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STATE OF GEORGIA

COUNTY OF COBB

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AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR CHADDS RIDGE, UNIT I, UNIT II-A, UNIT II-B AND UNIT II-C AND TO THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR CHADDS RIDGE, UNIT III

WHEREAS, Chadds Ridge, Inc., a Georgia corporation, recorded the Declaration of Covenants, Conditions, Restrictions and Easements for Chadds Ridge, Unit I and Unit II-A on April 10, 1989, in Deed Book 5299, Page 132, et seq., Cobb County, Georgia Records (hereinafter the "First Declaration"); and

WHEREAS, the First Declaration has been previously amended by amendments recorded on September 7, 1990, in Deed Book 5857, Page 78, et seq., on September 16, 1991, in Deed Book 6270, Page 241, et seq., aforesaid records, which, respectively, submitted Units II-B and II-C to the Declaration; and

WHEREAS, Cotton States Properties, Ltd., a Georgia corporation, recorded the Declaration of Covenants, Conditions, Restrictions and Easements for Chadds Ridge, Unit III on September 1, 1989, in Deed Book 5457, Page 193, et seq., Cobb County, Georgia Records (hereinafter the "Second Declaration"); and

WHEREAS, Article V, Section 7(d) of the First Declaration provides for amendment of the First Declaration by an agreement signed by at least seventy-five (75%) percent of the owners of lots in Units I, II-A and II-B at Chadds Ridge; and

WHEREAS, at least seventy-five (75%) percent of the owners of lots in Units 1, 11-A, II-B and II-C at Chadds Ridge have approved and executed this amendment; and

WHEREAS, Article V, Section 7(d) of the Second Declaration provides for amendment of the Second Declaration by an agreement signed by at least seventy-five (75%) percent of the owners of lots in Unit III at Chadds Ridge; and

WHEREAS, at least seventy-five (75%) percent of the owners of lots in Unit III at Chadds Ridge have approved and executed this amendment; and

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 at Chadds Ridge; 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, both the Declaration of Covenants, Conditions, Restrictions and Easements for Chadds Ridge, Unit I, II-A. II-B and II-C, and the Declaration of Covenants, Conditions, Restrictions and Easements for Chadds Ridge, Unit III, are hereby amended as follows:

1.

Article I of each Declaration is hereby amended by adding the following Sections 9, 10, 11, 12, 13 and 14 thereto:

Section 9. "Association" shall mean Chadds Ridge Homeowners Association, Inc., a Georgia nonprofit corporation, its successors or assigns.

Section 10. "Board" or "Board of Directors" shall mean the elected body responsible for management and operation of the Association.

Section 11. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Members.

Section 12. "Mandatory Member" shall mean a member of the Association whose Lot has been subjected to mandatory membership in the Association by written consent recorded in the Cobb County, Georgia land records, as provided in Article VI hereof.

Section 13. "Mandatory Member Lot" shall mean a Lot subjected to mandatory membership in the Association hereunder.

Section 14. "Member" shall mean a member of the Association, including Mandatory Members and Non-Mandatory Members.

Article III of each Declaration is hereby amended by adding the following Section 2 thereto:

Section 2. Easements for Use and Enjoyment. Every Member 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 his or her Lot, subject to the following provisions:

(i) the right of the Association 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 a Member, his or her family, tenants, guests, and invitees;

(ii) the right of the Association to suspend the voting rights of a Member and the right of a Member to use the recreational facilities in the Property for any period during which any assessment against his or her Lot which is provided for herein remains unpaid and for a reasonable period of time for an infraction of the Declaration, By-Laws, or rules and regulations;

(iii) the right of the Association to borrow money for the purpose of improving the Common Area, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a mortgage conveying all or any portion of the Common Area; provided, however, the lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, encumbering any Lot or other property located within the Property (Any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, encumbering any Lot or other property located within the Property.) ; and

(iv) the right of the Association to dedicate or transfer all or any portion of the Common Area subject to such conditions as may be agreed to by the members of the Association.

3.

Article V, Section I of each Declaration is hereby amended by deleting all references to "Architectural Control Committee" therefrom and substituting "Association, acting through the Board" therefor.

4.

Each Declaration is hereby amended by adding the following Articles VI, VII and VIII thereto:

ARTICLE VI
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each Person who is the record owner of a fee or undivided fee interest in any Lot subject to this Declaration, and whose Lot is

submitted to mandatory membership in the Association by written consent recorded in the Cobb County, Georgia land records, shall be a Mandatory Member of the Association and shall be entitled to vote as set forth herein and in the By-Laws of the Association. Membership shall be mandatory for all Owners whose Lots are submitted to mandatory membership by such written consent, and such membership shall be appurtenant to and may not be separated from ownership of any Lot.

Membership also may be offered by the Association on a non-mandatory basis for owners whose Lots have not been submitted to mandatory membership in the Association by recorded written consent, which non-mandatory membership shall be contingent upon payment of dues and compliance with the Declaration, Bylaws and rules and regulations of the Association.

The foregoing 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 this Declaration and in the By-Laws. 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 nor office held for each Lot owned.

Section 1. 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 and advise the Secretary prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended in the event more than one (1) Person seeks to exercise it.

ARTICLE VII
ASSESSMENTS

Section 1. General. The Association shall have the power to levy assessments or dues against all Members as provided herein. The assessments for common expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots in the Property and the Members as may be more specifically authorized from time to time by the Board. Except as otherwise provided herein, each Lot subject to assessments hereunder is hereby allocated equal liability for common expenses.

Section 2. Creation of the Lien and Personal Obligation For Assessments for Mandatory Members of the Association. Each Owner of a Mandatory Membership Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments, such assessments to be established and collected as hereinafter provided; and (iii) specific assessments against any particular Lot which are established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed for violations of this Declaration, the By-Laws or the rules and regulations of the Association.

All such assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred, in the maximum amount permitted under Georgia law, shall be a charge on such Lot and shall be a continuing lien upon the Lot against which each assessment is made. Such amounts shall also be the personal obligation of the Person who was the owner of such Lot at the time when the assessment fell due. Each Owner of a Mandatory Membership Lot and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which

may include acceleration of the unpaid portion of any annual assessment for delinquent Owners upon ten (10) days written notice.

The lien provided for herein shall be superior to all other liens and encumbrances on such Lot, except for liens of ad valorem taxes and liens for all sums unpaid on a first Mortgage only if such first Mortgage was recorded prior to the delinquent assessment or charge was first due. The sale or transfer of any Lot pursuant to foreclosure of a first mortgage, or any proceeding in lieu thereof, shall extinguish the lien for assessments as to payments coming due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter coming due or from the lien thereof.

No Mandatory Member may exempt himself or herself from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, non-use of the Common Area, the Association's failure to provide services or perform its obligations required hereunder, or inconvenience or discomfort arising from the Association's performance of its duties.

Section 3. Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Member shall be in default.

(a) If any monthly installment of annual assessments or any part thereof is not paid in full by the tenth (10th) day of the month or if any other charge is not paid within ten (10) days of the due date, a late charge equal to the greater of ten ($10.00) dollars or ten (10%) percent of the amount not paid may be imposed without further notice or warning to the delinquent Member and interest at the highest rate permitted under Georgia law shall accrue from the due date.

(b) If part payment of assessments and related charges is made, the amount received shall be applied first to costs and attorney' s fees, then to late charges, then to interest, then to delinquent assessments, and then to current assessments.

(c) For Owners whose Lots are subjected to mandatory membership in the Association hereunder, if assessments and other charges or any part thereof due from an Owner remain unpaid more than thirty (30) days after the assessment payments first become delinquent, the Association, acting through the Board, may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the By-Laws, and Georgia law and suspend the Owner's right to use the Common Area (provided, however, the Board may not limit ingress or egress to or from the Lot).

(d) For Owners whose Lots are not subject to mandatory membership in the Association hereunder, if assessments or other charges, or any part thereof, due from an owner remain unpaid more than thirty, (30) days, the Association may revoke such Owner's membership in the Association upon ten (10) days written notice.

Section 4. Computation of Operating Budget and Assessment.

(a) Mandatory Member Assessment. It shall be the duty of the Board at least thirty (30) days prior to the beginning of the Association's fiscal year to prepare a budget covering the estimated costs of operating the Property during the coming year. The budget shall include amounts to cover anticipated common expenses of operating, maintaining and repairing all Common Area owned by the Association, including landscaped areas, fences on the Common Area, tennis courts, the swimming pool, pool house and equipment, Common Area lighting, and a reserve or capital contribution related thereto. The budget also shall include amounts to cover anticipated common expenses in enforcing this Declaration, the By-Laws and the rules and regulations of the Association. The budget shall reflect anticipated income to be received from Non-Mandatory Members, and the