

BY-LAWS OF
COUNTRY CLUB OF GWINNETT OWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>Page</u>
I. GENERAL	
1. Applicability -----	1
2. Name -----	1
3. Definitions -----	1
4. Membership -----	1
5. Entity Members -----	1
6. Voting -----	1
7. Majority -----	2
8. Purpose -----	2
II. MEETINGS OF MEMBERS	
1. Annual Meetings -----	2
2. Special Meetings -----	2
3. Notice of Meetings -----	3
4. Waiver of Notice -----	3
5. Quorum -----	3
6. Adjournment -----	3
7. Proxy -----	3
8. Action Without a Meeting -----	3
9. Order of Business -----	4
III. BOARD OF DIRECTORS	
A. Compensation and Selection	
1. Composition -----	4
2. Directors Appointed by Declarant -----	4
3. Veto -----	4
4. Number of Directors -----	5
5. Nomination of Directors -----	5
6. Election and Term of Office -----	5
7. Removal of Members of the Board of Directors -----	5
8. Vacancies -----	6
9. Compensation -----	6
10. Director Conflicts of Interest -----	6
B. Meetings	
1. Regular Meetings -----	6
2. Special Meetings -----	6
3. Waiver of Notice -----	6
4. Conduct of Meetings -----	6
	<u>Page</u>
5. Open Meetings -----	7

6. Action Without a Meeting; Conference Call Meetings ----- 7

C. POWERS AND DUTIES

1. Powers and Duties ----- 7
 2. Management Agent ----- 8
 3. Borrowing ----- 8
 4. Liability and Indemnification of Directors, Officers and
 Committee Members ----- 8
 5. Personal Liability ----- 9
 6. Insurance ----- 9

D. Committees

1. General ----- 9
 2. Covenants Committee ----- 9
 3. Architectural Review Committee ----- 9
 4. Other Committees ----- 10
 5. Service on Committees ----- 10

IV. OFFICERS

1. Designation ----- 10
 2. Election of Officers ----- 10
 3. Removal of Officers ----- 10
 4. Vacancies ----- 10
 5. President ----- 10
 6. Vice President ----- 10
 7. Secretary ----- 10
 8. Treasurer ----- 10
 9. Other Officers ----- 10
 10. Agreements, Contracts, Deeds, Leases, etc. ----- 11

V. RULE MAKING AND ENFORCEMENT

1. Authority and Enforcement ----- 11
 2. Fining and Suspension Procedure ----- 11
 3. Additional Enforcement Rights ----- 12

VI. MISCELLANEOUS

1. Notices ----- 12
 2. Severability ----- 13
 3. Captions ----- 13
 4. Gender and Grammar ----- 13
 5. Fiscal Year ----- 13
 6. Financial Review ----- 13
 7. Conflicts ----- 13
 8. Amendment ----- 13
 9. Books and Records ----- 13

ARTICLE I.
General

Section 1. Applicability. These By-Laws provide for the self-government of Country Club of Gwinnett Owners Association ,Inc., in accordance with the Georgia Property Owners’ Association Act (“Act”), the Articles of Incorporation filed with the Secretary of State and the Declaration of Covenants, Conditions and Restrictions for Country Club of Gwinnett, recorded in the Gwinnett County, Georgia land records (“Declaration”).

Section 2. Name. The name of the corporation is country Club of Gwinnett Owners Association, Inc., (“Association”).

Section 3. Definitions. The terms used herein shall have their generally accepted meanings or such meanings as are specified in Article I of the Declaration.

Section 4. Membership. An 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. As may be more fully provided below, a spouse of a member may exercise the powers and privileges of the member. If title to a Lot is held by more than one (1) Person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Lot. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner’s membership. Membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of that Lot and may be transferred only in connection with the transfer of title.

Section 5. Entity Members. In the event an Owner is a corporation, partnership, trust, or other legal entity not being a natural person or person, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust, or manager of such other legal entity shall be eligible to represent such entity or entities in the affairs of the Association. Such person’s relationship with the Association shall terminate automatically upon termination of such person’s relationship with the entity or entities which are the Owner, and termination of such person’s relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving to be filled by the Board.

Section 6. Votings. Each Lot shall be entitled to one equally weighted vote, which vote may be cast by the Owner, the Owner’s spouse, or by a lawful proxy as provided below. When more than one (1) Person owns a lot, the vote for such lot shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any lot. If only one (1) co-owner attempts to cast the vote for a Lot, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for such Lot. In the event of disagreement between or among co-owners and the attempt by two (2) or more of them to cast such vote or votes, such Persons shall not be recognized and such vote or votes shall not be counted. No Owner shall be eligible to vote, either in person or by proxy, or to be elected to the board, if that Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association or if the Owner has had its voting rights suspended for the infraction of any provision of the Declaration, these By-Laws, or any rule of the Association. If the voting rights of an Owner have been suspended, that Owner shall not be counted as an eligible vote for purposes of establishing a majority or a quorum or for purposes of amending these By-Laws or the Declaration.

Due to the size of the Country Club of Gwinnett community, it is anticipated that few substantive votes will be conducted at meetings of the Association members and that most votes will be by referendum with no further voting to be conducted at a meeting. Unless a vote on any question is required by law or is required by the Declaration or By-Laws to be taken at a meeting (in which case a meeting shall be called and proxies shall be sent to all members entitled to vote on the issue(s) to be decided at the meeting), elections and other matters requiring a membership vote shall be submitted on a ballot or ballots to the members in referendum by mail as more particularly provided in Article II, Section 8 below. Ballots shall be returned to the Secretary by the date specified on the ballot., The Board shall determine the method of voting, the form of all ballots, the wording of questions thereon and the deadline for return of ballots. The board may include on any ballot questions on which it seeks an advisory vote.,. Members may suggest questions for an advisory vote which shall be evaluated by the Board for consistency with the exercise of its duties and responsibilities. In any advisory vote, each such question on a ballot shall indicate that the vote is for advisory purposes only. Notice of referenda shall be given in the same manner as notice of meetings.

Section 7. Majority. As used in these By-Laws, the term “majority” shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number of eligible

votes, owners, or other groups, respectively. Unless otherwise specifically stated, the words "majority vote" mean more than fifty (50%) percent of those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or these By-Laws, all decisions shall be by majority vote.

Section 8. Purpose. The Association shall have the responsibility of administering the Property, establishing the means and methods of collecting the contributions to the Common expenses, arranging for the management of the Property and performing all of the other acts that may be required to be performed by the Association pursuant to the Act, the Georgia Nonprofit corporation Code and the Declaration. Except as to those matters which the Declaration, the Act or the Georgia Nonprofit Corporation Code specifically require to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

ARTICLE II Meetings of Members

Section 1. Annual Meetings. The regular annual meeting of the members shall be held no earlier than thirty (30) days prior to the start of the Association's fiscal year and not later than sixty (60) days after the close of the Association's fiscal year with the date, hour, and place to be set by the Board of Directors. Any member may attend an annual meeting.

Section 2. Special Meetings. Special meetings of the members may be called for any purpose at any time by the President, the Secretary, or by request of any two (2) or more Board members, or upon written petition of twenty-five (25%) percent of the Lot Owners. Any such written petition by the members must be submitted to the Association's Secretary. 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's President. The President shall then promptly call a special meeting for the purpose stated in the petition, and the Secretary shall send notice of the meeting in accordance with these By-Laws. Any member may attend a special meeting.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver to each Owner of Lots of record or to the Lots a notice of each annual or special meeting of the Association at least twenty-one (21) days prior to each annual meeting and at least seven (7) days prior to each special meeting. The notice shall state the purpose of any special meeting, as well as the time and place where it is to be held. The notice of an annual meeting shall set the time and place of the meeting. If any Owner wishes notice to be given at an address other than his or her Lot, the Owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered proper service of notice.

Section 4. Waiver of Notice. Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waived by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business, of which property notice was not given, is put to a vote.

Section 5. Quorum. Except as may be provided elsewhere, the presence, in person or by proxy at the beginning of the meeting, of Owners entitled to cast twenty-five (25%) percent of the eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Owners whose voting rights have been suspended pursuant to the Declaration or these By-Laws shall not be counted as eligible votes toward the quorum requirement.

Section 6. Adjournment. Any meeting of the Owners may be adjourned from time to time for periods not exceeding ten (10) days by vote of the Owners holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the

original session of the meeting may be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

Section 7. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board by personal delivery, U.S. mail or telefax transmission to any board member or the property manager. Proxies may be revoked only by written notice delivered to the Association, except that the presence in person by the giver of a proxy at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting. A proxy holder may not appoint a substitute proxy unless expressly authorized to do so in the proxy.

Section 8. Action Without a Meeting. In the Board's discretion, any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the board delivers a written ballot to every member entitled to vote on the matter.

- (a) A written ballot shall: a) set forth each proposed action; and b) provide an opportunity to vote for or against each proposed action.
- (b) Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter if such vote were conducted at a meeting.
- (c) All solicitations for votes by written ballot shall; a) indicate the number of responses needed to meet the quorum requirements; b) state the percentage of approvals necessary to approve each matter other than election of directors; and c) specify the time by which a ballot must be received by the corporation in order to be counted.
- (d) 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.
- (e) Notwithstanding anything to the contrary herein, if the board uses a ballot for an advisory vote, the provisions of this section shall not apply.

Section 9. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these By-Laws or the Articles of Incorporation.

ARTICLE III Board of Directors

A. Composition and Selection.

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in Section 2 of this Article, the directors shall reside in the Community and be members or spouses of such members; provided, however, no person and his or her spouse may serve on the Board at the same time.

Section 2. Directors Appointed by Declarant. Declarant shall have the right to appoint or remove all members of the board of Directors and all officers of the Association until such time as the first of the following events shall occur: (a) the expiration of twelve (12) years after the date of the recording of the Declaration (February 16, 2006) or (b) the surrender by Declarant in writing of the authority to appoint and remove directors and officers of the Association. Each owner, by acceptance of a deed to or other conveyance of a lot, vests in Declarant this authority to appoint and remove directors and officers of the Association. The directors and officers appointed by the Declarant need not be Owners or residents in Country Club of Gwinnett. The names of the initial directors selected by the Declarant are set forth in the Articles of Incorporation of the Association.

Section 3. Veto. In the event of voluntary termination of the Declarant's right to appoint directors and officers prior to February 16, 2006, the Declarant shall have a veto power over all actions of the Board, as is more fully provided in this Section. This power shall expire upon the expiration of Declarant's option unilaterally to subject Additional property to the Declaration, unless earlier surrendered in writing. This veto power shall be exercisable only by Declarant, its successors and assigns. The veto shall be as follows:

No action authorized by the Board of Directors shall become effective, nor shall any action, policy or program be implemented until and unless:

- (a) Declarant shall have been given written notice of all meetings and proposed actions to be approved at meetings by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice shall comply with the provisions of these By-Laws regarding notice of regular and special meetings of the directors and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at the meeting; and
- (b) Declarant shall have been given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy or program to be implemented by the Board of the Association. Declarant and its representatives or agents shall make its concerns, thoughts and suggestions known in the members of the Association and/or the Board. At any such action, policy or program authorized by the Board of Directors and to be taken by the Board. The veto may be exercised by Declarant, its representatives or agents at the meeting held pursuant to the terms and provisions hereof. Any veto power shall not extend to the requiring of any action or counterclaim on behalf of the Board.

Section 4. Number of Directors. The initial Board shall consist of three (3) members. The Board may be increased by the Board or by the Declarant by adding two (2) additional members with each increase, up to a maximum of nine (9) members as provided in Section 6 of this Article.

Section 5. Nomination of Directors. Elected directors shall be nominated from the floor and may also be nominated by a Nominating Committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications and to solicit votes.

Section 6. Election and Term of Office. Elected directors shall be elected by referendum. Cumulative voting is not permitted. Those candidates receiving the largest number of votes shall be elected. In the case of a tie vote, the winner shall be determined by the flip of a coin.

Referenda shall be held prior to the expiration of Declarant's right to appoint directors and officers for the purpose of electing successors to the directors appointed by Declarant.

Prior to the first annual meeting of the Association after the Declarant's right to appoint directors and officers terminates and prior to each annual meeting thereafter, directors shall be elected by referendum; provided, however, those directors serving at the time of the first referendum after the Declarant's right to appoint directors terminates shall serve the remainder of their terms. All Owners of Dwellings eligible to vote shall have the right to vote on all directors to be elected as provided in the Declaration.

The Declarant, in its sole discretion, may permit Owners of Dwellings to elect a larger number of directors earlier than is required herein.

Initially, the term of three (3) directors shall be fixed at one (1) year. If and when incremental increases in the size of the Board occur, then the term of two (2) directors shall be fixed by Declarant at two (2) years. When the size of the Board is increased, the initial terms of the added directors shall be as follows: the initial term of one (1) director shall be two (2) years, and the initial term of one (1) director shall be three (3) years. Whenever the Board is increased and additional directors are elected to fill the additional positions on the board,

the board shall then determine which director is to serve a two (2) year initial term and which director shall serve a three (3) year initial term. Successor directors shall be elected for two (2) year terms. Directors shall hold office until their successors shall have been elected.

Section 7. Removal of Members of the board of Directors. At any valid regular or special Association meeting, any one or more board members may be removed with or without cause by a Majority of the Association members and a successor may then and there be elected to fill the vacancy created. Moreover, any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings or is more than three (3) months past due in the payment of any assessment may be removed by the vote of a Majority of the other directors. Any director whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 8. Vacancies. Vacancies in the board caused by an reason, except the removal of a director by vote of the membership, shall be filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any Board meeting. The successor selected shall hold office for the remainder of the term of the director being replaced.

Section 9. Compensation. Directors may be paid reasonable compensation from the Association for acting as such but only if approved either by the Declarant with respect to any director appointed by Declarant or as to any other director by a majority of the Board. Directors may be reimbursed for expenses incurred in carrying out their duties as directors upon Board approval of such expenses.

Section 10. Director Conflicts of Interest: Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided that the director's interest is disclosed to the Board and the contract is approved by a Majority of the directors who are at a meeting of the board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the board. The interested director shall be entitled to be present at any meeting at which the proposed contract is discussed and to discuss the proposed contract, unless requested by any other director to leave the room during the discussion.

B. Meetings.

Section 1. Regular Meetings. Regular Board meetings may be held at such time and place as determined by the Board, but at least once every three (3) months. The newly elected board shall meet within ten (10) days after each annual Association meeting.

Section 2. Special Meetings. Special Board meetings may be called by the President on three (3) days' notice to each director given by mail, in person, by telephone, or by facsimile transmission, which notice shall state the time, place, and purposes of the meeting. Notices delivered by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph or facsimile transmission must be received at least forty-eight (48) hours before the time set for the meeting. Special board meetings shall be called by the President, Vice President, secretary or Treasurer in like manner and on like notice on the written request of at least two (2) directors.

Section 3. Waiver of Notice. Any director may, at any time, in writing, waive notice of any board meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any Board meeting shall also constitute a waiver of notice by him or her of the time and place of

such meeting. If all directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.

Section 4. Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. The presence of directors entitled to cast one-half of the votes of the Board shall constitute a quorum for the transaction of business. One or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 5. Open Meetings. All Board meetings shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6. Action without a Meeting; Conference Call Meetings. Any Board action required or permitted to be taken at any meeting may be taken without a meeting if a Majority of the directors consent in writing to such action. The written consent must describe the action taken and be signed by all the directors. The written consents shall be filed with the minutes of the Board. A member or members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Such participation shall constitute presence in person at such meeting.

C. Powers and Duties:

Section 1. Powers and Duties. The board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Property and may do all such acts and things as are not by the Act, the Declaration, the Articles of Incorporation, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, I way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget, in which there shall be established the contributions of each Owner to the Common Expenses;
- (b) making assessments to defray the Common Expenses, establishing the means and methods of collection such assessments, and establishing the period of the installment payments of the annual assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all of the areas which are maintenance responsibility of the Association pursuant to Article v of the Declaration;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Common Areas, Association property, and other areas of Association Maintenance responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth in O.C.G.A. Section 14-3-302, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations and imposing sanctions for violation thereof, including reasonable monetary fines;

- (g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;
- (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 By-Laws, after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Act and the Declaration, and paying the premium cost thereof;
- (k) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners;
- (l) 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; and
- (m) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominium associations, or other associations or corporations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

Section 2. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Declarant or an affiliate of Declarant may be appointed as managing agent or manager. The Board shall use reasonable efforts in any management contract to provide for termination of such contract with or without cause and without penalty, upon no more than thirty (30) days written notice, and for a term not in excess of one (1) year.

Section 3. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration or improvement of the Common Areas and facilities without the approval of the members of the Association; the board shall also be authorized to borrow money for other purposes; provided, however, the Board shall obtain the approval of the Declarant as required by Section 8.02 of the Declarations, if applicable, and shall obtain membership approval in the same manner as provided in the Declaration for special assessments if the proposed borrowing is for the purpose of modifying, improving, or adding amenities to the Property and the total amount of such borrowing exceeds or would exceed fifty thousand (\$50,000.00) dollars outstanding debt at any one time.

Section 4. Liability and Indemnification of Directors, Officers and Committee Members. The Association shall indemnify every officer, director and committee member against any and all expenses, including attorney's 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 then 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 or not such person is an officer, director or committee member at the time such expenses are incurred. The officers, directors and committee members shall not be liable for any mistake of judgment, negligence 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 officers, directors and committee members shall have no personal liability with respect of any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors, or committee members may also be members of the Association) and the Association shall indemnify and forever hold each such officer, director and 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, director or committee member, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and if obtainable,

officers' and directors' liability insurance to fund this obligation, and the insurance shall be written as provided in the Declaration.

Section 5. Personal Liability. No member, director, officer, committee member or representative of the Association shall be held personally liable for debts or liabilities of the Association. The directors and officers of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, willful misconduct or bad faith. Such directors and officer 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 directors or officers may also be members of the Association), and the Association, as a Common Expense of the Association, shall indemnify such directors and officers free and harmless from any and all expense, loss or liability to others on account of any such contract or commitment.

Section 6. Insurance. The Association, acting through the Board, shall have the right to purchase, carry and maintain in force (a) insurance covering any and all portions of the Common Areas and any improvements thereon or appurtenance thereto, for the interest of the Associations, the Board, agents and employees, and of all members, in such coverage, amounts, and with such endorsements as shall be considered by the Board, in its sole discretion, to be necessary and reasonable; (b) fidelity bonds for all board members, officers or agents of the Association having control over the receipt and disbursement of funds; and © insurance commonly referred to as "errors and omissions" insurance covering the officers, members of the Board of Directors and members of the ARC, or other Board committees, in connection with their duties in such capacities. The Association shall use any net insurance proceeds for the purpose the insurance was intended, including the repair and/or replacement of any damaged or lost property, whether real or personal. Any unused balance from the proceeds of insurance paid to the Association shall be retained by the Association and deposited in its reserve fund as provided for in the Declaration. Should insurance proceeds be insufficient to fully reimburse any loss or damage, the Association may levy a Special Assessment or Individual Assessment, whichever is applicable, to cover such deficiency.

D. Committees.

Section 1. General. In addition to the committees established in the Declaration, committees to perform such tasks and to serve for such periods as may be designated by the board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board designating the committee or with the rules adopted by the Board. If available, the Board shall obtain liability insurance covering the members of each committee and the Association for the activities of such committees.

Section 2. Covenants Committee. The Board may establish a Covenants Committee to advise the Board regarding violations of the Declaration, By-Laws, rules and regulations, use restrictions and Design Standards. This Committee shall also advise the Board regarding sanctions to be imposed for such violations.

Section 3. Architectural Review Committee. The Board may establish an Architectural Review Committee (the "ARC") for the purpose of establishing and maintaining architectural standards in the property as provided in the Declaration.

Section 4. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 5. Service on Committees. Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President and shall serve at the pleasure of the Board of Directors. Any committee member may be removed with or without cause at any time and with or without a successor being named.

ARTICLE IV
Officers

Section 1. Designation. The principal officers of the Association shall be the President, Vice President, the Secretary, and the Treasurer. The President, Vice President and Secretary shall be elected by and from the Board of Directors. The Treasurer shall be elected by the Board, but need not be a Board member. The Board may appoint one or more Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgment may be necessary. Any assistant or subordinate officers shall not be required to be Board members. Except for the offices of secretary and Treasurer, which may be held by the same person, no person may hold more than one (1) office.

Section 2. Electing of Officers. The Association officers shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board and until a successor is elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the Board members, any officer may be removed, either with or without cause and a successor may be elected.

Section 4. Vacancies. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the Association and shall preside at all Association and Board meetings. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including, but not limited to, the power to appoint committees from among the members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 6. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 7. Secretary. The Secretary shall keep the minutes of all Association and Board meetings and shall have charge of such books and papers as the board may direct, and shall, in general, perform all duties incident to the office of the Secretary of a corporation organized under Georgia law.

Section 8. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records, and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board. The Treasurer shall be responsible for the preparation of the budget as provided in the Declaration. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Section 9. Other Officers. Other offices may be created by the Board, and the Board members which hold such offices shall have such titles and duties as are defined by the Board.

Section 10. Agreements, Contracts, Deeds, Leases, etc. All agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by Board resolution.

ARTICLE V.
Rule Making and Enforcement

Section 1. Authority and Enforcement. The Property shall be used only for those uses and purposes set out in the Declaration. The board of Directors shall have the authority to make, modify, repeal and enforce reasonable rules and regulations governing the conduct, use, and enjoyment of lots and the Common Areas; provided, copies of all such rules and regulations shall be furnished to all Owners and Occupants. Any rule or regulation may be repealed by the affirmative vote or written consent of a Majority of the total Association vote at an annual or special meeting of the membership.

Every Owner and Occupant shall comply with the Declaration, By-Laws and rules and regulations of the Association, and any lack of compliance shall entitle the Association and, in an appropriate case, one or more aggrieved Lot Owners, to take action to enforce the terms of the Declaration, By-Laws or rules and regulations.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot, and to suspend an Owner's right to vote or to use the Common Areas for the violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the board of Directors to limit ingress and egress to or from a Lot. In the event that any Occupant of a Lot violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, notice of such violation shall be sent to the Owner and the Occupant, and the fine may first assessed against such Occupant; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Lot Owner shall pay the fine upon notice from the Association, and the fine shall be an assessment and a lien against the Lot until paid. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

Section 2. Fining and Suspension Procedure. The Board shall not impose a fine or suspend the right to vote or to use the Common Areas (unless an Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association, in which case such suspensions shall be automatic; unless and until notice of the violation is given as provided in subsection 2(a) below. Any such fine or fines may be effective or commence upon the sending of such notice or such later date as may be set forth in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge such fine under subsection 2(b) below.

- (a) Notice. If any provision of the Declaration or By-Laws or any rule or regulation of the Association is violated, the board shall serve the violator with written notice sent certified mail, return receipt requested, which shall state: 1) the nature of the alleged violation; 2) the proposed sanction to be imposed; 3) a statement that the violator may challenge the fact of the occurrence of a violation, the proposed sanction, or both, by written challenge and written request for a hearing before the Board, which request must be received by the Board within ten (10) days of the date of the notice; 4) the name, address, and telephone number of a person to contact to challenge the proposed action. If a timely challenge is made and the violation is cured within ten (10) days of the date of the notice, the Board, in its discretion, may, but is not obligated to, waive any sanction or portion thereof. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, the fines may be imposed on a per diem basis without further notice to the violator.
- (b) Hearing. If the alleged violator timely challenges the proposed action, a hearing before the Board shall be held in executive session affording the violator a reasonable opportunity to be heard. The hearing shall be set at a reasonable time and date by the board, and notice of the time, date (which shall be not less than ten (10) days from the giving of notice without the consent of the violator), and place of the hearing and an invitation to attend the hearing and produce any statements, evidence, and witnesses shall be sent to the alleged violator. Proof of such notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered such notice. The notice requirement shall be deemed satisfied if the violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

This Section shall be deemed complied with if a hearing is held and the violator attends and is provided an opportunity to be heard, notwithstanding the fact that the notice requirements contained herein are not technically followed.

Section 3. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through its board of Directors, may elect to enforce any provision of the Declaration, the By-Laws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth in Section 2 of this Article. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

The Association or its duly authorized agent shall have the power to enter a Lot or upon any portion of the Common Areas to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declaration, the By-Laws, or the rules and regulations. All costs of self-help, including reasonable attorney's fees, shall be assessed against the violating Lot Owner and shall be collected as provided herein for the collection of assessments.

ARTICLE VI Miscellaneous

Section 1. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements or other communications under these by-laws shall be in writing and shall be deemed to have duly given if delivered personally or if sent by United States mail, first class postage pre-paid:

- (a) if to a Lot Owner, at the address which the Lot Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such Owner;
- (b) if to an Occupant, at the address of the Lot occupied; or
- (c) if to the Association, the board or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary.

Section 2. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws or the Declaration.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Fiscal Year. The fiscal year of the Association initially shall commence on April 1 of each calendar year and continue to March 31 of the following calendar year. The fiscal year may be changed at any time by resolution of the Board of Directors.

Section 6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board. However, after having received the Board's financial review at the annual meeting, the Owners may, by a Majority of the Association vote, require that the accounts of the Association be audited as a Common Expense by an independent accountant.

Section 7. Conflicts. The duties and powers of the Association shall be those set forth in the Act, the Georgia Nonprofit Corporation Code, the Declaration, these by-laws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association; provided, however, that if there are conflict or inconsistencies between the Act, the Georgia Nonprofit Corporation Code, the Declaration, these By-Laws or the Articles of Incorporation, then the provisions of the Act, the Georgia Nonprofit Corporation Code, as may be applicable, the Declaration, the Articles of Incorporation and these By-Laws, in that order, shall prevail, and each Owner of a Lot, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

Section 8. Amendments. These By-Laws shall be altered, amended or repealed by action of the Board of Directors at any regular or special meeting provided that no amendment shall be effective to impair or dilute any rights of members granted in or governed by the Declaration.

Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

Section 9. Books and Records.

(a) All members of the Association and any institutional holder of a first Mortgage shall be entitled to inspect the following records at a reasonable time and location specified by the Association, upon written request at least five (5) days before the date on which the member wishes to inspect and copy:

- 1) its current Articles of Incorporation and amendments thereto;
- 2) its current By-Laws and amendments thereto;
- 3) resolutions adopted by either its members of Board of Directors increasing or decreasing the number of directors or the classification of directors, or relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- 4) resolutions adopted by either its members or Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- 5) the minute of all meetings or members and records of all actions approved by the members for the past three (3) years;
- 6) all written communications to members generally within the past three (3) years, including the financial statements furnished for the past three (3) years; and
- 7) its most recent annual report delivered to the Secretary of State.

(b) A member may inspect and copy the following records upon written notice at least five (5) business days before the date on which the member wishes to inspect and copy only if the member's demand is made in good faith and for a proper purpose that is reasonably relevant to the member's legitimate interest as a member; the member describes with reasonable particularity the purpose and the records the member desires to inspect; the records are directly connected with this purpose; and the records are to be used only for the stated purpose:

- 1) excerpts from minutes of any Board meeting, records of any action of a committee of the board while actin in place of the board on behalf of the Association, minutes of any meeting of the members, and records of action taken by the members or the board without a meeting, to the extent not subject to inspection under subsection 9(a);
- 2) accounting records of the Association; and
- 3) the membership list only if for a purpose related to the member's interest as a member. Without the consent of the Board, a membership list or any part thereof

may not be: used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the Association; used for any commercial purpose; or sold to or purchased by any person.

The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the member.

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