

**BYLAWS OF
FAIRINGTON ENCLAVE PHASE II HOMEOWNERS ASSOCIATION, INC.**

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BYLAWS
OF
FAIRINGTON ENCLAVE - PHASE II - HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME, LOCATION, MEMBERSHIP, APPLICABILITY

Section 1. Name. The name of this Association shall be FAIRINGTON ENCLAVE PHASE II - HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the “Association”), a Georgia nonprofit corporation.

Section 2. Registered Office and Agent. The Association shall maintain a registered office and shall have a registered agent whose business office is identical with such registered office. The Association may have offices at such place or places within reasonable proximity to the Association as the Board of Directors may from time to time designate.

Section 3. Applicability. These Bylaws provide for the self-government of the organization known as Fairington Enclave Phase II Homeowners Association, Inc., in accordance with and subject to the provisions of the Articles of Incorporation, the Georgia Nonprofit Corporation Code and that certain Declaration of Covenants and Restrictions for Fairington Enclave Phase II Homeowners Association (the “Declaration”) recorded in Deed Book 25141, page 270, DeKalb County, Georgia, records.

Section 4. Definitions. Unless the context otherwise requires, the terms used in these Bylaws, the Declaration and the Articles of Incorporation shall have the following meanings:

(a) “Association” shall mean Fairington Enclave Phase II Homeowners Association, Inc., and its successors.

(b) “Board” or “Board of Directors” shall mean the governing body of the Association.

(c) “Declaration” shall mean that document filed of record in Deed Book 25141, page 240, *et seq.*, in the Office of the Clerk of the Superior Court of DeKalb County, Georgia, for the purpose of submitting the subdivision to the Declaration, together with any amendments thereto.

(d) “Fairington Enclave Phase II” or “the Subdivision” shall mean all that property submitted to the Declaration and located in Land Lots 74 and 75 of the 16th District of DeKalb County, Georgia, as more particularly described in Exhibit “A” to the Declaration or as described in any additional property made subject to the Declaration by Amendment thereto.

(e) “Lot” shall mean any portion of the Property intended for individual ownership and use together with all improvements erected thereon, as such Lots are shown on the Plat or any revisions thereof.

(f) “Member” or “Lot Owner” shall refer to any Person who owns a Lot in the subdivision.

(g) “Mortgage” shall refer to any mortgage, deed to secure debt, deed of trust or other transfer or conveyance for the purpose of securing the performance of an obligation, including but not limited to a transfer or conveyance for such purpose of fee title.

(h) “Person” shall mean any individual, corporation, firm, association, partnership or other legal entity.

Other terms shall have their natural meanings or the meanings given in the Declaration or the Georgia Nonprofit Corporation Code.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall automatically become a member of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership, excluding persons who hold such interest under a mortgage. If title to a Lot is held by more than one person, the membership shall be shared in the same proportion as the title, but there shall be only one membership and one vote per Lot. When more than one person owns a Lot, and if only one co-owner is present at a meeting of the Association, that person shall be entitled to cast the vote appertaining to that Lot; provided, however, if more than one co-owner is present, the vote appertaining thereto shall be cast only in accordance with their unanimous agreement, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Lot without protest being made forthwith by any of the others to the person presiding over the meeting. In the event of a disagreement between or among co-owners and an attempt by two (2) or more of them to cast such vote or votes, such Member shall not be recognized and such vote or votes shall not be counted. As may be more fully provided below, a spouse or co-habitant of a member may exercise the powers and privileges of the Member.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership which shall be known as Class “A” and Class “B” as more fully set forth below:

(a) With the exception of the Declarant, every person, group of persons, corporation, partnership, trust, or other legal entity, or any combination thereof, who is record owner of a fee interest in any Lot which is part of the Property subject to the Declaration, or otherwise becomes subject to the Declaration by the terms of this Declaration as amended, shall be a Class A Member of the Association; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity who holds such interest solely as security for the performance of a debt or obligation shall not be a Class A Member solely on account of such interest. Each Class A Member shall be entitled to one (1) vote for each Lot in which such member holds the interest required for Class A Membership and shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to this Declaration, provided that there shall be only one (1) vote for each Lot irrespective of the number of Owners for such Lot. No votes shall be deemed to appertain to any Lot during the period that the Owner thereof is the Association. The vote of any lot owner not a natural person or persons shall be cast pursuant to a proxy or proxies duly executed by or on behalf of the lot owner.

(b) The Class B Member shall be the Declarant or its nominee or nominees, and shall include every person, group of persons, corporation, partnership, trust, or other legal entity, or any combination thereof, who shall obtain any Class B Membership by assignment from the Declarant which specifically assigns the rights of Class B Membership. The Class B Member or Members shall have one (1) Class B Membership for each Lot in which such member holds the interest otherwise required for Class A Membership. Each Class B Member shall be entitled three (3) votes for each Class B Membership which it holds. Each Class B Membership shall Lapse and become a nullity on the first to happen of the following events:

(i) The date on which the Lot to which the Class B membership attaches is occupied as a residence either by an Owner or by the tenant or designee of an Owner; or

(ii) Ten years from the date of the recording of this Declaration; or

(iii) Upon the surrender of said Class B Memberships by the then holder thereof for cancellation on the books of the Association. Upon lapse or surrender of any of the Class B Memberships as provided for in this paragraph, the Declarant or its successor in interest shall thereafter remain a Class A Member of the Association as to each and every Lot in which the Declarant then holds an ownership interest.

(iv) Class B membership for a specific Lot may be transferred without requiring simultaneous transfer of the status as Declarant as long as Declarant retains title to at least one Lot.

(c) Both Class A and Class B Members are hereinafter referred to singularly as “Member” and collectively as “Members.”

Section 3. Declarant Control. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles of Incorporation, or in the Bylaws, Declarant shall have the right to appoint and remove all of the members of the Board of Directors of the Association and any officer or officers of the Association until such time as Declarant loses its Class B status as described in Section 3.1(b) above.

Section 4. Suspension of Voting Rights. During any period in which the Owner of a Lot shall be in default for more than thirty (30) days in the payment of any annual or special assessment or other charge levied by the Association, after at least ten (10) days’ prior written notice to such owner of such default, the voting rights of such Lot may be suspended by the Board of Directors until such assessment or charge has been paid. Such rights may also be suspended for a reasonable period for a violation of any of the provisions of the Declaration, these Bylaws or any of the published rules and regulations of the Association.

ARTICLE III

MEETINGS, QUORUM, VOTING, PROXIES

Section 1. Place of Meeting. Membership meetings of the Association shall be held at the Subdivision or at such other suitable place convenient to the Members as may be designated in the notice thereof by the Board of Directors.

Section 2. Annual Meeting. Annual meetings of the membership of the Association shall be held in the fourth quarter of each fiscal year. Notwithstanding the foregoing, the Board of Directors may cause the annual meeting of Members to be on such other date in any year as they shall determine to be in the best interests of the Association, and any business transacted at said meeting shall have the same validity as if transacted on the day designated herein. At the annual meeting, comprehensive reports of the affairs, finances and budget projections of the Association shall be made to the Members.

Section 3. Special Meetings. The Secretary of the Association shall be required to call a special meeting of the members as directed by the President of the Association, or upon the resolution of a majority of the Board of Directors, or a petition signed by Lot Owners entitled to cast at least twenty-five percent (25%) of the total eligible Association vote and presented to the Secretary of the Association. The Secretary shall then verify that the required number of Members have joined in the petition and shall submit all proper petitions to the Association President. The President shall then promptly call a special meeting for the purpose stated in the petition, setting the time, date, or location of the meeting, and the Secretary shall send notice of the special meeting in accordance with these Bylaws. Any special meeting called pursuant to written petition shall be set

within thirty (30) days of the date of the petition. Requests for special meetings may be delivered by electronic transmission, as permitted by the Georgia Nonprofit Corporations Code. The only business that may properly come before the members at any special meeting are those matters specified in the notice of said meeting.

Section 4. Notice of Meetings. It shall be the duty of the Secretary of the Association to mail a notice of each annual or special membership meeting, stating the purpose thereof as well as the date, time and place where it is to be held. Such notice shall be delivered personally, sent by United States Mail, postage prepaid, by statutory overnight delivery, or issued electronically in accordance with applicable provisions of Georgia law to all Lot Owners of record at such address or addresses as any or them may have designated, or if no address has been so designated, at the address of their respective Lots. Notices shall be delivered by electronic transmission only with the consent of the Lot Owner, which consent may be revoked at any time. Except as may be otherwise required by law, notice shall be given to each Member not less than ten (10) nor more than thirty (30) days in advance of any meeting. Upon request, any institutional holder of a first mortgage shall be entitled to written notice of all meetings and shall be permitted to designate a representative to attend and observe any such meeting. The mailing of a notice in the manner provided in this Article III, Section 4 shall be considered notice given.

Section 5. Waiver of Notice. The waiver of notice of meeting of the Members shall be deemed the equivalent of proper notice. Any Lot Owner (or any mortgagee of any Lot Owner entitled to notice) may waive the notice of the meeting by doing so in writing or by electronic transmission before or after the meeting. Attendance at a meeting, either in person or by proxy, shall of itself constitute a waiver of notice and waiver of any and all objections to the place or time of the meeting or the manner in which it has been called or convened, unless a member or other person entitled to notice attends such meeting solely for the purpose of stating, at the time the meeting is called to order, any such objection or objections to the transaction of business. A recitation in the minutes of any membership meeting that notice of such meeting was properly given shall be prima facie evidence that such notice was so given.

Section 6. Order of Business. The order of business at all annual membership meetings shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding annual meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Election or appointment of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.

Section 7. Quorum. At all membership meetings, annual or special, a quorum shall be deemed present throughout any meeting until adjourned if Lot Owners entitled to cast one-third (1/3) of the eligible votes of the Association are present in person or by proxy at the beginning of such meeting. For purposes of these Bylaws, "majority" shall mean votes totaling more than fifty percent (50%) of the total votes. For purposes of these Bylaws, any Lot Owner who is not a natural person shall be deemed to be in attendance at the meeting if the Lot Owner is present by proxy, or if an officer, director, partner, other principal or an employee of the Lot Owner is present, whether said Person holds a valid proxy for the purpose of voting as set forth in Article II, Section 2 of these Bylaws. No Lot Owner whose voting rights have been suspended pursuant to Section 2.03 of these Bylaws shall be counted for a quorum but shall be counted for any purpose for which a portion of the "total authorized vote" is required.

Section 8. Adjourned Meetings. Any meeting of the membership which cannot be held because a quorum is not present may be adjourned from time to time by the vote of a majority of the Lot Owners present in person or represented by proxy. When any membership meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such adjournment is taken. Any business which could be transacted properly at the original session of the meeting may be transacted at a reconvened session.

Section 9. Proxies. The vote of any Member may be cast pursuant to a written proxy or proxies, or electronic transmission duly executed by or on behalf of the Member, delivered to the Secretary of the Association. Any proxy by electronic transmission must contain or be accompanied by information from which it can be determined that the Member, the Member's agent, or the Member's attorney-in-fact authorized the electronic transmission. No such proxy shall be revocable except by written notice or electronic transmission delivered to the Secretary of the Association by the Member or by any of such persons. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Any copy, facsimile transmission, or other reliable reproduction of the writing or electronic transmission of a proxy may be substituted or used in lieu of the original writing or electronic transmission for any and all purposes for which the original writing or electronic transmission could be used, provided that such copy, facsimile, or other reproduction shall be a complete reproduction of the entire original writing or electronic transmission. The transfer of title to any Lot shall void any outstanding proxy pertaining to the voting rights appurtenant to that Lot. Except as otherwise provided herein, the presence of any Member at the meeting for which a proxy is given shall automatically revoke the proxy. The proxy of a Member who is not a natural person will not be revoked by the mere presence of any person whose presence without a proxy would cause the Member to be deemed in attendance at the meeting.

Section 10. Action Taken by Association. Any action taken at any meeting of Members shall be effective and valid if taken or authorized by not less than a majority of all of the votes taken thereon to which all of the members present in person or by proxy at a duly constituted meeting shall

be entitled. In the event of any tie vote at any regular, special, or adjourned meeting of the Association, the President, or the Vice President in the absence of the President, shall cast a separate vote to break the tie, unless otherwise provided in these Bylaws.

Section 11. Action by Association Without Meeting. In the discretion of the Board, any action that may be taken at any annual or special meeting of the Members may be taken without a meeting if the Association delivers a consent form or ballot, in writing or by electronic transmission (if electronic transmission has been consented to by the Member), to every Member entitled to vote on the matter. A written ballot shall: (1) set forth each proposed action and (2) provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant hereto shall be valid only when (1) the number of votes cast by written ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and (2) the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements, (2) state the percentage of approvals necessary to approve each matter other than election of directors, and (3) specify the time by which a ballot must be received by the Association in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

ARTICLE IV

BOARD OF DIRECTORS, NUMBER, POWERS, MEETINGS

Section 1. Number of Directors. The affairs of the Association shall be governed by a Board of Directors composed of one (1) person until such time as sales have begun. After sales have begun the Board, or the Declarant if the Declarant retains the right to appoint directors, may appoint up to two additional directors. Appointments by the Declarant may include a Lot Owner not affiliated with the Declarant. Upon expiration of the right of the Declarant to appoint directors, the affairs of the Association shall be governed by a Board of Directors composed of three (3) Members; except as otherwise provided herein, each Director shall serve for a term of two (2) years. Directors, other than Directors appointed by Declarant, must be Lot Owners, spouses of Lot Owners, or co-habitants of Lot Owners, provided that any co-habitant of the Lot Owner must reside in the Subdivision at all times during the co-habitant's service as a Director; provided, however, that no Lot Owner and his or her spouse or co-habitant, nor joint owners of a single Lot, may serve on the Board at the same time; and provided, further, that the term "Lot Owner," for purposes of this Article IV, Section 1 and Article V, Section 1 hereof, shall be deemed to include, without limitation, any shareholder, director, officer, partner in, or trustee of any person which is, either alone or in conjunction with any other person or persons, a Lot Owner. No person shall be eligible to be elected to or to continue to serve on the Board if they are shown on the books and records of the Association to be more than sixty (60) days delinquent in the payment of any assessment or charge by the Association. Any individual who would not be eligible to serve as a member of the Board of

Directors were he not a shareholder, director, officer, partner in, or trustee of such a person, shall be deemed to have disqualified himself from continuing in office if he ceases to have any such affiliation with that person.

Section 2. Election of Directors and Term of Office. Declarant, pursuant to the Declaration, shall, for the period of time specified therein, have the right to appoint and remove at the pleasure of the Declarant any member or members of the Board of Directors or Officers of the Association until such right shall be relinquished by Declarant or until such right shall otherwise terminate as provided by the Declaration. Upon the termination of Declarant's right to appoint and remove members of the Board of Directors and Officers, Declarant shall then give at least seven (7) days' written notice to each Member of a special meeting to be held not more than thirty (30) days after the date of such termination, to elect a new Board of Directors. In the event of the failure of Declarant to call said special meeting within the period provided above, the other Lot Owners may call such special meeting in accordance with the provisions of Article III, Section 3 of these Bylaws. Assuming that three directors are to be elected, at the meeting the members shall elect two (2) Directors for a term of two (2) years each, and one (1) Director for a term of one (1) year; provided, however, that the Directors elected at such meeting shall also serve for that portion of a year between the commencement of their terms and the first annual meeting following such meeting so that their respective terms shall expire at the time of an annual meeting. At the second annual meeting following said special meeting, and at each subsequent annual meeting, the members shall elect, in accordance with the procedures hereinafter set forth in this section, Directors to succeed to the office of all Directors whose terms have expired at the time of such meeting for a term of two (2) years each. Except in the case of death, resignation, disqualification, or removal, each Director elected by the members shall serve until the annual meeting at which his term expires and until his successor has been duly chosen and qualified.

Section 3. Procedure for Election. Persons may be nominated for election to the Board of Directors by a nominating committee appointed by the incumbent Board of Directors prior to the annual meeting and by nominations made from the floor at the meeting for such election. Election to the Board of Directors shall be by secret written ballot, unless dispensed by unanimous consent, and at such election members or their proxies may cast, with respect to each vacancy, the votes appurtenant to their respective Lots as provided in the Declaration; cumulative voting shall not apply. The procedure for the election of the Board of Directors shall be as follows: at the meeting of the Association at which Directors are to be elected, nominations shall be accepted for not less than the number of positions to be filled by the Board of Directors; upon the closing of such nominations, each owner entitled to vote shall cast the ballot with respect to his respective Lot by listing thereon the names of nominees only for the number of positions to be filled, together with the identifying number of such Lot; and the persons receiving the greatest number of votes shall be elected to fill the vacancies on the Board of Directors. In the event of a tie vote as to any one or more positions, one or more subsequent votes shall be taken in similar manner but only with respect to the position or positions to be filled and the nominees therefor who, on the preceding ballot received such tie vote. In the event that the number of persons nominated equals the number of vacancies on the Board of Directors, such persons shall be elected by acclamation. Notwithstanding

the foregoing, at the special meeting called by Declarant pursuant to Article IV, Section 2, the persons receiving the greatest number of votes shall be elected to two year terms, and the person or persons receiving the next greatest number of votes shall be elected to a one year term. If the Directors are elected by acclamation, each owner entitled to vote shall cast a ballot only by writing thereon the names of the persons thus elected whom such person wishes to serve for terms of two years; the ballots shall then be collected and tallied whereupon the persons receiving the greatest number of votes shall serve two year terms, and the person or persons receiving the next greatest number of votes shall serve a one year term.

Section 4. Removal or Resignation. Subject to the right of Declarant to remove Directors appointed by Declarant for any reason whatsoever, at any regular or special membership meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the total authorized vote of the Members in the subdivision, and a successor shall be elected at such meeting by the Members to fill the vacancy thus created. Any Director whose removal has been proposed by any Member or Members shall be given an opportunity to be heard at the meeting. Any Director who is delinquent more than sixty (60) days in payment of any sums in excess of \$100.00 owed the Association may be removed by a majority vote of the other Directors then in office at a meeting of the Board, the notice for which specifies that a vote on the removal will be taken. Any Director may resign at any time by giving notice in writing or by electronic transmission to the members of the Board of Directors. Such resignation shall take effect on the date of receipt of such notice, or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The sale of a Lot by a Director or termination of his interest in a Lot shall automatically terminate his directorship. Subject to the right of Declarant to appoint and remove Directors during the period specified in the Declaration, vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Members shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall serve until a successor is elected and qualified at the next annual meeting of the Members.

Section 5. Officers, Agents, or Employees of Declarant. With respect to Lots owned by Declarant, Declarant may appoint any of its officers, agents, or employees to act for Declarant as a member, director, or officer of the Association. Notwithstanding any other provision of these Bylaws to the contrary, with respect to the directors and officers appointed by Declarant, Declarant may, at any time, replace any such director or officer by another officer, agent or employee of any eligible party as set forth in this section.

Section 6. Powers and Duties. The Board of Directors shall have the powers and duties necessary to administer the affairs of the Association, including, but not necessarily limited to, those powers and duties specifically assigned to the Board of Directors in the Declaration, the Articles of Incorporation and these Bylaws.

Section 7. Other Duties. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law and the Declaration, together with such other

duties and responsibilities as it may deem necessary or appropriate in the exercise of its powers. In addition to other duties which the Board of Directors may have, it shall be responsible for the following matters:

(a) Maintenance, repair, renovation, restoration, replacement, care, upkeep and surveillance of the Common Areas and facilities, and other portions of the subdivision for which the Association has the responsibility to maintain;

(b) Levy and collection of assessments levied by the Association in accordance with the annual budget as hereinafter set forth;

(c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and facilities, and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(d) Subject to the provisions of the Declaration, the promulgation of rules and regulations governing the use and enjoyment of the Common Areas and imposing sanctions for violation thereof, without limitation, monetary fines;

(e) Enforcing by legal means the provisions of the governing documents and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association;

(f) Opening of bank or other financial accounts on behalf of the Association and designating the signatories required;

(g) Borrowing money for the purpose of maintenance, repair, restoration, or improvement of the Common Areas and facilities, and for other purposes, with the approval of a majority of the Members of the Association.

(h) Making or contracting for the making of repairs, additions, and improvements to, or alterations of the Common Areas in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty;

(i) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(j) Permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Property;

(k) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred.

Section 8. Preparation of an Annual Budget. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated costs of operating the subdivision during the coming year, capital improvements, and a reasonable reserve for operating funds, repairs, contingencies, capital expenditures, and other appropriate purposes. The Board shall cause the budget and the assessments to be levied against each Lot for the following year to be delivered to each Member at least fifteen (15) days prior to the meeting. The budget and the assessment shall become effective unless disapproved at the annual meeting by a vote of a majority of the total association membership. Notwithstanding the foregoing, however, in the event that the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year.

Section 9. Management. The Board of Directors may employ for the Association a professional management agent or a full time manager under such terms, compensation, and duties as the Board may, in its sole discretion, authorize.

Section 10. Fees and Compensation. No fee or compensation shall be paid by the Association to Directors for their services as Directors unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the board of directors and presented for approval or rejection at a meeting of the members of the Association. The fee or compensation shall take effect at the close of said meeting of the Association unless the fee or compensation resolution is disapproved by a majority of the total authorized vote of the lot owners.

Section 11. Organizational Meeting. The first and organizational meeting of each Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the meeting of the Members at which such Board of Directors or certain members of the Board of Directors have been elected.

Section 12. Regular Meetings. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings, in addition to the organizational meeting, without notice other than such resolution. The Board of Directors shall keep minutes of its meetings and full account of its transactions.

Section 13. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Board on three (3) days' notice to each Director, given personally or by U.S. mail, telephone, or electronic transmission, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors may also be called by the Secretary of the Association in like manner and on like notice on the written request of at least a majority of the

Directors. Unless otherwise agreed by a majority of the Directors, the place of any such special meeting shall be at the Lot of the President or such other location as designated by the President.

Section 14. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing or by electronic transmission, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice of such meeting and waiver of any and all objections to the place or time of the meeting or the manner in which it has been called or convened, except when a Director states, at the beginning of the meeting, any such objection or objections to the transaction of business.

Section 15. Entry of Notice. Whenever any Director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given such Director, as required by law and the Bylaws of the Association.

Section 16. Board of Directors, Quorum. At all meetings of the Board of Directors, a majority of the Directors then in office shall constitute a quorum for the transaction of business. A board member may be considered present at a meeting through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting.

Section 17. Action Taken by Directors. Except as otherwise provided in the Declaration and these Bylaws or by law, every act or decision by a majority of the Directors present in person or by proxy at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. In the event of any tie vote at a time when more than two Directors are present, the President, or Vice President in the absence of the President, shall cast a separate vote to break the tie.

Section 18. Action Without Formal Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any Committee appointed by the Board of Directors may be taken without a meeting if written consent, setting forth the action so taken, shall be signed or electronically transmitted by all members of the Board of Directors or of such Committee, as the case may be, and such written or electronic consent is filed with the minutes of the proceedings of the Board or Committee. Such consent shall have the same force and effect as a unanimous vote by the Board of Directors or by such Committee, as may be applicable.

Section 19. Committees. There shall be such committees as the Board shall determine with the powers and duties that the Board shall authorize. Unless otherwise provided in the resolution creating the committee, the chairperson of each committee shall be a member of the Board. Such committees may include, but are not limited to an Architectural Control Committee, a Recreation Committee, a Maintenance Committee, an Insurance committee, and an Audit Committee. Any such committees shall advise the Board of Directors on matters pertaining to the purpose for which said committee was created and shall have and exercise such powers as may be

provided by resolution of the Board of Directors. The members, including the chairman, of any such special committee shall be appointed by and shall serve at the pleasure of the Board of Directors. A majority of members of any such committee shall constitute a quorum.

ARTICLE V

OFFICERS

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice President, who shall be members of the Board of Directors, a Secretary, a Treasurer, and such other officers as the Board may from time to time by resolution create; provided; however, that an officer appointed by the Declarant is not required to be a member of the Board. Each officer must be eligible to be a Director as established in Article IV, Sections 1 or 5 of these Bylaws.

Section 2. Election. The Board of Directors shall elect the officers of the Association at each organizational meeting thereof. The Board of Directors at any time and from time to time may appoint such other officers as it shall deem necessary, including one (1) or more Assistant Secretaries or Assistant Treasurers, who shall hold their offices for such terms as shall be determined by the Board of Directors and shall exercise such powers and perform such duties as are specified by these Bylaws or as shall be determined from time to time by the Board of Directors. Any person may hold two (2) or more offices, except that no person may hold the office of President and Secretary simultaneously.

Section 3. Conduct of Meetings. The President, or the vice President in the absence of the President, shall preside over all meetings of the Board of Directors and the Secretary shall keep the minutes of such meetings and shall record in a minute book all resolutions adopted at such meetings, as well as all transactions and proceedings occurring at such meetings.

Section 4. Compensation. No fee or compensation shall be paid by the Association to any officer for his services as an officer unless such fee or compensation is first fixed by a resolution adopted by a majority vote of the board of directors and presented for approval or rejection at a meeting of the members of the Association. The fee or compensation shall take effect at the close of said meeting of the Association unless the fee or compensation resolution is disapproved by a majority of the total authorized vote of the lot owners.

Section 5. Term. Each officer of this Association shall be elected at the time of each organizational meeting of the Board of Directors, and each shall hold office until the next organizational meeting of the Board and until his successor is duly elected and qualified, or until his earlier resignation, death, removal or other disqualification. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. The sale of his Lot by an officer or a termination of his interest in a lot shall automatically terminate his term as an officer.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 7. President. The President shall be a Director and shall be Chairman of the Board of Directors. The President shall be the chief executive officer of the Association and, subject to the control of the Board of Directors, shall in general manage, supervise, and control all of the business and affairs of the Association and perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. He shall, when present, preside at all membership meetings. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any contracts, deeds, notes, mortgages, bonds, policies of insurance, checks, or other instruments which the Board of Directors has authorized to be executed, except in cases where signing or execution thereof shall be expressly delegated by the Declaration or these Bylaws or by the Board of Directors to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

Section 8. Vice-Presidents. In the absence of the President, or in the event of his death or inability or refusal to act, the Vice-President (or in the event there be more than one (1) Vice-President, the Vice-Presidents in the order designated at the time of their election, or in the absence of any designation, in the order of election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may perform such duties as shall from time to time be assigned to him by the Board of Directors.

Section 9. Secretary. The Secretary shall: (a) attend and keep the minutes of meetings of the members, of the Board of Directors and of any committees having any of the authority of the Board of Directors in one (1) or more books provided for that purpose; (b) see that all notices are duly given in accordance with the Declaration, the provisions of these Bylaws, or as required by law; (c) be custodian of the Association records; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 10. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all monies in the name of the Association in such banks, trust companies, or other depositories as shall be from time to time, selected by the Board of Directors; (b) authorize vouchers and sign checks for all monies due and payable by the Association; (c) promptly render to the President and to the Board of Directors an account of the financial condition of the Association whenever requested; and (d) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

Section 11. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and Treasurers, in general, shall perform such duties as shall be assigned by the Secretary or Treasurer, respectively, or by the Board of Directors.

ARTICLE VI

FISCAL MATTERS AND BOOKS AND RECORDS

Section 1. Fidelity Bonds. The Board of Directors may require that any contractor or employee of the Association handling or responsible for Association funds shall furnish an adequate fidelity bond. The premium for any such bond shall be paid by the Association from the common expense fund.

Section 2. Books and Records Kept by Association. The Association shall keep detailed, complete and accurate financial records, including itemized records of all receipts and disbursements, shall keep detailed minutes of the proceedings of all meetings of the members and of the Board of Directors and committees having any of the authority of the Board of Directors, shall keep copies of all communications in writing or by electronic means to members generally within the previous three (3) years, and shall keep such other books and records as may be required by law or necessary to reflect accurately the affairs and activities of the Association. Evidence of all proxies, ballots or consents, by written or electronic means, by Association members or Board of Directors shall be maintained by the Association for no less than three (3) years. The Association shall keep at the office of the Association a record giving the names and addresses of the Directors, of all members of the Association and of the holders of all mortgages on the lots, which shall be furnished by each owner pursuant to Article VI, Section 10 of these Bylaws; provided, however, that the listing of names and addresses shall not be required to contain e-mail addresses or other information for electronic transmissions.

Section 3. Inspection. Subject to any further restrictions adopted by the Board consistent with the provisions of Georgia law, the books, records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member or his agent or attorney for any proper purpose. True and correct copies of the Articles of Incorporation of the Association, these Bylaws, the Declaration, all rules and regulations of the Association and all subdivision instruments, with all amendments thereto, shall be maintained at the principal and the registered offices of the Association and at the sales office of Declarant so long as Declarant has the right to appoint and remove the members of the Board of Directors and Officers of the Association pursuant to the Declaration, and copies thereof shall be furnished to any Lot Owner on request on payment of a reasonable charge therefor. Notwithstanding any other provision to the contrary, the Association shall, upon request in writing from a Member, furnish that Member its latest prepared annual financial statements at no cost to the Member.

Section 4. Contracts. The Board of Directors may authorize any officer or officers, or agent or agents of the Association, in addition to the officers so authorized by the Declaration and these Bylaws, to enter into any contract or execute and deliver any instrument in the name of, or on behalf of, the Association, and such authority may be general or confined to specific instances.

Section 5. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, or agent or agents of the Association, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or Vice-President of the Association.

Section 6. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 7. Gifts. The Board of Directors may accept, on behalf of the Association, any contribution, gift, bequest or devise for the general purposes, or for any special purpose, of the Association.

Section 8. Fiscal Year. The fiscal year of the Association shall be the calendar year, unless for the benefit of the Association the Board of Directors changes it by resolution.

Section 9. Annual Statements. Not later than four months after the close of each fiscal year, and in any case prior to the next annual meeting of members, the Board of Directors shall prepare or cause to be prepared (a) a balance sheet showing in reasonable detail the financial condition of the Association as of the close of its fiscal year and (b) an income and expense statement showing the results of its operations during its fiscal year. Upon receipt of written request, the Treasurer promptly shall mail to any Members copies of the most recent such balance sheet and income and expense statement.

Section 10. Notices. A Member who mortgages his Lot, or executes and delivers, or assumes or purchases his Lot subject to any mortgage which shall be or become a lien on his Lot, shall notify the Secretary of the Association of the name and address of the holder of any such mortgage. The Association shall furnish such information as any such mortgagee may request respecting defaults of the Member under the Declaration, or the Bylaws, taxes, or other information concerning such Lot or as may be provided by the Declaration. Each Member shall be obligated to furnish to the Secretary of the Association, the address, if other than the Member's Lot, to which any notice or demand to the owner under the Declaration or these Bylaws is to be given, and if no address other than such lot shall have been designated, all such notices and demands shall be mailed or delivered to such Lot.

ARTICLE VII

LIABILITY INSURANCE

Section 1. Liability and Indemnification of Officers, Directors and Committee members. The Association shall indemnify every officer, director and committee member (including officers, directors and committee members appointed by the Declarant during the period of Declarant control) against any and all expenses, including attorneys fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the Board of Directors) to which he or she may be made a party by reason of being or having been an officer, director, or committee member, whether such person is an officer, director, or committee member at the time such expenses are incurred subject to the limitations below. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer, director, or committee member in the performance of his or her duties, except for his or her own individual willful misfeasance or malfeasance.

The Association in determining whether to indemnify a director, officer, or committee member shall not impute knowledge to said director, officer, or committee member from any source whatsoever, but instead any such determination shall be based on the actual knowledge of the director, officer, or committee member. The directors, officers, and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors, and committee members may also be members of the Association)), and the Association shall indemnify and forever hold each such officer, director or committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member or former officer, or director or committee member may be entitled. The Association shall maintain, as a Common Expense, adequate general liability and, if obtainable, officers' and directors' liability insurance to fund this obligation, and insurance shall be written as provided in the Declaration.

ARTICLE VIII

MISCELLANEOUS

Section 1. Parliamentary Rules. Unless waived by majority vote of the Lot Owners in attendance in person or by proxy at any duly called membership meeting, or unless waived by a

majority of the Directors present at any duly called meeting of the Board of Directors, Roberts' Rules of Order (latest edition) shall govern the conduct of the proceedings of such meeting when not in conflict with Georgia law, the Declaration, or these Bylaws.

Section 2. Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law or the Declaration and these Bylaws, the provisions of Georgia law and the Declaration, in that order, shall prevail.

Section 3. Amendment.

(a) These Bylaws may be amended by the affirmative vote or written consent of two-thirds (2/3) of the total eligible vote of the Association at a regular or special meeting of the members duly called and held for such purpose, pursuant to a resolution adopting a proposed amendment proposed by the Board of Directors; provided, however, that should the Association elect to be covered by the Georgia Property Owners Association Act, any amendment shall required approval of two-thirds (2/3) of the total authorized vote of the Association. The foregoing notwithstanding, during such period that Declarant shall have the right to appoint and remove members of the Board of Directors and officers of the Association pursuant to the Declaration, the Declarant may unilaterally amend these Bylaws for any purpose. After the termination of the Class B membership, such resolution must be approved by Declarant and (a) by two-thirds of the total eligible vote of the Association exclusive of the Declarant when approval is by written consent, or (b) by two-thirds (2/3) of the eligible votes which Members present at such meeting in person or by proxy are entitled to cast, exclusive of any vote or votes appurtenant to any Lot or Lots then owned by Declarant. Thereafter, the Declarant may unilaterally amend these Bylaws at any time and from time to time if such amendment is necessary (1) to bring any provision into compliance with the applicable governmental statute, rule, regulation, or judicial determination; (2) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (3) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of Mortgage loans, including for example, the Department of Veterans Affairs, the Federal Housing Administration, the Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee Mortgage loans on the Lots; or (4) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. Notwithstanding the foregoing, any amendment to these Bylaws which would alter, modify or rescind any right or privilege herein expressly granted to the holder of any mortgage affecting any Lot shall require the prior written approval of such holder.

(b) The Board shall be authorized to amend these Bylaws without consent of the Members for the purpose of submitting the Property to the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220, *et seq.* and conforming these Bylaws to any mandatory provisions thereof. Any such amendment shall require the written consent of the Declarant, so long as the Declarant owns any Property which is subject to the Declaration, or which may be unilaterally subjected to the Declaration by Declarant.

Section 4. Agreements. Subject to the provisions of the Declaration, all agreements and determinations lawfully authorized by the Board of Directors of the Association shall be binding upon all lot owners, their heirs, legal representatives, successors, assigns or others having an interest in the Subdivision, and in performing its responsibilities hereunder, the Association, through the Board of Directors, shall have the authority to delegate to such persons of its choice, such duties of the Association as may be determined by the Board of Directors. In furtherance of the foregoing and not in limitation thereof, unless Declarant, so long as Declarant has the right to appoint and remove members of the Board of Directors and officers of the Association, shall agree in writing that the same shall not be required, a professional manager shall be employed for the administration and operation of the Subdivision. Any management agreement for the Subdivision shall be terminable without payment of any termination fee by the Association or the manager with cause upon not more than thirty (30) days' written notice and without cause upon not more than ninety (90) days' written notice, and the term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods. During the term of such management agreement, the manager may, if authorized by the Board of Directors, exercise all of the powers and shall be responsible for the performance of all the duties of the Association, excepting any of those powers and duties specifically and exclusively reserved to the Directors, officers or members of the Association by the Georgia Nonprofit Corporation Code, the Declaration or these Bylaws. The manager shall be bonded in such amount as the Board of Directors may require or as may be required by Georgia law. All expenses incident to the employment of a manager, including the cost of acquiring any such bond, shall be common expenses payable from the common expense fund.

Section 5. Severability. Invalidity of any covenant, condition, restriction, provision, sentence, clause, phrase or word of these Bylaws, or the application thereof in any circumstances, shall not affect the validity of the remaining portions thereof and of the application thereof, which shall remain in full force and effect.

Section 6. Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 7. Headings and Captions. The articles and section headings and captions are for convenience and reference only and in no way define or limit the scope and content of these Bylaws or in any way affect the provisions hereof.