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*Jay C. Stephenson*

Jay C. Stephenson  
Clerk of Superior Court Cobb Cty. Ga.

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-----[SPACE ABOVE RESERVED FOR RECORDING DATA]-----

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STATE OF GEORGIA  
COUNTY OF COBB

Cross Reference: Deed Book 3512  
Page 497

**AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS FOR  
MILFORD CHASE**

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Milford Chase, Georgia was recorded on November 12, 2002 in Deed Book 13627, Page 3384, et seq., Cobb County, Georgia Records ("Declaration"), as may be amended; and

WHEREAS, Section 19 of the Declaration provides for amendment of the Declaration by the affirmative vote or written consent, or any combination thereof, of members of the Association holding at least sixty- six and two-thirds percent (66 2/3%) of the total eligible votes; and

WHEREAS, this Amendment to the Declaration has been approved by members who hold at least 66 2/3% of the total eligible votes of the Association;

WHEREAS, this amendment does not alter, modify, change or rescind any right, title, interest or privilege held by the holder of any mortgage on a Lot; provided, however, in the event a court of competent jurisdiction determines that this amendment does alter, modify, change or rescind any right, title, interest or privilege held by any such mortgage holder without such mortgage holder's consent in writing to this amendment, then this amendment shall not be binding on the mortgage holder so involved, unless such mortgage holder consents to this amendment; and if such consent is not forthcoming, then the provisions of the Declaration prior to this amendment shall control with respect to the affected mortgage holder;

NOW THEREFORE, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Milford Chase is hereby amended as follows:

1.

Paragraph 7 of the Declaration is hereby amended by adding the following Section (i):

- (i) Initiation Fee. In addition to the annual and other special assessments provided for herein, the purchaser or grantee of every Lot shall be assessed and be subject to a non-refundable, non-prorated \$200.00 initiation fee ("Initiation Fee") upon any and each conveyance or transfer of the Lot to any person other than to: (1) the spouse or heir of the Owner, or (2) a first priority mortgage holder or secondary purchase money mortgage holder who takes title to a Lot through foreclosure of such mortgage or deed in lieu of foreclosure of such mortgage. The Board of Directors may increase the Initiation Fee by no more than 10% annually.

The Initiation Fee shall be due and payable at the time of each such conveyance or transfer, and the assessment shall be collected at the closing of each such conveyance or transfer. The Initiation Fee shall constitute a specific special assessment and continuing lien against such Lot, and a personal obligation of the Owner of such Lot, from the time it is due until it is paid in full, pursuant Paragraph 7 hereof. This amount shall be in addition to, not in lieu of, the annual assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. This amount shall be used by the Association for the repairs, maintenance, alteration and/or improvements to the Association Property.

2.

Paragraph 12 is amended by deleting it in its entirety and replacing it with the following:

12. Leasing

In order to protect the equity of the individual Lot Owners at Milford Chase, and to carry out the purpose for which the Milford Chase Community ("Community") was formed by preserving the character of the Community as a homogenous residential community of predominantly owner-occupied homes, leasing of Lots shall be governed by the restrictions imposed by this Paragraph. Except as provided herein, leasing of Lots is prohibited.

(a) Definitions

- (i) "Grandfathered Owner" means an Owner of a Lot who is lawfully leasing his or her Lot on the date this Amendment is recorded ("Effective Date"). Grandfathering shall apply only to the Lot owned by such Grandfathered Owner on the Effective Date. Grandfathering hereunder shall continue only until the earlier of: (1) the date the Grandfathered Owner conveys title to the Grandfathered Lot to any other person (other than the Owner's spouse), or (2) the date that all current occupants of the Grandfathered Owner's Lot vacate and cease to occupy the Lot. Upon either event, the Lot shall automatically lose grandfathering hereunder.

- (ii) "Grandfathered Lot" means the Lot owned by a Grandfathered Owner on the Effective Date hereof.
- (iii) "Leasing" means the regular, exclusive occupancy of a Lot by any person(s) other than: (1) the Owner or a parent, child or spouse of an Owner, or (2) a person who occupies the Lot with the Owner or parent, child or spouse of the Owner occupying the Lot as his or her primary residence.

(b) Leasing Permit and Restriction. No Owner of a Lot may lease his or her Lot unless: (1) the Owner is a Grandfathered Owner, (2) the Owner is not a Grandfathered Owner but has received a written leasing permit from the Board of Directors authorizing leasing, or (3) the Owner is not a Grandfathered Owner but has received a hardship leasing permit from the Board as provided below.

Non-Grandfathered Owners who want to lease their Lots may do so only if they have applied for and received from the Board of Directors either a "leasing permit" or a "hardship leasing permit." Such a permit 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 Paragraph. The Board of Directors shall have the authority to establish conditions as to the duration and use of such permits consistent with this Paragraph. All leasing permits and hardship leasing permits shall be valid only as to a specific Owner and Lot and shall not be transferable between either Lots or Owners (including a subsequent Owner of a Lot where a permit was issued to the Owner's predecessor in title).

An Owner's request for a leasing permit shall be approved if the number of current, outstanding permits issued plus Grandfathered Lots is less than five percent (5%) of the total Lots in the Properties.

Leasing permits and hardship leasing permits are 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); or (2) the failure of an Owner to lease his or her Lot for ninety (90) consecutive days at any time after the issuance of a leasing permit.

If the number of current leasing permits issued and Grandfathered Lots is more than five percent (5%) of the total number of Lots, then no additional leasing permits shall be issued (except for hardship leasing permits) until that number falls below five percent (5%). 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 permit, if they so desire, when such number falls below five percent (5%). The issuance of a hardship leasing permit to an Owner shall not cause the Owner to be removed from the waiting list for a leasing permit.

(c) Hardship Leasing Permits. If the failure to lease will result in an undue hardship to the Owner, then the Owner may seek to lease on a hardship basis by applying to the Board of Directors for a hardship leasing permit. The Board shall have the authority to issue or deny requests for hardship leasing permits in its discretion after considering the following factors: (1) the nature, degree, and likely duration of the hardship, (2) the harm, if any, which will result to the Properties if the permit is approved, (3) the number of hardship leasing permits which have been issued to other Owners, (4) the Owner's ability

to cure the hardship, and (5) whether previous hardship leasing permits have been issued to the Owner.

A "hardship" as described herein shall 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 (6) 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) an Owner dies and the Lot is being administered by his or her estate; or (3) an Owner takes a leave of absence or temporarily relocates out of the metropolitan-Atlanta area and intends to return to reside in the Lot within one (1) year.

Hardship leasing permits shall be valid for a term not to exceed one (1) year. Owners may apply for additional hardship leasing permits at the expiration of a hardship leasing permit, if the circumstances warrant. Hardship leasing permits shall be automatically revoked if, during the term of the permit, the Owner is approved for and receives a leasing permit.

(d) Leasing Provisions. When leasing is permitted under this Paragraph, it shall be governed by the following provisions:

(e) Notice. At least seven (7) days before entering into a lease, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease. If a lease is disapproved, the Board shall notify the Owner of the action to be taken to bring the lease in compliance with the Declaration and any rules and regulations adopted pursuant thereto.

(i) General. Lots may be leased only in their entirety; no rooms or fractions of Lots may be leased without prior written Board approval. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. There shall be no subleasing of Lots or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than one (1) year, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship. Within ten (10) days after executing a lease agreement for the lease of a Lot, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Lot. The Owner must provide the lessee copies of the Declaration, Bylaws, and the rules and regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

(ii) Liability for Assessments; Compliance. 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 the lease by existence of this covenant, and the lessee, by occupancy of the Lot, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(1) Compliance with Declaration, Bylaws, and Rules and Regulations. The Owner and lessee shall comply with all provisions of the Declaration, Bylaws and Association rules and shall control the

conduct of all other occupants and guests of the leased Lot in order to ensure such compliance. The Owner shall cause all occupants of his or her Lot to comply with the Declaration, Bylaws and Association rules, and shall be responsible for all violations by such occupants, notwithstanding the fact that such Occupants are fully liable and may be sanctioned for any such violation.

If a Lot is leased or occupied in violation of this Paragraph or if the Owner, lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation, the Association's Board of Directors shall be authorized, in addition to all other available remedies, to levy fines against the lessee and/or the Owner and to suspend all voting and/or Common Property use privileges of the Owner, Occupants and unauthorized tenant(s).

If a Lot is leased or occupied in violation of this Paragraph, the Association may require the Owner to evict the tenant. If the Owner, lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation, such violation is deemed to be a default under the terms of the lease and shall authorize the Owner or the Association, as more fully described herein, to terminate the lease without liability and to evict the lessee in accordance with Georgia law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. Alternatively, the Association may require the Owner to evict the violating tenant. If the Association proceeds to evict the lessee, any costs, including reasonable attorney's fees actually incurred and court costs associated with the eviction shall be an assessment and lien against the Lot.

(2)Use of Common Property. 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 Property, including, but not limited to, the use of any and all recreational facilities.

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

lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(e) Applicability of this Paragraph. Notwithstanding the above, this Paragraph shall not apply to any leasing transaction entered into by the Association, or by any first Mortgagee who becomes the Owner of a Lot through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage. Such parties shall be permitted to lease a Lot without first obtaining a permit in accordance with this Paragraph, and such Lots shall not be considered as being leased in determining the maximum number of Lots that may be leased in accordance with this Paragraph.

3.

All other provisions of the Declaration remain in full force and effect.

4.

This Amendment will become effective on the date it is first recorded in the land records of Cobb County, Georgia.

IN WITNESS WHEREOF, the undersigned officers of Milford Chase Homeowners Association, Inc., hereby certify that this Amendment to the Declaration was duly adopted by the requisite vote of the Association membership, with proper notices duly given.

This 18th day of December, 2006

**MILFORD CHASE HOMEOWNERS ASSOCIATION, INC.**

By: Yvonne Turner (Seal)  
President

Attest: Kristi K (Seal)  
Secretary

[CORPORATE SEAL]

Sworn to and subscribed to before me this 18 day of December, 2006

Witness

[Signature]  
Notary Public

[NOTARY SEAL]



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