WHEREAS, FLF-I Dallas, LLC is the successor in interest to the Original Declarant by acquiring more than one undeveloped Lot from the Developer for the purpose of development and is designated as the Declarant pursuant to Section 1.05 of the Declaration and in accordance with the Second Amendment to the Declaration;

WHEREAS, pursuant to Article I, Section 1.05 of the Declaration, the term "Developer" or "Declarant" are used interchangeably;

WHEREAS, The Hills at Chestnut Grove (hereinafter referred to as the "Subdivision") is the subdivision created by the Declaration;

WHEREAS, The Hills at Chestnut Grove Homeowners Association, Inc. (hereinafter referred to as the "Association") is the association identified in the Declaration in accordance with the Third Amendment to the Declaration and operating as a non-profit corporation organized under the Georgia Nonprofit Corporation Code, O.C.G.A. §§ 14-3-101 *et seq.* (hereinafter referred to as the "Nonprofit Code");

WHEREAS, the Declarant adopted and certified to a Board Resolution dated October 6, 2016 appointing certain individuals to serve as an interim Board until the next annual meeting;

WHEREAS, the Declarant executed and recorded a Full Release and Termination of Declarant's Rights Under the Declaration of Protective Covenants, and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision and the Articles of Incorporation of the Hills at Chestnut Grove Homeowners Association, Inc., so recorded on October 31, 2016 at Deed Book 3618, Page 651 *et seq.*, of the Paulding County, Georgia land records;

WHEREAS, in accordance with the Nonprofit Code, the Association sent notice and conducted its annual meeting on November 3, 2016 beginning at 7:00 p.m. at the community clubhouse located at 57 Crimson Club Crossing, Dallas, Georgia 30132, established a quorum, and elected a Board of Directors;

WHEREAS, at the time that the Declaration was recorded, the incorporators of the Association did not adopt Bylaws of the Association;

WHEREAS, the Board of Directors for the Association, in accordance with O.C.G.A. § 14-3-206, hereby adopts and approves these Bylaws of The Hills at Chestnut Grove Homeowners Association, Inc. (hereafter referred to as the "Bylaws"); and

NOW, THEREFORE, the following are the Bylaws:

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BYLAWS

OF

THE HILLS AT CHESTNUT GROVE HOMEOWNERS ASSOCIATION, INC.

Article I

General

1.1. Applicability. These Bylaws provide for the self-government of The Hills at Chestnut Grove Homeowners Association, Inc., in accordance with the Articles of Incorporation filed with the Secretary of State and the Declaration of Protective Covenants and Restrictions Running the Land and Reservations of Easements For Chestnut Hills Subdivision, and as amended (hereafter referred to as the "Declaration").

1.2. Name. The name of the non-profit corporation is The Hills at Chestnut Grove Homeowners Association, Inc. (hereafter referred to as the "Association").

1.3. Definitions. The terms used herein shall have their generally accepted meanings or the meanings specified in Article I of the Declaration.

1.4. Membership. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, shall be a member of the Association. This is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot owned. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in the Declaration and in these Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be cast for each Lot owned.

1.5. Voting. Members shall be entitled to one (1) equal vote for each Lot owned. When more than one (1) Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners determine among themselves. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it. A member's right to vote shall automatically be suspended during any period in which a member is more than thirty (30) days delinquent on any assessment or charge, and the member shall be ineligible to vote on any matter until the member's account balance has been paid in full.

No Owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, if that Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association or if the Owner has had its voting rights suspended for any reason. If an Owner's voting rights have been suspended, that Owner shall not be counted as an eligible vote for purposes of establishing a quorum.

1.6. Entity Members. In the event an Owner is a corporation, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary, or other designated agent of such trust, or manager of such other legal entity shall be eligible to represent such entity in the affairs of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity which is the Owner of the Lot. The membership rights of an Owner which is a corporation, partnership, or other legal entity shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

1.7. Electronic Communications.

(a) Records and Signatures. Whenever the Declaration or these Bylaws require that a document, record or instrument be written or in writing, the requirement is deemed satisfied by an electronic record pursuant to the Georgia Electronic Records and Signatures Act. Whenever the Declaration or these Bylaws require a signature on a document, record or instrument, an electronic signature, in accordance with the Georgia Electronic Records and Signatures Act, satisfies that requirement.

(b) Verification and Liability for Falsification. The Board of Directors may require reasonable verification of any electronic signature, document, record, or instrument. Absent or pending verification, the Board of Directors may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not authentic. Neither the Board of Directors nor the Association shall be liable to any Owner or any other Person for accepting or acting in reliance upon an electronic signature or electronic record that the Board of Directors reasonably believes to be authentic, or rejecting any such item which the Board of Directors reasonably believes not to be authentic. Any Owner or Person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic signature shall fully indemnify the Association for actual damages, reasonable attorneys' fees actually incurred and expenses incurred as a result of such acts.

Article II

Meetings of Members

2.1. Annual Meetings. The regular annual meeting of the members shall be held each year with the date, hour, and place to be set by the Board.

2.2. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President, the Secretary, or by request of any two (2) or more Board members, or upon written petition of twenty-five percent (25%) of the total members of the Association. Any such written petition by the members must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of members have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition, at a date, time and location selected by the President, and the Secretary shall send notice of such meeting in accordance with these Bylaws and within thirty (30) days of the date of delivery of the petition to the Secretary.

2.3. Notice of Meetings. The Secretary shall mail or deliver to each member of the Association a notice of each Association meeting at least twenty-one (21) days prior to each annual meeting and at least seven (7) days prior to each special meeting. The notice shall state the time and place of the meeting, and, for any special meeting, the purpose of the meeting. Mailing or delivering notice as provided in this Section shall be considered proper service of notice.

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

2.5. Quorum. The presence, in person or by proxy at the beginning of the meeting, of members entitled to cast at least fifteen percent (15%) of the eligible votes of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Members whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the quorum requirement.

2.6. Adjournment. Any meeting of the Association members may be adjourned from time to time for periods not exceeding ten (10) days by vote of the members holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could have been transacted properly at the original session of the meeting with a quorum

present may be transacted at a reconvened session with a quorum present, and no additional notice of such reconvened session shall be required.

2.7. Proxy. Any Association member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. The term "proxy" shall mean the written document in which the member authorizes any other person to attend a membership meeting on behalf of the member and vote the member's vote at the meeting. The written proxy document shall not be required to be in any particular form; but to be valid, the proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. The member giving the proxy shall be the "proxy giver", and the person holding the proxy and authorized to attend on behalf of the proxy giver and vote for the proxy giver shall be the "proxy holder." Proxies may be delivered by either the proxy giver or the proxy holder by personal delivery, U.S. Mail, facsimile transmission, email, or other electronic means to any Board member or the property manager, if any. Proxies may be revoked only by written notice of the proxy giver delivered to the Secretary, except that the presence in person by the proxy giver at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy. At the signing-in prior to each membership meeting, each proxy holder shall be given one ballot for the meeting for each proxy held.

2.8. Action Taken Without a Meeting. In the Board's discretion, any action that may be taken by the Association members at any annual, regular, or special meeting may be taken without a meeting if the Board delivers a written consent form or written ballot to every member entitled to vote on the matter.

(a) Ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when (1) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of directors; and (3) specify the time by which a ballot must be received by the Board in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its file for at least three (3) years.

(b) Written Consent. Approval by written consent shall be valid only when the number of written consents received equals or exceeds the requisite majority of the voting power for such action. Executed written consents shall be included in the minutes or filed with the Association's records. If an action of the members is approved by written consent hereunder, the Board shall issue written notice of such approval to all members who did not sign written consents.

Membership approval shall be effective ten (10) days after written notice is issued; provided, however, if the consent is to an amendment to the Declaration or Bylaws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

2.9. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these Bylaws or the Articles of Incorporation, unless the members present at a particular meeting vote to suspend Robert's Rules at that meeting.

Article III

Board of Directors

3.1. Composition.

The affairs of the Association shall be governed by a Board of Directors. The Board shall be composed of five (5) persons. The directors shall be Owners of Lots or spouses of such Owners; provided, however, no Owner and his or her spouse may serve on the Board at the same time, and no co-owners may serve on the Board at the same time.

3.2. Election and Term.

Those directors serving on the date these Bylaws are recorded in the Paulding County, Georgia land records shall remain in office until the terms for which they were elected expire. Successor directors shall be elected by the vote of those members present in person or proxy at the annual meeting of the membership of the Association, a quorum being present. At the first election of directors of the Association at the annual meeting following the date these Bylaws are recorded in the Paulding County, Georgia land records, two (2) directors shall be elected for one (1) year, and three (3) directors shall be elected for two (2) years. At the expiration of the term of each such director, and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years. The expressed purpose of this Section is to provide for staggered terms of directors. Directors shall remain on the Board until their respective successors are elected. Each newly elected Board shall meet within ten (10) days following the meeting at which the election occurred for the purpose of appointing officers and any other business that comes before the Board.

3.3. Nomination. Nomination for election to the Board shall be made from the floor at the meeting. Nominations also may be made by a nominating committee, if appointed by the Board.

3.4. Removal of Directors. At any valid regular or special Association meeting, any one or more directors may be removed with or without cause by a majority of the total vote of the Association members and a successor may then and there be elected to fill the vacancy created. In

addition, any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings or is more than thirty (30) days past due in the payment of any assessment or charge may be removed by the vote of a majority of the other directors. Any director whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and shall be given an opportunity to be heard at the meeting.

3.5. Vacancies. Vacancies on the Board caused by any reason, except the removal of a director by vote of the membership as provided in Section 3.4 of this Article, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any Board meeting. The successor selected shall hold office for the remainder of the term of the director being replaced.

3.6. Compensation. Directors shall not be compensated for services. However, directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon Board approval of such expenses. Directors also may be given nominal gifts or tokens of appreciation by the Association for recognition of services performed not to exceed a value of $100.00 per calendar year. For purposes hereof, reasonable food and beverages purchased for Board meetings shall not be considered compensation.

3.7. Director Conflicts of Interest. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided the director's interest is disclosed to the Board and the contract is approved by a majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the Board. The interested director shall be entitled to be present at the meeting at which the proposed contract is discussed, but the director must leave the room during the discussion on such matter.

3.8. Regular Meetings. Regular Board meetings may be held at such time and place as determined by the majority of the Board, but at least once every three (3) months.

3.9. Special Meetings. Special Board meetings may be called by the President on three (3) days notice to each director given by mail, in person, by telephone, by facsimile transmission, or by email, which notice shall state the time, date, location, and purpose of the meeting. Special Board meetings shall be called by the President, Vice President, Secretary, or Treasurer in like manner and on like notice upon the written request of at least two (2) directors.

3.10. Waiver of Notice. Any director at any time, in writing, may waive notice of any Board meeting, and such waiver shall be deemed equivalent to the giving of such notice. The waiver of notice need not specify the purpose of the meeting. Attendance by a director at any Board meeting shall also constitute a waiver of notice by him or her of the time and place of such

meeting. If all directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.

3.11. Quorum and Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. The presence of directors entitled to cast one-half of the votes of the Board shall constitute a quorum for the transaction of business. One or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

3.12. Open Meetings. All Board meetings shall be open to all Association members, but members other than directors may not participate in any discussion or deliberation unless expressly authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, delinquent assessments, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.13. Action Without a Meeting. Any Board action required or permitted to be taken at any meeting may be taken without a meeting if a majority of the directors consent in writing to such action. The written consents must describe the action taken. The written consents shall be filed with the minutes of the Board. The written consent may be by email or other electronic means; a copy of the consents shall be printed and filed with the minutes of the Board.

3.14. Powers and Duties. The Board shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Community and may do all such acts and things as are not by the Act, the Declaration, the Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these Bylaws, the Board shall have the power to and shall be responsible for the following, in the way of explanation, but not limitation:

(a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments;

(c) providing for the operation, care, upkeep, and maintenance of all of the Common Area;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair and replacement of the Common Area, and, where

appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth in O.C.G.A. Section 14-3-302, and using the proceeds to administer the Association;

(f) making and amending rules and regulations for the Common Area and imposing sanctions for violation thereof, including reasonable monetary fines;

(g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to, or alterations of, the Common Area after damage or destruction by fire or other casualty, in accordance with the other provisions of the Declaration and these Bylaws;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred; and

(m) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into management agreements. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

3.15. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize.

3.16. Borrowing. The Board shall have the power to borrow money for the purpose of maintenance, repair, restoration or improvement to the Common Area or for any other purpose;

provided, however, such borrowing must first be approved by members of the Association holding a majority of the total Association vote.

3.17. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

Article IV

Officers

4.1. Designation. The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer. The President, Vice President and Secretary must be directors. The Treasurer shall be elected by the Board, but need not be a director. The Board may appoint one or more Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgment may be necessary. Any assistant or subordinate officers shall not be required to be directors. Except for the offices of Secretary and Treasurer, which may be held by the same person, no person may hold more than one (1) office.

4.2. Appointment of Officers. The Association officers shall be appointed annually by the Board of Directors at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board and until a successor is elected.

4.3. Removal of Officers. Upon the affirmative vote of a majority of the Board members at any Board meeting at which a quorum is established, any officer may be removed, either with or without cause, and a successor may be elected.

4.4. Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.5. President. The President shall be the chief executive officer of the Association and shall preside at all Association and Board meetings. The President shall be considered a Principal Officer.

4.6. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

4.7. Secretary. The Secretary shall keep the minutes of all Association and Board meetings and shall have charge of the Association's books and records.

4.8. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board.

4.9. Other Officers. Other offices may be created by the Board, and the Board members which hold such offices shall have such titles and duties as are defined by the Board.

4.10. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by Board resolution.

4.11. Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article V

Amendments

These Bylaws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members of the Association holding at least two-thirds (2/3) of the total vote of the Association membership. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and recorded in the Paulding County, Georgia land records. Any amendment duly certified and recorded shall be conclusively presumed to have been duly adopted in accordance with these Bylaws.

Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the owners, may amend these Bylaws to comply with any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA").

Any action to challenge the validity of these Bylaws or an amendment adopted under this Article must be brought within one (1) year of the recording of same in the Paulding County, Georgia land records. No action to challenge these Bylaws or any such amendment may be brought after such time.

Article VI

Miscellaneous

6.1. Committees. The Architectural Review Committee shall be a standing committee of the Association. The Architectural Review Committee shall be in accordance with Article III, Section 3.01 of the Declaration and shall consist of at least three (3) to five (5) members who are appointed by the Board of Directors. At least one (1) member of the Architectural Review Committee shall be a director.

The Board may establish a nominating committee and any other committee as the Board deems desirable with the powers and duties that the Board shall authorize. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board. Members of any committee shall be appointed by the Board and shall serve at the pleasure of the Board. Any committee member may be removed with or without cause at any time and with or without a successor being named.

6.2. Notices.

(a) Method of Giving Notice. All notices, demands, bills, statements, or other communications shall be in writing and shall be given:

(1) Personal delivery to the addressee;
(2) Via United States mail, first class, postage prepaid;
(3) Via electronic mail; or
(4) Via facsimile; or
(5) Via any other legal means.

(b) Addressee. Notice sent by one of the methods described herein shall be deemed to have been duly given:

(1) If to an Owner, at the address, electronic mail address or facsimile number which the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Owner's Lot;

(2) If to an Occupant, to the electronic mail address or facsimile number which the Occupant has designated in writing, or if no such address has been designated, at the address of the Lot occupied; or

(3) If to the Association, the Board or the managing agent, if any, at the postal address, facsimile, or electronic mail address of the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary.

6.3. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws or the Declaration.

6.4. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

6.5 Fiscal Year. The fiscal year of the Association may be set by Board resolution or, in the absence thereof, shall be January 1st through December 31st.

6.6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board. However, after having received the Board's financial review at the annual meeting, the members may, by a majority of the Association members present at such meeting, in person or proxy, require that the Association accounts be audited as a common expense by an independent accountant.

6.7. Conflicts. The duties, powers, and obligations of the Association, including the members, directors, and officers, shall be those set forth in the Georgia Property Owners' Association, the Georgia Nonprofit Corporation Code, the Declaration, these Bylaws, the Articles of Incorporation, and the rules and regulations of the Association. If there are conflicts or inconsistencies between such, then the provisions of the Georgia Property Owners' Association, the Georgia Nonprofit Corporation Code, the Declaration, these Bylaws, the Articles of Incorporation, and the rules and regulations of the Association, in that order, shall prevail; and each Owner of a Lot, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

6.8. Books and Records. To the extent provided for, and restricted in, O.C.G.A. § 14-3-1602 of the Georgia Nonprofit Corporation Code, as such Code Section may be amended from time to time, all Association members and any institutional holder of a first Mortgage shall be entitled to inspect Association records at a reasonable time and location specified by the

Bill

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Association, upon written request at least five (5) business days before the date on which the member wishes to inspect and copy. The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the member. Notwithstanding anything to the contrary, the Board may limit or preclude member inspection of confidential or privileged documents, including attorney/client privileged communications, executive session meeting minutes, and financial records or accounts of other members. Minutes for any Board or Association meetings do not become effective as an official Association record until approved by the Board or Association membership, as applicable, at a subsequent meeting. All Board members may inspect and copy any book or record of the Association.

6.9. Preparer. These Bylaws were prepared by Cynthia C. Hodge, Lueder, Larkin & Hunter, LLC, 5900 Windward Parkway, Suite 390, Alpharetta, Georgia 30005.

This 16 day of March, 2017

THE HILLS AT CHESTNUT GROVE
HOMEOWNERS ASSOCIATION, INC.

Signature of President
Print Name: Frank Trammer

Sworn to and subscribed before me
this 16th day of March, 2017.

Witness: [signature]

[signature]
Notary Public

OFFICIAL SEAL
VONDA BROWN
Notary Public, Georgia
DEKALB COUNTY
My Commission Expires
MARCH 2, 2019

Signature of Secretary
Print Name: Gregory M. Constantino

Sworn to and subscribed before me
this 16th day of March, 2017.

Witness: [signature]

[signature]
Notary Public

OFFICIAL SEAL
VONDA BROWN
Notary Public, Georgia
DEKALB COUNTY
My Commission Expires
MARCH 2, 2019

Deed Doc: COVE
Filed 12/03/2020 10:37AM
Sheila M. Butler
Clerk Superior Court, Paulding County, Ga.
Bk 04377 Pg 0233-0254

After Recording Return To:
Lueder, Larkin & Hunter, LLC
5900 Windward Parkway, Suite 390
Alpharetta, Georgia 30005
Attn: Cynthia C. Hodge, Esq.

Cross Reference:
Deed Book 2336, Page 876

STATE OF GEORGIA

COUNTY OF PAULDING

AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS, AND RESTRICTIONS RUNNING WITH THE LAND AND RESERVATIONS OF EASEMENTS FOR CHESTNUT HILLS SUBDIVISION

This Amendment to the Declaration of Protective Covenants, and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision (hereafter referred to as "Amendment") is made on the day set below.

WITNESSETH:

WHEREAS, Crimson Communities, LLC, a Georgia limited liability company ("Crimson"), Lee Built Homes, LLC, a Georgia limited liability company ("Lee Built"), and S.R. Golden Homes, Inc., a Georgia corporation ("S.R. Golden"; collectively, Crimson, Lee Built, and S.R. Golden shall be hereinafter referred to as the "Original Declarant") entered into that certain Declaration of Protective Covenants, and Restrictions Running with the Land and Reservation of Easements for Chestnut Hills Subdivision dated January 30, 2007 and recorded on January 31, 2007 at Deed Book 2336, page 876 *et seq.* of the Paulding County, Georgia land records (hereinafter referred to as the "Original Declaration");

WHEREAS, the Original Declaration was amended by the First Amendment to Protective Covenants for the Chestnut Hills Subdivision recorded on July 31, 2007 at Deed Book 2452, Page 265 *et seq.* of the aforesaid records ('First Amendment"), and was amended by the Second Amendment to Declaration of Protective Covenants, and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision recorded on June 18, 2009 at Deed Book 2713, Page 725 *et seq.* of the aforesaid records ("Second Amendment"), and was amended by the Third Amendment to Declaration of Protective Covenants, and Restrictions Running with the Land and Reservations of Easements for Chestnut Hills Subdivision recorded on November 23, 2010 at Deed Book 2849, Page 273 *et seq.* of the aforesaid records ("Third Amendment"), and was further amended by the

Amendment to the Declaration of Protective Covenants, and Restrictions Running with the Land and Reservation of Easements for Chestnut Hills Subdivision recorded on July 22, 2013 at Deed Book 3177, Page 278 *et seq.* of the aforesaid records ("Fourth Amendment"), and was further amended by the Amendment to the Declaration of Protective Covenants, and Restrictions Running with the Land and Reservation of Easements for Chestnut Hills Subdivision recorded on October 2, 2013 at Deed Book 3205, Page 109 *et seq.* of the aforesaid records ("Fifth Amendment") (Original Declaration, along with First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment are collectively referred to as the "Declaration");

WHEREAS, FLF-I Dallas, LLC is the successor in interest to the Original Declarant by acquiring more than one undeveloped Lot from the Developer for the purpose of development and is designated as the Declarant pursuant to Section 1.05 of the Declaration and in accordance with the Second Amendment to the Declaration;

WHEREAS, pursuant to Article I, Section 1.05 of the Declaration, the term "Developer" or "Declarant" are used interchangeably;

WHEREAS, The Hills at Chestnut Grove (hereinafter referred to as the "Subdivision") is the subdivision created by the Declaration;

WHEREAS, The Hills at Chestnut Grove Homeowners Association, Inc. (hereinafter referred to as the "Association") is the association identified in the Declaration and operating at the Subdivision in accordance with the Third Amendment to the Declaration;

WHEREAS, Article VIII, Section 8.01(a) of the Declaration states that the Declaration must be approved by the record Owners of two-thirds (2/3) of the Lots within the Subdivision, provided that the Developer, his successors or assigns may amend this Declaration so long as the Developer, his successors or assigns owns any Lot within the Subdivision;

WHEREAS, Developer does not have record title to any Lot in the subdivision and executed a Full Release and Termination of Declarant's Rights Under the Declaration of Protective Covenants, and Restrictions Running with the Land and Reservation of Easements for Chestnut Hills Subdivision and the Articles of Incorporation of the Hills at Chestnut Grove Homeowners Association, Inc., so recorded on October 31, 2016 at Deed Book 3618, Page 651 *et seq.* of the aforesaid records;

WHEREAS, as of the date of this Amendment, Developer's approval and consent is no longer required;

WHEREAS, in accordance with Article V, Sections 5.02 and 5.03 of the Declaration, only one vote per Lot shall be entitled to be cast, regardless of how many persons may be on the record title of such Lot;

WHEREAS, this Amendment was presented to the Association and was approved by the written consent of the record Owners of at least two-thirds (2/3) of the Lots within the Subdivision, and

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such written consent forms are the written evidence of the approval of said amendment and are filed and recorded with the final amendment as well as being on file with the records of the Association; and

NOW, THEREFORE, the Declaration is hereby amended as follows:

1.

The Preamble to the Declaration is amended by adding the following in its entirety immediately preceding the NOW THEREFORE provision:

WHEREAS, THIS INSTRUMENT ESTABLISHES A MANDATORY MEMBERSHIP HOMEOWNERS ASSOCIATION AND SUBMITS THIS DEVELOPMENT TO THE PROVISIONS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. § 44-3-220, *ET SEQ.*

2.

Article I of the Declaration is amended by adding thereto the following as a new defined term:

1.11 "Georgia Property Owners' Association Act" or "Act": shall mean the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220, *et seq.*, as the same may be supplemented, amended or modified. The Hills at Chestnut Grove is a residential property owners' development which is hereby submitted to the Act. The Declaration and all property subject to the Declaration are accordingly submitted to the Act.

3.

Article II, Section 2.02 of the Declaration is amended by adding the following sentence to the first paragraph within the Section, as follows:

Each Lot shall be a minimum of eight thousand square feet (8,000 sq. ft.).

4.

Article II, Section 2.02 of the Declaration is amended by adding the following hereto to the end of this Section:

Notwithstanding anything to the contrary, short-term rentals, transient tenants, and any other service utilized to temporarily rent Lots as accommodations to guests or

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tenants (for example, Airbnb, HomeAway, VRBO, or other similar services) are expressly prohibited. Such rental arrangements shall be considered a business activity.

In the event any Owner has an existing short-term rental agreement or a reservation as of the date this Amendment is recorded in the Paulding County, Georgia land records that would be in violation of this provision, the Owner shall be permitted to complete such existing short-term rental agreement or reservation; provided, however, the Owner complies with the following conditions: Within thirty (30) days of the date this Amendment is recorded in the Paulding County, Georgia land records, the Owner must provide written notice to the Board of Directors that the Owner has an existing short-term rental agreement or a reservation and must provide the Board a written copy of the existing short-term rental agreement or reservation (failure to provide such notice and existing short-term rental agreement or reservation to the Board within such thirty (30) day period shall disqualify the Owner from this grandfathering provision). An existing short-term rental agreement or reservation shall not include an agreement entered into with a service provider utilized to temporarily rent Lots as accommodations to guests or tenants (for example, Airbnb, HomeAway, VRBO, or other similar services). Rather, a short-term rental agreement or reservation shall only include the agreement entered into between the Owner and the individual or individuals that will occupy the Lot for a stated period of time.

The foregoing business activity does not apply to situations involving the Owner selling the Lot to a prospective buyer, wherein the buyer moves in prior to the closing date and pays the Owner some consideration for occupancy not to exceed three (3) months prior to the closing date. Further, the foregoing business activity does not apply to situations involving the Owner selling the Lot to a prospective buyer, wherein the Owner remains in the dwelling after the closing date and pays the buyer some consideration for occupancy not to exceed three (3) months after the closing date.

5.

Article II, Sections 2.03 and 2.08 of the Declaration are amended by striking the same in their entirety and replacing them therefore in the new, combined Section 2.03 as follows:

2.03 Building Type and Location and Exterior of Home. No building, dwelling (or home) shall be erected, altered, placed or permitted to remain on any Lot which exceeds two and one-half stories in height. All dwellings shall have an enclosed garage for not less than two (2) or more than three (3) vehicles. No building shall be located on any Lot nearer to the front Lot line or nearer to the side property line than the minimum building setback lines shown on the recorded plats. As the exteriors of homes need repairing or repainting, any and all exterior finishes and color schemes (even if painting in the same color scheme as the home currently exists) must be

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approved in advance and in writing by the Architectural Review Committee. The request submittal should include color chips for review, as well as any other plans and specifications set forth within Article III of this Declaration. Exterior finishes must be brick, stone or hardiplank only. Vinyl and stucco siding are not permitted. The style of the home must be Craftsman or be consistent with existing styles built within the subdivision.

All window treatments on the front of any house must be either white blinds, or window treatments with white backing.

Storm doors are permitted, however, they must be either full glass or half glass/screen and be factory finished in white, dark brown or black. Other colors may be approved by the Architectural Review Committee provided they match the house trim or door in color.

Any dwelling on any Lot shall have a minimum of at least Two Thousand, Three Hundred square feet (2,300 sq. ft.) of heated and cooled space excluding basements and garages.

6.

Article II of the Declaration is hereby amended by striking subsections (a) and (b) within Section 2.05, entitled "Outbuildings" and replacing it with the following subsections (a) and (b) hereto:

(a) An architectural rendering or photo representing the outbuilding must be submitted to and approved by the Architectural Review Committee prior to any construction or land disturbance, as hereinafter provided;

(b) The building must be made with the same materials as are on the house (i.e., brick, stone, or hardiplank) and vinyl and stucco siding is not permissible;

7.

The Declaration is hereby amended by adding the following as the new Section 2.08 entitled "Landscaping" within Article II, as follows:

2.08 Landscaping. All Lots with new construction of dwellings or other structures that are installing new landscaping of the surrounding grounds must be approved in advance and in writing by the Board of Directors for the Association. In those situations, the following criteria must be applied:

a) Ground cover must consist of mulch or pine straw only, and use of rocks as ground cover on any portion of the Lot which is viewable

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from the street is prohibited;

b) Lots should include 1 larger tree greater than 6" in diameter or 2 smaller ornamental trees in the front yard;
c) Ground cover must be substantial in flower beds;
d) Bermuda sod shall be used in the front, side and back yards within the Lots;
e) Lots should include an estimated 15-20 shrubs between the front, side and back yards.

8.

Article II, Section 2.10 of the Declaration is hereby amended by striking in its entirety and replacing it with the following language hereto:

2.10 Leasing. In order to protect the equity of the Owners within the Community, to carry out the purpose for which The Hills at Chestnut Grove was formed by preserving the character of The Hills at Chestnut Grove as a residential property of predominantly owner-occupied homes, to prevent The Hills at Chestnut Grove from assuming the character of a renter-occupied complex, and to comply with any eligibility criteria for mortgages, including mortgages on the secondary mortgage market, insofar as such criteria provide that The Hills at Chestnut Grove be substantially owner-occupied, leasing of Lots shall be governed by the restrictions imposed by this Section.

(a) Except as provided herein, the leasing of Lots shall be prohibited.

(b) Definition. "Leasing," for purposes of the Declaration, is defined as the regular, exclusive occupancy of a Lot by any person or persons other than the Owner; provided, however, leasing shall not include exclusive occupancy by the spouse, child or parent of an Owner and shall not include the occupancy by a roommate of an Owner who occupies the Lot as such Owner's primary residence.

(c) General. Any Owner who desires to lease such Owner's Lot may do so only if the Owner has applied for and received from the Board of Directors either a "Leasing Permit" or a "Hardship Leasing Permit", unless the Owner falls within the provisions in subsection (g) of this Section pertaining to Grandfathering of Existing Leases. Such a permit, upon its issuance, will allow an Owner to lease his or her Lot provided that such leasing is in strict accordance with the terms of the permit and this Section. The Board of Directors shall have the authority to establish conditions as to the duration and use of such permits consistent with this Section. All permits shall be valid only as to a specific Owner and Lot and shall not be transferable between either Lots or Owners.

(d) Leasing Permits. An Owner of a Lot, who has regularly occupied that

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Lot as his or her primary residence for at least two (2) consecutive years (or twenty-four (24) consecutive months), is eligible to request a Leasing Permit. No Leasing Permits shall be issued (except for Hardship Leasing Permits, as set forth below) until the Owner has regularly occupied the Lot as his or her primary residence for a period of at least two (2) consecutive years.

An Owner, who is eligible under this Section, may request a Leasing Permit, and it shall be approved if the number of current, outstanding permits issued plus Grandfathered Owners is less than five percent (5%) of the total Lots at The Hills at Chestnut Grove. In other words, those Lots whose Owners qualify for grandfathering status as Grandfathered Owners will be counted in the five percent (5%) of the total number of Lots at The Hills at Chestnut Grove for purposes of establishing the number of current outstanding Leasing Permits that can be issued.

Leasing Permits issued to a qualified Owner will have a duration of one (1) year after the Board has approved the qualified Owner's request and will commence on the date that the qualified Owner provides the Board with the proposed lease form and such information as the Board may reasonably require in conjunction with subsection (f)(1) within this Section 2.10, or such earlier date that the Board, in its discretion, determines.

A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (1) the sale or transfer of the Lot to a third party (excluding sales or transfers to a qualified Owner's spouse, a person cohabitating with the Owner, or a corporation, partnership, company, or legal entity in which the qualified Owner is a principal); (2) the failure of a qualified Owner to lease his or her Lot within three (3) months of the Leasing Permit having been issued; (3) the failure of a qualified Owner to have his or her Lot leased for any consecutive three (3) month period thereafter; or (4) the occurrence of the date referenced in a written notification by the qualified Owner to the Association that the Owner will, as of said date, no longer need the Leasing Permit.

Additionally, a qualified Owner's Leasing Permit shall be revoked if the qualified Owner is shown on the books and/or management accounts of the Association to be more than sixty (60) days delinquent in any payment due to the Association. The Association shall provide the qualified Owner written notice of the delinquency at least thirty (30) days prior to revoking the Leasing Permit. If the qualified Owner fails to pay all amounts owed to the Association within the time period specified in the notice, the qualified Owner's Leasing Permit shall be revoked without further notice. In the event a Leasing Permit is revoked as provided herein, the lessee and all other people occupying the Lot must vacate the Lot upon the expiration of the then current term of lease in effect at that time. Thereafter, should the qualified Owner pay all amounts owed to the Association, the qualified Owner must again apply for and receive from the Board of Directors either a Leasing Permit or a Hardship Leasing Permit, in accordance

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with this Section 2.10. If current Leasing Permits have been issued for five percent (5%) of the total number of Lots including those owners in grandfathered status, the qualified Owner shall automatically be placed at the end of the waiting list.

If authorized Leasing under this Section 2.10 reaches five percent (5%) of the total number of Lots at The Hills at Chestnut Grove, no additional Leasing Permits shall be issued (except for Hardship Leasing Permits, as set forth below) until the number of current outstanding Leasing Permits falls below five percent (5%) of the total number of Lots at The Hills at Chestnut Grove. Qualified Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit and shall be issued a Leasing Permit if they so desire when the number of current outstanding Leasing Permits issued falls to less than five percent (5%) of the total number of Lots at The Hills at Chestnut Grove. The issuance of a Hardship Leasing Permit to an owner shall not cause the qualified Owner to be removed from the waiting list for a Leasing Permit.

(e) Hardship Leasing Permits. If the failure to lease will result in a hardship, an Owner may seek to lease on a hardship basis by applying to the Board of Directors for a Hardship Leasing Permit. An Owner does not need to regularly occupy the Lot as his or her primary residence for a period of at least two (2) years to apply for a Hardship Leasing Permit. The Board of Directors shall have the authority to issue or deny requests for Hardship Leasing Permits in its discretion. In making such a determination, the Board may take any factor into account, including: (1) the nature, degree, and likely duration of the hardship, (2) the number of Hardship Leasing Permits which have been issued to other Owners, (3) the Owner's ability to cure the hardship, and (4) whether previous Hardship Leasing Permits have been issued to the Owner. A "hardship" as described herein may include, but not be limited to the following situations: (1) an Owner must relocate his or her residence outside the greater Atlanta metropolitan area and cannot, within six months from the date that the Lot was placed on the market, sell the Lot except at a price below the current appraised market value, after having made reasonable efforts to do so; (2) where the Owner dies and the Lot is being administered by his or her estate; and (3) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Lot. Hardship Leasing Permits shall be valid for a term not to exceed one year. Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if during the term of the permit, the Owner is approved for and receives a Leasing Permit.

Additionally, a Hardship Leasing Permit shall be automatically revoked upon the happening of any of the following events: (1) the sale or transfer of the Lot to a third party (excluding sales or transfers to an Owner's spouse, a person cohabitating with the owner, or a corporation, partnership, company, or legal entity in which the Owner is a principal); (2) the failure of the Owner to lease his or her Lot within three (3) months of the Hardship Leasing Permit having been issued; (3) the failure of the

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Owner to have his or her Lot leased for any consecutive three (3) month period thereafter; or (4) the occurrence of the date referenced in a written notification by the owner to the Association that the Owner will, as of said date, no longer need the Hardship Leasing Permit.

Additionally, a Hardship Leasing Permit shall be revoked if the Owner is shown on the books and/or management accounts of the Association to be more than sixty (60) days delinquent in any payment due to the Association. The Association shall provide the Owner written notice of the delinquency at least thirty (30) days prior to revoking the Hardship Leasing Permit. If the Owner fails to pay all amounts owed to the Association within the time period specified in the notice, the Owner's Hardship Leasing Permit shall be revoked without further notice. In the event a Hardship Leasing Permit is revoked as provided herein, the lessee and all other people occupying the Lot must vacate the Lot upon the expiration of the then current term of lease in effect at that time. Thereafter, should the qualified owner pay all amounts owed to the Association, the qualified owner must again apply for and receive from the Board of Directors either a Leasing Permit or a Hardship Leasing Permit, in accordance with this Section.

(f) Leasing Provisions. All leasing of Lots shall be governed by the following provisions:

(1) Notice. At least seven (7) days prior to entering into the lease of a Lot, the Owner shall provide the Board of Directors with a copy of the proposed lease form and such other information as the Board may reasonably require. The Board shall approve or disapprove the form of said lease. In the event a lease form is disapproved, the Board shall notify the Owner of the requisite action to be taken to obtain approval of the lease form. Within ten (10) days from the execution of the approved lease form by both parties, a copy of the lease, signed by the lessor and lessee, shall be submitted to the Board. All leases must be signed by the Owner (the lessor) and the tenant (the lessee).

(2) General. Lots may be leased only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Lots or assignment of leases unless approved in writing by the Board. All leases shall be for a period of at least one (1) year, except with written Board approval. The Owner must provide the tenant copies of the Declaration, Bylaws, and Association rules and regulations.

(3) Annual Physical (In Person) Inspections Performed by Owner. All Owners who are leasing agree to perform at least one physical (in person) inspection per calendar year of the Lot and verify that all utilities (including, without limitation, water, electric, gas, heating and air conditioning, etc.) are in good working condition and being serviced regularly. At the Board's request, Owner shall supply written documentation to verify which services have been rendered in the previous

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twelve (12) months from the date of request and when the Owner's inspection last occurred. If an Owner resides out of the metro-Atlanta area, Owner agrees to designate in writing a property manager or agent to perform such physical inspections and to be available to address any issues that may arise at the Lot. The Owner shall provide the name and contact information for the property manager or agent to the Board, and failure to do so shall constitute a violation of the Declaration.

(4) Liability for Assessments and Compliance With Declaration, Bylaws, and Rules and Regulations. Any lease of a Lot in The Hills at Chestnut Grove shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner covenants and agrees that any lease of a Lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into a lease by existence of this covenant on the Lot. Any lessee, by occupancy of a Lot, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(A) Compliance with Declaration, Bylaws, and Rules and Regulations. Lessee shall abide by and comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other occupants and guests in order to insure compliance with the foregoing. Lessee acknowledges that the violation by lessee or any occupant living with lessee of any provision of the Declaration, Bylaws, or rules and regulations adopted thereunder shall constitute a default under the lease. Owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and fines imposed therein. Occupancy of a Lot by a lessee or any occupant living with lessee, of which the Owner of the Lot has not sought and received a Leasing Permit or a Hardship Leasing Permit, nor is considered grandfathered under subsection (g) of this Section 2.10 living with the lessee, violates the Declaration, Bylaws, or a rule and regulation for which a fine is imposed, such fine will be assessed against the Owner or the Owner's representative. Unpaid fines shall constitute a lien against the Lot.

(B) Use of Common Area. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Area, including, but not limited to, the use of any and all recreational facilities and other amenities.

(g) Applicability of this Section (Grandfathering of Existing Leases). Leases existing on the date which this Amendment is recorded in the Paulding County, Georgia property records (hereafter referred to as "Effective Date") shall not be subject to the terms of this Section (except subsections (f) and (h) of this Section

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2.10), and such leases may continue in accordance with the terms of the Declaration as it existed prior to the recording date of this Amendment until the first conveyance of the Lot after this Amendment has been recorded in the Paulding County, Georgia property records. Upon the first conveyance and all subsequent conveyances of such Lot after this Amendment has been recorded in the Paulding County, Georgia property records, the Lot shall not be leased unless in compliance with this Section 2.10 of the Declaration. Any Owner of a Lot which is leased on the Effective Date of this Declaration must, within a reasonable period of time set forth by the Board of Directors, notify the Board of Directors in writing that the Owner's Lot is leased and provide a copy of the lease agreement in effect to the Board of Directors and any such information as the Board of Directors may reasonably require. Failure to provide such notice and lease to the Board shall disqualify the Owner from this grandfathering provision.

Additionally, an Owner can be disqualified from grandfathered status if the Owner is shown on the books and/or management accounts of the Association to be more than sixty (60) days delinquent in any payment due to the Association. The Association shall provide the Owner written notice of the delinquency at least thirty (30) days prior to disqualifying the Owner from grandfathered status. If the Owner fails to pay all amounts owed to the Association within the time period specified in the notice, the Owner is disqualified from the grandfathering provision and unable to hold grandfathered status. In the event this occurs, the lessee and all other people occupying the Lot must vacate the Lot upon the expiration of the then current term of lease in effect at that time. Thereafter, should the Owner subsequently pay all amounts owed to the Association, the Owner must apply for and receive from the Board of Directors either a Leasing Permit or a Hardship Leasing Permit, in accordance with this Section 2.10, subsections (d) and (e).

(h) Entity Owners. If the Owner of a Lot is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person, the entity shall designate in writing to the Board of the Directors the name(s) of the natural person(s) who will occupy the Lot. To constitute a valid designation in accordance with this Section, the natural person must have a substantial relationship to the legal entity, including being a shareholder, director, or officer of the corporation, being a member of the limited liability company, being a partner in the partnership, or being a beneficiary of the trust. In no event shall the natural person(s) designated to occupy the Lot be changed more frequently than once every twelve (12) months.

If the entity Owner receives any consideration or benefit, including, but not limited to, rent, a fee, service, or gratuity from or on behalf of the designated person(s) occupying the Lot, then such arrangement shall be considered leasing, and the Owner shall be required to comply with the entirely of this Section. The express purpose of this subsection is to ensure that entity owners do not utilize the designation of a natural person to occupy the Lot in order to circumvent the leasing

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restriction contained within this Section 2.10. Entity Owners shall be eligible to be a Grandfathered Owner in the event any Entity Owner complies with the grandfathering provisions within subsection (g) hereinabove.

(i) Applicability of this Section to Association Leases. Notwithstanding the above, this Section shall not apply to any leasing transaction entered into by the Association. The Association shall be permitted to lease a Lot without first obtaining a permit in accordance with this Section 2.10, and any such Lot shall not be considered as being leased in determining the maximum number of Lots that may be leased in accordance with this Section.

9.

Article II, Section 2.15 of the Declaration is hereby amended by striking in its entirety and replacing it with the following language hereto:

2.15 Exterior of Buildings. The visible exterior of any concrete blocks, cinder blocks or other fabricated masonry blocks shall have an exterior finish of rock, brick, natural stone or similar covering.

10.

Article II, Section 2.16 of the Declaration is hereby amended by adding the following language thereto:

Each Owner shall keep driveways on the Lot maintained and in good repair and in a clean, consistent condition. If mold, grease, oil, excessive residue, mud, dirt or other similar stains persist on these surfaces, the Owner is obligated to pressure wash such surfaces to remove such stains and discoloration on the driveway.

For an Owner of an unimproved Lot, such Owner must perform regular and routine lawn maintenance and mowing and trimming of the Lot during the growing months of the year (at least three (3) times per month between March and October) and perform at least monthly mowing and trimming of the Lot during the months of November through February. Failure to maintain the unimproved Lot in a manner consistent with the Community-Wide Standard will constitute a violation of this provision.

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11.

Article II of the Declaration is hereby amended by adding the following as a new Section 2.26 thereto:

2.26 Flags. The following flags are deemed approved for display without obtaining prior written consent of the Board of Directors, as follows: official flags of countries, states, all military branches, and sports teams (professional, collegiate, high school). All other flags require the prior written consent of the Board of Directors. Flags must be in good condition and be no larger than three (3) feet by five (5) feet in size. Approved flags must be attached to the exterior of the dwelling by installing a mounted bracket and standard flagpole no longer than six feet. Free-standing flagpoles are prohibited in the Community.

12.

Article II of the Declaration is hereby amended by adding the following as a new Section 2.27 thereto:

2.27 Exterior Lighting and Decorations (Flower Pots, Sculptures and Similar Man-Made Items). Exterior lighting and accent lighting on the front or side yard of the Lot that is visible from the street is permitted without the approval of the Architectural Review Committee, as follows:

a) Decorative "holiday" and ornamental lighting will be permitted.

As of the date that this Amendment goes into effect, any man-made item (such as flower pot, gnome, bird bath, etc.) by the front door or on any porch is grandfathered and permitted to remain on the Lot. After this Amendment is made effective, exterior sculptures and similar man-made objects must first be approved by the Architectural Review Committee. Plastic sculptures are prohibited. Such sculptures or man-made items shall be compatible and harmonious with the colors and structure of the homes in the Community.

13.

Article V of the Declaration is hereby amended by adding the following as a new Section 5.06 thereto:

5.06 Easements for Use and Enjoyment. Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to the Owner's Lot, subject to the following provisions:

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(a) the right of the Association, by way of the Board, to charge reasonable admission and other fees for the use of any portion of the Common Area, to limit the number of guests of Lot Owners and tenants who may use the Common Area, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, the Owner's family, tenants, guests, and invitees subject to the implementation of any reasonable rules and regulations governing the Common Area and imposing any fines or suspension of use for any infractions of such rules and regulations;

(b) the right of the Association to suspend the right of an Owner to use the recreational facilities in the Community for any period during which any assessment against the Owner or Owner's Lot which is provided for herein remains unpaid and for a reasonable period of time for an infraction of the Declaration, Bylaws, or rules and regulations;

(c) the right of the Association to grant permits, licenses, or easements across the Common Area; and

Any Lot Owner may delegate the Owner's right of use and enjoyment in and to the Common Area and facilities located thereon to the members of the Owner's family, or to the Owner's tenants and guests, and shall be deemed to have made a delegation of all such rights to the Occupants of the Owner's Lot if leased.

14.

Article V of the Declaration is hereby amended by adding the following as a new Section 5.07 thereto:

5.07 Easement for Entry. The Association shall have an easement to enter onto any Lot for emergency, security, or safety reasons, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. No entry into a dwelling shall be permitted without the expressed consent of the Owner.

15.

Article VI of the Declaration is hereby striking Section 6.05 in its entirety and replacing it with the following therefore:

6.05 Computation of Annual Assessment and Budget. Prior to the beginning of each new fiscal year, the Board of Directors shall (1) prepare a budget covering the estimated expenses of the Association for the upcoming new fiscal year and shall fix

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in the budget the amount of the annual assessment for the upcoming new fiscal year, and (2) deliver a copy of the budget to each Owner at least thirty days prior to the beginning of the new fiscal year. The budget shall not operate as a limitation on expenditures by the Board, but, rather, the budget is merely an estimate of expenses on which the Board may base the annual assessment. The annual assessment shall be due by no later than March 1st of the fiscal year. The Board may, but is not obligated to, permit the annual assessment to be paid in installments between January 1st and March 1st of the fiscal year.

The annual assessment may be increased by the Board, without a vote of the membership, for the upcoming fiscal year in an amount not to exceed ten percent (10%) of the amount of the annual assessment assessed in the current fiscal year. The budget and the assessment shall become effective unless disapproved by the majority of the total vote of the Association membership at a meeting of the membership within the first ninety days of the new fiscal year. Said meeting may be the annual meeting of the members if the annual meeting is held during the first ninety days of the new fiscal year or may be at a special meeting requested in accordance with the Bylaws. If either (1) the membership disapproves the budget within the first ninety days of the new fiscal year as provided herein, or (2) the Board fails for any reason to either (a) prepare a budget and fix the amount of the annual assessment for the new fiscal year or (b) deliver the budget to the members, as provided herein, then the budget and annual assessment in effect for the current fiscal year shall continue for the upcoming new fiscal year.

However, if an annual assessment is proposed to be increased by more than ten percent (10%) of the amount of the annual assessment assessed in the current fiscal year, a special meeting of the membership must be called and an affirmative vote of at least sixty percent (60%) of the owners must approve said increase. Otherwise, the terms of the preceding paragraph will apply.

The fiscal year of the Association may be set by Board resolution or, in the absence thereof, shall be January 1st through December 31st.

16.

Article VI, Section 6.06 of the Declaration is hereby amended by striking subsection (b) and replacing it with the following therefore:

(b) Interest at the rate of ten percent (10%) per annum or such higher amount as may be authorized by law, shall accrue from the due date.

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17.

Article VI, Section 6.06 of the Declaration is hereby amended by adding the following as a new subsection (e) as follows:

(e) Upon acceleration, that Owner shall thereby lose the privilege of paying the assessment in installments, unless reinstated in the Board's discretion. The notice of acceleration provided herein may be included in a collection litigation complaint filed against an owner for unpaid assessments and charges.

18.

Article VI, Section 6.11 of the Declaration is hereby amended by striking the Section in its entirety and replacing it with the following therefore:

6.11 Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against such Lot. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, not exceeding ten dollars ($10.00) or such higher amount as may be authorized under the Act, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein.

19.

Article VI of the Declaration is hereby amended by adding the following as a new Section 6.12 as follows:

6.12 Capital Contribution Assessment or Initiation Fee (First Conveyance and Resales) for Association. Upon acquisition of record title to a Lot by the first Owner thereof other than the Declarant or a Builder (i.e., First Conveyance), or upon occupancy of a Lot by a Person other than a Builder or Declarant, a capital contribution assessment in the amount of Five Hundred Dollars and Zero Cents ($500.00) shall be made by or on behalf of the purchaser or occupant to the capital reserve account of the Association. This amount shall be in addition to, not in lieu of, the Annual Assessment and shall not be considered an advance payment of the assessment. This amount shall be collected and disbursed to the Association at closing of the purchase and sale of the Lot to the first Owner, or if the obligation to make the capital contribution assessment

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arises by virtue of occupancy of a Lot by a Person other than a Builder or Declarant, the capital contribution assessment shall be paid immediately upon demand by the Association.

Thereafter, upon further conveyances of ownership of a Lot that are inclusive of resales and not subject to the terms of the paragraph above, a capital contribution assessment (also referred to as "initiation fee" for further conveyances) shall become due and payable to the Association by the Owner in the amount of Two Hundred Fifty Dollars and Zero Cents ($250.00). The initiation fee shall be payable at Closing, shall not be prorated, and the Association shall have all rights under the Declaration for enforcement of assessments if it is not paid. The initiation fee shall not be deemed to be an advance payment of any assessment and may not be paid in lieu of any annual or special assessment. The initiation fee shall be the personal obligation of the Owner.

The initiation fee shall be deposited into a capital reserve account of the Association and disbursed by the Association in such manner and at such times as determined by the Board for maintenance of any property which the Association is required or permitted to maintain in its sole discretion.

Notwithstanding anything to the contrary herein, no initiation fee shall be due as a result of a conveyance of a Lot to an Owner's spouse or legal guardian or as a result of a conveyance of a Lot because the Owner has died and the Lot is being administered by his or her estate. No initiation fee shall be due from any person or entity who takes title through foreclosure upon the lien of any first priority mortgage covering the Lot or the lien of any secondary purchase money mortgage covering the Lot.

20.

Article VI of the Declaration is hereby amended by adding the following as a new Section 6.13 as follows:

6.13 Uniform Rate of Assessment and Specific Assessments. Annual Assessments and Special Assessments shall be fixed at a uniform rate for all Lots for which assessments have commenced. Notwithstanding the above, the Board of Directors shall have the power to levy specific assessments against Lots pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. The Board of Directors shall

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have the power to levy specific assessments as follows:

(a) Except for expenses incurred for maintenance and repair of items which are the Association's maintenance responsibility hereunder, any common expenses benefiting less than all of the Lots or significantly disproportionately benefiting all Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received.

(b) Any common expenses occasioned by the conduct of less than all of those entitled to occupy all of the Lots or by the licensees or invitees of any Lot may be specifically assessed against such Lot, including, but not limited to, expenses and attorney's fees actually incurred by the Association in enforcing the Declaration, Bylaws or Association rules and regulations, regardless of whether or not an enforcement lawsuit has been filed.

(c) Other specific assessments, including fines, against an Owner and Owner's Lot deemed reasonable by the Board.

21.

Article VI of the Declaration is hereby amended by adding the following as a new Section 6.14 as follows:

6.14 Reserve Budget and Reserve Account. The Board shall prepare an annual or multi-year reserve budget which shall take into account the number and nature of replaceable assets, the expected life of such assets, and the expected repair or replacement costs of the assets. The Board shall establish a reserve account for such expected repair or replacement costs, and shall fund the reserve account from collected assessments. The reserve budget shall not operate as a limitation on the expenditures of funds in the reserve account, but, rather, the Board may spend funds in the reserve account as deemed reasonable by the Board.

22.

Article VII, Section 7.03 of the Declaration is hereby amended by striking the same in its entirety and replacing it with the following therefore:

7.03 Fines and Suspension of Use. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot, for any violation of the Declaration, Bylaws, or any Association rules and regulations. The Board shall further have the power to suspend the use of the Common Area for any violation of the Declaration, Bylaws, or any Association rules and regulations. If any Occupant violates the Declaration, Bylaws or Association rules and regulations and a

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fine is imposed, the fine may be imposed against the Owner and/or Occupant. The Board may establish and promulgate a fining schedule. The maximum fine for an ongoing, daily and continuing violation (e.g., maintenance violation, leasing violation) is $25.00/day. The fine for a static violation (e.g., installation of unapproved modification to dwelling or structure, removal of trees, etc.) can be no more than $1000.00 per violation or occurrence, and it is subject to a lesser amount at the Board's discretion. The Board shall not impose a fine or suspend the right to use the Common Area, unless and until the Board has sent or delivered written notice to the Owner or Occupant as provided herein; provided, however, an Owner's right to use the Common Area shall automatically be suspended without notice during any period in which an Owner is more than thirty (30) days delinquent on any assessment or charge, and the Owner shall be ineligible to use the Common Area until the Owner's account balance has been paid in full.

a) Notice. If any provision of the Declaration or Bylaws or any Association rule or regulation is violated, the Board shall send the violating Owner or Occupant written notice identifying the violation and fine and/or suspension being imposed and advising the Owner or Occupant of the right to request a hearing before the Board to contest the violation or the fine and/or suspension or to request reconsideration of the fine and/or suspension. This written notice shall provide the Owner or Occupant at least ten (10) days to correct the violation without any fine or suspension imposed. Fines and suspensions may become after the ten (10) day period or a later date specified in such notice, notwithstanding the Owner or Occupant's right to request a hearing before the Board to challenge the fine and/or suspension. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the Owner or Occupant. In the event an Owner or Occupant violates the same provision of the Declaration or Bylaws or any Association rule and regulation within six (6) months from the date of the notice, the Board may impose the fines and/or other sanction provided in the notice without further notice to the Owner or Occupant. The Owner or Occupant bears the burden of notifying the Association in writing when the violation has been abated.

b) Hearing. If a written request for a hearing is received from the Owner or Occupant within ten (10) days of the date of the violation notice provided above, then the Board shall schedule and hold in executive session a hearing affording the Owner or Occupant a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one

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time. Failure to request a timely hearing as provided herein shall result in loss of the right to challenge and request reconsideration of the fines or suspension. The Board of Directors may, but shall not be required to, suspend the fines and/or suspension until the date of the hearing.

c) Suspension of Voting Rights. A member's right to vote shall automatically be suspended during any period in which a member is more than thirty (30) days delinquent on any assessment or charge. The Association shall not be required to provide any notice to such member that the member's voting rights have been automatically suspended as a result of such delinquency. Additionally, a member's right to vote may be suspended during any period in which a member is in violation of the Declaration. The Association shall be required to provide notice to such member that the member's voting rights have been suspended as a result of such violation.

23.

Article VIII, Section 8.01 (b) of the Declaration is hereby amended by striking the subsection in its entirety.

24.

Article X of the Declaration is hereby amended by adding the following as a new Section 10.06 as follows:

10.06 SECURITY. THE ASSOCIATION MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SAFETY AT THE COMMUNITY; HOWEVER, EACH OWNER, FOR HIMSELF OR HERSELF AND HIS OR HER TENANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT THE ASSOCIATION IS NOT A PROVIDER OF SECURITY AND SHALL HAVE NO DUTY TO PROVIDE SECURITY AT THE COMMUNITY. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER TO PROTECT HIS OR HER PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH LOT OWNER.

THE ASSOCIATION SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SAFETY MEASURES UNDERTAKEN.

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EACH OWNER, FOR HIMSELF OR HERSELF AND HIS OR HER TENANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT THE ASSOCIATION OWES NO DUTY TO PREVENT ANYONE FROM COMING IN CONTACT WITH PERSONS INFECTED WITH SARS-COV-2 AND COVID-19 OR FROM CONTRACTING THESE OR ANY OTHER COMMUNICABLE DISEASES. BY ENTERING, UTILIZIING AND OCCUPYING THE COMMON AREAS, EACH PERSON DOES SO AT THEIR OWN SOLE VOLITION AND RISK HAVING FULL KNOWLEDGE OF THE RISKS INHERENT IN ENTERING, UTILIZING AND OCCUPYING THE COMMON AREAS DURING A PANDEMIC.

25.

The Declaration is hereby amended by adding the following as a new Article, specifically Article XI:

ARTICLE XI

GEORGIA PROPERTY OWNERS' ASSOCIATION ACT

The Hills at Chestnut Grove is a residential property owners' development which hereby submits to the Georgia Property Owners' Association Act, O.C.G.A. Section 44-3-220, *et seq*., as may be amended or supplemented.

26.

Any action to challenge the validity of any provision of this Amendment, including the passage of this Amendment, must be brought within one (1) year of the recording of this Amendment in the Paulding County, Georgia land records. No action to challenge any provision of this Amendment or the passage thereof may be brought after such time.

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IN WITNESS WHEREOF, the undersigned have executed this Amendment and hereby certify that this Amendment was properly approved.

Dated this 25 day of Nov, 2020

THE HILLS AT CHESTNUT GROVE HOMEOWNERS ASSOCIATION, INC.

Signature of President
Print Name: Timothy G. Steininger

Sworn to and subscribed before me
this 25 day of Nov, 2020.

Witness: Melissa Rosine

Notary Public

MELISSA D ROSINE
Notary Public, Georgia
Paulding County
My Commission Expires
November 09, 2021

Signature of Secretary
Print Name: Alicia S Hernandez
11/25/20

Sworn to and subscribed before me
this 25 day of Nov, 2020.

Witness: Melissa Rosine

Notary Public

MELISSA D ROSINE
Notary Public, Georgia
Paulding County
My Commission Expires
November 09, 2021

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