

River Haven Homeowners Association, Inc.

Dear Homeowners:

As you are aware, the Board of Directors of River Haven Homeowners Association, Inc. ("Association") proposes to amend the Association's existing recorded governing documents. The Board has worked diligently for some time in reviewing the Association's existing legal documents and preparing new restated legal documents which we believe will be much more useful for everyone at River Haven. Given changes in recent law, this process must be done in two phases: 1) submitting to the Georgia Property Owners Association Act ("POA") and 2) voting on the amended and restated declaration and bylaws.

As you may know, the Association's current legal documents were drafted by the developer and many of the provisions are not or are no longer relevant to our community. Since that time, there have also been a few changes in the law, in community association practices and in the River Haven community. The Board retained many of the provisions our current documents that have and will continue to be beneficial to our community. In this letter, we want to highlight some of the most important changes. We encourage you to read the documents carefully and discuss any questions you may have with the Board.

As previously stated, the Association must submit to the POA. This is the basis for the first amendment to the Declaration. The benefits of the POA, included in this first amendment, that we believe are most relevant to River Haven are as follows:

- **Statutory Liens.** The association will no longer be required to file liens at the county courthouse for unpaid assessments or other charges. Instead, the POA creates an automatic statutory lien against a delinquent owner's lot. The POA provides that the declaration of covenants itself serves as notice that there is a lien for any unpaid assessment or other charges.
- **Joint and Several Liability.** The POA provides that unless the declaration of covenants states otherwise, the grantee (or buyer) of a house is jointly and severally liable with the grantor (or seller) for all unpaid assessments if the automatic statutory lien is not paid at the closing.
- **Late Fees, Interest and Legal Fees.** Submission to the POA allows the association to charge a late fee of the greater of \$10.00 or ten percent (10%) of the amount due, and interest at a rate of ten percent (10%) per annum on unpaid assessments and charges. The POA also provides for the statutory support for the collect of all legal fees and expenses to enforce the Declaration and collect amounts owed to the Association.

- **Specific Assessments.** This provision of the POA provide costs that are incurred by the Association because of the actions of a particular owner can be assessed against that Owner.
- **Compliance.** The POA also clarifies that all owners and occupants must comply with all the provisions of the declaration of covenants and the association's rules and regulations.
- **Fining Authority.** The POA gives the association a statutory power to assess fines against violators provided the ability to fine is stated in the declaration of covenants. Fines would constitute a lien against the violator's lot, and the ability to fine significantly strengthens the association's powers to enforce the covenants and the rules and regulations of the community.
- **Perpetual Duration of Covenants.** The covenants will be for a perpetual duration rather than being subject to termination.
- **Use Restrictions.** Additionally, submission to the POA allows an Association to place more restrictive use restrictions on property in the community. Thus, a super majority of owners have the ability to adopt use restrictions that impact the entire community.
- **Voting.** The voting percentage for amendments is brought into compliance with the terms of the Act to 66 2/3% of the total eligible Association vote.

While not part of the POA, the first amendment also includes the following:

- **Capital Contribution Fee upon Transfer of Lots.** As is typical with many communities, a capital contribution fee equal to the amount of the annual assessment is included in this amendment.
- **Foreclosure Fee Lots.** A foreclosure fee equal to 1/2 of the annual assessment is included to cover the additional costs associated with lender foreclosures in the community.

Additionally, at the last meeting of the membership, the members requested some highlights as to what is included in the amended and restated declaration. Here are those highlights:

- **First Amendment Provisions Incorporated.** All provisions of the first Amendment submitting the community to the POA will be incorporated into the amended and restated declaration.

- **Electronic Voting and Documents.** The declaration will specifically authorize the use of electronic means to communicate with the membership and vote.
- **Maintenance Responsibility.** These provisions will clarify owner and Association maintenance responsibilities and the actions the Association can take should an owner fail to maintain their lot.
- **Architectural Controls.** These provisions will clarify the ACC process including the establishment of an appeals process should the ACC deny an owner's request. These provisions also establish a timeline for the application and construction process.
 - 60 days for the Board to respond to an ACC application
 - 3 months to start the project
 - 3 months to complete the project once construction started

The Board and ACC have the discretion to extend the start and completion windows based on the type of project.

- **Use Restrictions.** The Board's goal is to preserve River Haven as a residential community and to establish use restrictions that result in higher property values, well-maintained lots and a quality home life for all of us. It is the Board's belief that these use restrictions will significantly help to achieve this goal. We are going to highlight a few of them:
 - **Business Use.** Lots are to be used for residential purposes. Ancillary business activities can take place within the home so long as:
 - The business activity is not apparent or detectable by sight, sound or smell from outside of the dwelling;
 - The business activity does not involve visitation or deliveries to the Lot by employees, clients, customers, invitees, in greater volume than would normally be expected for a Lot without business activity;
 - The business activity is legal and conforms to all zoning requirements for River Haven
 - The business activity is consistent with the residential character of the community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other owners or occupants of River Haven.
 - **Parking.** No Owner or Occupant may keep or bring into the Development more than a reasonable number of vehicles per Lot. Vehicles of Owners and Occupants only may be parked in garages

or driveways on Lots. Vehicles may not be parked on any grass, sidewalk or landscaped areas in the Development. Street parking is limited to guests and visitors only. Parking of commercial vehicles will be subject to restrictions.

- **Prohibitions.** Items or actions prohibited under the use restrictions without the express written consent of the Association include recreational equipment, accessory structures, yard signs, yard sales, temporary buildings, and fences. Items expressly prohibited under the use restrictions include window air conditioners, non-traditional window treatments (i.e sheets, foil), clotheslines, and chain link fences.
- **Occupancy Restrictions:** The number of occupants per home will be limited to two per bedroom in compliance with federal law. Additionally, short term leasing like Air BnB, VRBO, or rentals for social events will be expressly prohibited. Leasing is permitted in certain circumstances:
 - **Grandfathered Owners:** Anyone lawfully leasing their lot on the date the amended and restated declaration is recorded who submits a lease to the Association within 60 days of the recording date.
 - **Leasing Permits:** A leasing permit will be granted if an owner has owned their home for a minimum of two years prior to the application for the permit and the total number of outstanding leasing permits and grandfathered owners is less than 4.
 - **Who Can't Lease:** Owners who are delinquent or otherwise in violation of the governing documents cannot lease.
 - **Minimum Lease Terms:** 6 months.
 - **Hardship:** If no leasing permits are available, the Board will also have the ability to grant permits to owners to lease on in annual basis in cases of hardship.
- **Enforcement:** These provisions of the Amended and Restated Declaration establish a procedure for the imposition of fines and other sanctions. Enforcement remedies include fining, suspension of voting rights, self-help, filing a notice of violation in the county land records, and filing a lawsuit. The suspension and fining procedure is clearly stated. If an owner wishes to challenge the violation, sanctions or both, there is a hearing process to appeal the violation. These provisions clearly state that any owner in violation that causes expenses to the Association will be responsible for reimbursing the Association for all costs of enforcement, including costs of self-help and all legal fees and expenses.

October 31, 2021

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We hope that this information is helpful to you in making a decision regarding the Amendment to submit to the Georgia Property Owners Association Act. Please contact a member of the Board if you have any further questions.

Very truly yours,

River Haven Homeowners Association, Inc.
Board of Directors