

The Fairways of Towne Lake Homeowners Association, Inc.
c/o Sixes Management Group
1007 Towne Lake Hills East · Woodstock, GA 30189
www.thefairways.org

March 9, 2018

Dear Fairways Homeowner,

I hope your 2018 is off to a great start! I'm writing on behalf of the Fairways Homeowners Association Board of Directors to propose an important amendment to the Fairways Covenants. We work diligently to limit operating costs, while continuously maintaining and improving the Association's common property. Occasionally, investments must be made in the Fairways amenities to be sure that our community remains competitive in the residential marketplace, that we are working to protect and enhance home values, and that our facilities and amenities provide a high level of enjoyment for our homeowners, families, and their guests.

As our community ages and improvement costs rise, we make every effort to minimize the need for annual Assessment increases. To that end, we are proposing a Covenant amendment that will contribute to the long-term success of our Community without requiring immediate additional funds from existing homeowners. As outlined below, the board proposes to initiate a capitalization (transfer/initiation) fee for *future purchasers* of Fairways homes. Any funds generated from this fee would be contributed to the Association's Reserve Fund, which is used for capital expenses, such as replacement of amenities, construction of new amenities, and other investments. Examples of possible projects would be replacement of tennis courts, redesign of pool, etc. Fees of this nature are becoming more common in subdivision covenants as a measure to keep ongoing costs to homeowners under control.

Enclosed with this letter are the details of our proposed Covenant amendment and the corresponding form required to approve it. Per the Association Covenants, sixty-six and two-thirds percent (66.67%) of the total eligible vote is required to pass a Covenant amendment (in our case, approximately 167 votes). The Board is asking for your support and written consent for the following change:

Amendment to the Declaration of Covenants, Conditions, and Restrictions for The Fairways of Towne Lake Homeowners Association

Capitalization Fee and Foreclosure Administration Fees – Our community has reached an age that the Fairways is faced with many major expenses as we begin to replace assets that have reached the end of their useful life instead of simply repairing and maintaining those assets. It is critical that we maintain the integrity of our buildings, amenities, and landscaping, and invest to remain competitive with new residential communities to preserve and protect the value of the homes in The Fairways. To generate additional income from sources other than annual assessments paid by current homeowners, the Board is proposing to add the following two fees:

- 1. Capitalization Fee** – This proposed change would implement a fee equal to the current annual assessment amount (currently \$600.00). This fee would be charged to the Purchaser of a Unit (home) within our Association, and would serve as an upfront investment by each new Owner in the maintenance and upkeep of our community. While there are not a tremendous number of sales in any given year, this Capitalization Fee would be an additional revenue stream for our Association and would contribute in our efforts to preserve and improve our Common property

and amenities. **No current owner would pay this fee**, but instead the fee will only be applicable to purchasers of homes. This type of fee has become increasingly popular with Associations over the past decade, is utilized by many other communities in our area, and is in place in a large percentage of new communities being developed.

- 2. Foreclosure Administration Fee** – The Association spends a significant amount of time and incurs expense in dealing with the intricacies of foreclosures within our community, and oftentimes is forced to write-off assessments owed to the Association because of foreclosures. To offset the costs associated with foreclosures, this proposed change would implement a fee equal to the current annual dues amount (currently \$600.00), for any Person who acquires a Lot through a foreclosure of a Mortgage or by deed in lieu of foreclosure. This fee will typically be paid by a bank or other financial institution. In the event of a foreclosure, only the Foreclosure Administration fee would be required, not both the Capitalization Fee and the Foreclosure Administration Fee.

The Board hopes that you will support the proposed Covenant Amendment by signing and returning the attached “Written Consent” form.

It is our sincere desire to address any questions, concerns, or requests that you might have. Please do not hesitate to contact any Board member (contact information available on the Association website) or contact our Community Association Manager, Sixes Management Group (contact information below). The Board is working diligently with our Community Association Manager to maintain and improve our community, and your support of these changes will provide valuable tools to assist in our efforts. The proposed amendment and consent form are also available on our website at www.thefairways.org under the Resources tab.

Please return the signed consent form in one of the following ways:

1. Hand deliver to Sixes Management at 1007 Towne Lake Hills East, Woodstock, GA 30189
2. Return by mail to Sixes Management Group at 1007 Towne Lake Hills East, Suite 330, Woodstock, GA 30189
3. Scan and e-mail to amendments@sixesmanagement.com

Best Regards,

Dennis Young
President, The Fairways HOA

**WRITTEN CONSENT TO
AMENDMENT TO DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS
FOR THE FAIRWAYS OF TOWNE LAKE HOMEOWNERS ASSOCIATION, INC.**

INSTRUCTIONS

Please complete the Written Consent ("Consent") on the bottom half of this form to evidence your consent and approval of the proposed Amendment to the Declaration of Covenants, Conditions and Easements for The Fairways of Towne Lake Homeowners Association, Inc., which seeks to revise the existing Declaration of Covenants Article 8, Section 8 to adopt (i) a capital contribution fee and (ii) a foreclosure administration fee (the "Proposed Amendment"). A copy of the Proposed Amendment is enclosed herewith, and made a part hereof by this reference. Please review the Proposed Amendment to better understand the proposed changes.

Upon completion, please return your Written Consent to the Association's Community Manager, Mrs. Amy Balseiro, Sixes Management Group, 1007 Towne Lake Hills East, Suite 300, Woodstock, GA 30189. Additionally, completed Written Consents may be returned via email in PDF form to amendments@sixesmanagement.com. For your convenience, you may also return your Written Consent to any member of the Board of Directors.

In order to be adopted, the Proposed Amendment must receive the consent from members of the Association holding at least two-thirds (2/3) of the total eligible vote of the Association. Once a Written Consent is returned, it cannot be revoked without the written consent of the Board. In order to be effective, the Written Consent must be dated and signed.

WRITTEN CONSENT FOR AMENDMENT

By putting my initials in the blank after this statement, as Owner of the Lot identified below, and on behalf of any co-Owners of said Lot, and being a member in good standing of The Fairways of Towne Lake Homeowners Association, Inc., hereby consents to and approves the Proposed Amendment. _____ (*Initial Here*)

Signature of Owner(s)

Printed Name of Owner(s)

Lot Address

Date

If you **DO NOT** approve of the Proposed Amendment, please place initials in the blank after this statement. _____

**AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
THE FAIRWAYS OF TOWNE LAKE**

This Amendment to the Declaration of Covenants, Conditions and Restrictions and for The Fairways (the "Amendment") is made this _____ day of _____, 201__ by The Fairways of Towne Lake Homeowners Association, Inc. (the "Association").

W I T N E S S E T H:

WHEREAS, The Fairways of Towne Lake is a residential subdivision located in Cherokee County, Georgia (the "Community"), created pursuant to that certain Declaration of Covenants, Conditions and Restrictions for The Fairways of Towne Lake, recorded on January 17, 1989 in Deed Book 765, Page 374, et seq., Cherokee County, Georgia records; as amended by that certain Amendments to the Declaration of Covenants, Conditions and Restrictions of The Fairways of Towne Lake, recorded on March 20, 1990 in Deed Book 860 Page 297, et seq.; on June 24, 1991 in Deed Book 1012, Page 256, et seq.; on May 24, 1992 in Deed Book 1206, Page 76, et seq.; on May 12, 1993 in Deed Book 1475, Page 092, et seq.; on February 16, 1994 in Deed Book 1755, Page 220, et seq.; on February 21, 1995 in Deed Book 2046, Page 209, et seq.; on November 16, 1999 in Deed Book 3899, Page 010, et seq.; and as Amended and Restated on February 4, 2000 in Deed Book 4007, Page 014, et seq., in the Cherokee County, Georgia records (hereinafter, together with all duly recorded amendments and supplements thereto, being collectively referred to as the "Declaration"); and

WHEREAS, pursuant to Article 20 of the Declaration, the Declaration may be amended upon the affirmative vote of sixty-six and two-thirds percent (66-2/3%) of the total eligible vote, the consent of the Master Association, and the consent of fifty-one percent (51.0%) of the Eligible Mortgage Holders; and

WHEREAS, the Association desires to amend the Declaration to adopt (1) a Capital Contribution Fee, and (2) a Foreclosure Fee, for the benefit of the Community; and

WHEREAS, this Amendment has been approved by the affirmative vote of sixty-six and two-thirds percent (66-2/3%) of the total eligible vote, as evidenced by the sworn statement of the President and Secretary of attached hereto as Exhibit "A" and by this reference made a part hereof; and

WHEREAS, the Master Association has evidenced its consent to this Amendment by executing the written consent attached hereto as Exhibit "B" and by this reference made a part hereof.

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

Article 8 of the Declaration is hereby amended by adding to the end of said Article a new Section 8 (j), which shall read as follows:

"Section 8 (j). Capital Contribution Fee. Upon each and every transfer or conveyance of a Lot, the transferee or grantee becoming the Owner of the Lot shall be obligated to pay to the Association, in addition to all other assessments levied under this Declaration, simultaneously upon such transfer or conveyance, a non-refundable assessment in an amount equal the then current annual assessment (hereinafter, the "Capital Contribution Fee"). The Capital Contribution Fee shall be collected and paid to the Association at the closing of each sale, transfer or conveyance. The Capital Contribution Fee shall constitute an assessment under this Declaration and shall be collected in the same manner provided in this Declaration for the collection of all other assessments. Notwithstanding the foregoing, the Capital Contribution Fee shall not be due from (i) any grantee who is the spouse or former spouse of the grantor; (ii) any grantee to whom a Lot is transferred by will or under the laws of intestacy; (iii) any grantee to whom a Lot is transferred as a gift, that is, gratuitously and without legal and valuable consideration; and (iv) any Person who takes title to a Lot through foreclosure of any first Mortgage or any secondary purchase money Mortgage, provided that neither the grantee or any successor grantee of the Mortgage is the seller of the Lot."

Article 8 of the Declaration is hereby further amended by adding to the end of said Article a new Section 8 (k), which shall read as follows:

“Section 8 (k). Foreclosure Administration Fee. It is recognized that foreclosures of mortgages or deeds to secure debt against Lots create substantial administrative costs and other burdens on the Association, including, but not limited to, having to review legal periodicals to monitor and determine if and when foreclosure on a Lot occurs, conducting title searches in the Cherokee County, Georgia records to determine the names of the purchaser(s) at foreclosure sales, researching and obtaining contact information for contacting the foreclosure purchasers/owners regarding foreclosure-purchaser responsibilities and assessment obligations and updating Association records on multiple occasions to deal with just a single Lot. In addition to annual assessments, special assessments, and other charges provided for in this Declaration, any Person who acquires a Lot through a foreclosure of a mortgage or deed to secure debt on such Lot or by deed in lieu of foreclosure shall be required to pay to the Association a fee equal to the then current annual assessment immediately upon the recordation of the foreclosure deed or deed in lieu of foreclosure in the Cherokee County, Georgia records (hereinafter, the “Foreclosure Administration Fee”). The Foreclosure Administration Fee shall constitute a specific assessment under this Declaration and shall be collected in the same manner provided in this Declaration for the collection of other assessments.”

Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Amendment to any person or any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Amendment are declared to be severable.

Miscellaneous. In the event of any conflict or inconsistency between the provisions of this Amendment and the terms of the Declaration or Bylaws of the Association, the terms of this Amendment shall control. All capitalized words used in this Amendment and not defined in this Amendment shall have the meanings ascribed to such words in the Declaration. Except as amended herein, the terms and provisions in the Declaration shall remain in full force and effect. This Amendment shall be effective upon its filing for record in the public records of Cherokee County, Georgia and shall be binding upon and inure to the benefit of all Owners within the Fairways Subdivision and their respective successors-in-title.

IN WITNESS WHEREOF, the Association hereby executes this Second Amendment under seal on the date and year first above written.

ASSOCIATION:

**THE FAIRWAYS OF TOWNE LAKE
HOMEOWNERS ASSOCIATION, INC., a Georgia
nonprofit corporation**

Signed, sealed and delivered
in the presence of:

Unofficial Witness

By: _____
President

Notary Public
My Commission Expires: _____

Attest: _____
Secretary

[Notary Seal]