

Rules and Regulations of Chestnut Homeowners Association

WHEREAS, the Board of Directors of the Chestnut Homeowners Association, Inc. is empowered to adopt and publish rules and regulations governing use of the Common Elements, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof pursuant to Article VII, Section 7.1 of the Bylaws, and:

WHEREAS, the Association's Board shall have the power to formulate, amend, publish and enforce other reasonable rules and regulations concerning architectural control and use of the real estate within the planned community, pursuant to Section 9.16 of the Declarations of Covenants, Conditions and Restrictions for Chestnut (hereinafter "Covenants") and;

WHEREAS, there is a need to adopt specific rules for the Chestnut Community;

WHEREAS, it is the intent that these rules shall be applicable to all Owners (including the Builder), tenants, guests and invitees, this resolution shall remain in effect until otherwise rescinded, modified, or amended by a majority of the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED THAT the following Rules and Regulations and Enforcement Guidelines are hereby adopted by the Board of Directors:

Rules and Regulations

Lawns:

Grass shall not exceed 8 inches in height on any Lot, developed and undeveloped.

Each Lot Owner is responsible for preventing unsightly yard conditions and to maintain the Lot in keeping with neighborhood standards including, but not limited to keeping lawns free of weeds, underbrush, maintaining shrubs, drainage control and other ornamentals. All yard clippings should be swept off of the street or public sidewalk.

All private sidewalks and driveways will be maintained and kept in good repair. For safety and aesthetic considerations, all brick, timbers and other such edgings will be properly secured and maintained.

No vegetable garden shall be permitted on any Lot unless it is located to the rear of the lot. All vegetable and flower gardens must be maintained to ensure a neat appearance and must be cleared at the end of the growing season in keeping with sound horticultural practices.

Pets shall be contained in an enclosed area or kept on a leash at all times. All excremental droppings must be retrieved by the owner and removed from any pavement, grass, landscaped areas or sidewalks.

Pets and their owners should not trespass on private property.

Pets may not be staked or tied on any Lot.

Owners will be responsible for cost of replacement /repair to grass and shrubs in common areas.

It shall be unlawful for any dog owner to keep or have within Union County a dog that habitually or repeatedly barks in such a manner or to such an extent that it is a public nuisance (ref: Union County Dog Nuisance Ordinance)

Window treatments

No foil or other reflective material shall be used on any window for sunscreens, blinds, shades or for any other purpose.

Only treatments designed for that purpose may be used as window treatments. No flags, bed sheets, or other materials are permitted.

Lawn Ornaments/Play Equipment

No artificial vegetation or plastic animal decorations, such as pink flamingos or deer, shall be permitted in the front yard of any Lot. The Architectural Review Committee (ARC) must approve exterior sculpture fountains, flags, birdbaths, birdhouses and similar items proposed for the front yard.

Decorative flags will be limited to one on any Lot (excluding the American and State Flag). All flags and flagpoles must be maintained and in good condition. All freestanding flagpoles must be approved by the ARC.

Swing sets, skate board ramps, trampolines, wading pools and similar items must be located in such a manner as not to be readily visible from the street. They should have adequate maintenance to ensure they do not become unsightly.

Outdoor recreational items that are used on the street cannot be left unattended for more than 12 hours or left out overnight.

Portable basketball goals (and skateboard ramps) must be stored on the owner's Lot, near the home, when not in use. They must not be left in the street, in a cul-de-sac or on a sidewalk.

Vehicles

All vehicles parked within the community or on any Lot, must have a current license plate, inspection and registration, or be kept in an architecturally approved enclosed structure.

Owners and their guests shall park their automobiles on driveways or in garages, and at no time will vehicles be parked on sidewalks or lawns. No boats, recreation vehicles, campers, motorcycles, tractors, trucks (other than one pick-up truck rated one-half ton or less), or trailers (the "Vehicles") of any Lot Owner or member of his family, his tenants, guests or contract purchasers shall be parked within the Common Elements. All Vehicles shall be stored either within the Lot Owner's garage or other facilities not located within the Planned Community. No Lot Owner shall park or store an inoperative or abandoned Vehicle or automobile on any Lot or on the Common Elements in the Subdivision. (Article 9.12 of Covenants).

Vehicle repairs within the Community are prohibited.

The driving of any motorized vehicle, including motorcycles, dirt bikes and all-terrain vehicles on the Common Elements of the Community is prohibited.

Signage Policy

Real Estate/Temporary Signs

Only professionally produced signs, including "For Sale By Owner" are allowed within the Community. No sign or banner may exceed six (6) square feet in total area. All signs, other than building permits, shall be temporary (6 months or less) in nature. Signs not specifically described in this section shall be considered temporary unless approved by the ARC or Executive Board.

Garage Sale Signs

Garage sale signs or banners may be posted within the Community. The signs or banners should not be posted more than one (1) day prior to the day of the sale. No sign or banner may exceed six (6) square feet in total area. All signs and banners must be removed immediately after the sale.

Open House Signs

A maximum of three (3) "Open House" signs or banners may be posted within the Community, at a maximum of seven (7) days prior to the date of the said event. No sign or banner may exceed six (6) square feet in total area. All signs and banners must be removed by 8:00 p.m. on the day of the event.

Political Signs

Up to three (3) political signs may be displayed on a homeowner's property during the period of a political campaign. Signs must be removed promptly following Election Day. No sign may exceed six (6) square feet in total area and should be limited in size to fit

only one (1) single stake. All political signs are strictly prohibited from the common areas.

HOA Sponsored Events

Signage required for any Chestnut HOA events may be granted an exception by the Board of Directors or their designated agent. All signs or banners should be properly displayed so as to direct patrons to said event. All signs and banners must be removed immediately following the event.

General

Placement of non-political signs of any type in the flowerbeds of the common areas is prohibited. Signs must be placed in the grass area only and should be promptly removed following the event.

Any sign found to be in violation of the above measures can be removed by a member of the Board of Directors, or their designated agent, without notifying the sign owner. If the signs are continuously in violation of the above measures, the sign owner will be subject to the normal procedures and due process as defined by the Rules and Regulations of the Chestnut Homeowners Association.

Signs required by a governing municipality shall be exempt from these provisions.

Enforcement Guidelines

Step 1. The homeowner in violation will receive written notice of the violation with a specified period of time to comply. If the homeowner is unable to cure the violation within the specified time period, he/she is required to respond in writing within that specified time period to the Management Company to either work out a resolution or request a hearing. If the Management Company has not received a response from the homeowner or has not been able to come to a resolution within the specified period of time, Step 2 will go into effect.

Step 2. The Board of Directors and/or Rules and Regulations Committee will set a hearing. It will be determined if the lot owner is in violation of a Rule. If it is found that the lot owner is in violation of the Rules, then it will be determined if the lot owner should be fined pursuant to the powers granted to the Board. The homeowner shall be given written notice of the charge and the hearing date and time with said notice being mailed at least 10 days prior to the hearing. At the hearing, the homeowner will be given the opportunity to be heard and present evidence. Written notice of the final decision will be mailed to the homeowner. A grace period of 5 days from the mailing of the letter will be given before the actual imposition of the fine to give the homeowner time to cure the violation. If it is decided that a fine should be imposed, a reasonable fine, not to exceed \$150.00 per day may be imposed for the violation without further hearing.

Step 3. If the homeowner is still in violation after Steps 1 and 2 and no resolutions have been made between the homeowner, Management Company, Rules and Regulations Committee and/or the Board of Directors of the Homeowners Association, the case will be turned over to the attorney to resolve or begin lien, foreclosure proceedings and possible further legal action. While Step 3 takes place the homeowner will continue to be charged the daily fines imposed from Step 2. If legal action is necessary, the homeowner may be charged legal fees to cover any costs incurred by the association.

Adopted this 27th day of October, 2004 by the undersigned Directors of the Chestnut Homeowner's Association, Inc.

Pamela J. Matheson
Director

M. Matheson
Director

Director

CHESTNUT (STALLINGS) HOMEOWNERS ASSOCIATION, INC.

WHEREAS the Board of Directors of the Chestnut Homeowners Association, Inc. is empowered to adopt and publish rules and regulations governing use of the Common Elements, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof pursuant to Article VII, Section 7.1 of the Bylaws, and:

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WHEREAS, there is a need to amend the regulations for the Chestnut Community;

WHEREAS, it is the intent that these rules shall be applicable to all Owners (including the Builder), tenants, guests and invitees, this resolution shall remain in effect until otherwise rescinded, modified, or amended by a majority of the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED THAT the following text amendment to the Rules and Regulations and Enforcement Guidelines are hereby adopted by the Board of Directors:

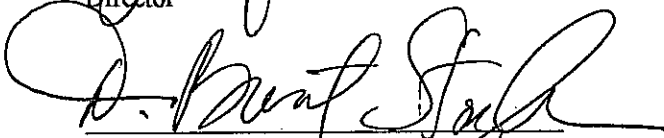
Amend the last sentence of Step 2 of Enforcement Guidelines of the Rules and Regulations as follows:
"If it is decided that a fine should be imposed, a reasonable fine, not to exceed **\$100 per day** may be imposed for the violation without further hearing."

Add the following text to Step 2 of the Enforcement guidelines of the Rules and Regulations:
"In the event of a second violation of this same type and for which there has been no prior hearing, The Board will require the homeowner to appear at a hearing. At that hearing the Board may impose a fine, not to exceed \$100 per day, until the violation is corrected. The Board may also impose a fine, not to exceed \$100 per day, for future violations of this same type without further hearings."

Adopted this 21st day of April, 2006, by the undersigned Directors of the Chestnut Homeowner's Association, Inc.


Director


Director


Director