

**AMENDED AND RESTATED
BYLAWS**

OF

**PEPPERMILL HOMEOWNERS
ASSOCIATION, INC.**

BY LAWS OF PEPPERMILL HOMEOWNERS ASSOCIATION, INC.

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**BYLAWS
OF
PEPPERMILL HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME, LOCATION, AND APPLICABILITY

Section 1. Name. The name of the association is Peppermill Homeowners Association, Inc., a Georgia non-profit corporation, hereinafter referred to as the "Association".

Section 2. Location. The principal office of the Association shall be located in Cobb County, Georgia. Meetings of members and directors may be held at such places within the State of Georgia as may be designated from time to time by the Board of Directors.

Section 3. Applicability. These Bylaws provide for the self-government of the Lots in the planned community known as Peppermill Subdivision in accordance with and subject to the provisions of the Articles of Incorporation, the Georgia Nonprofit Corporation Code and that certain Declaration of Covenants as recorded in Deed Book 8985, page 456, and Deed Book 8697, page 359 Cobb County, Georgia records.

ARTICLE II

DEFINITIONS

Section 1. General. The terms used in these Bylaws, unless otherwise specified or unless the context otherwise requires, shall have the meanings specified in the Declaration of Protective Covenants for Peppermill Subdivision, recorded in Deed Book 8985, page 456, and Deed Book 8697, page 359, Cobb County, Georgia Records.

Section 2. Definitions. Capitalized terms as used in these Bylaws, the Declaration and the Articles of Incorporation shall have the following meanings:

- (a) "Act" shall mean and refer to the Georgia Property Owners Association Act, O.C.G.A. § 44-3-220, *et seq.*, as such act has been or may be amended.
- (b) "Assessments" are those monetary amounts assessed against each Lot Owner for the maintenance, repair and upkeep of the Common Areas and other Association expenses
- (c) "Association" shall mean the Peppermill Homeowners Association, Inc., and its successors.
- (d) "Board" or "Board of Directors" shall mean the governing body of the Association.

(e) "Declaration" shall mean that certain Declaration of Protective Covenants regarding Peppermill Subdivision.

(f) "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.

(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) "Mortgagee" shall mean any holder of a note wherein the Lot acts as security, whether a bank, mortgage company, or other type of institutional lender, including, but not limited to such governmental organizations as HUD, VA, Fannie Mae and Freddie Mac.

(i) "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, the Act, or the Georgia Nonprofit Corporation Code.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each person who is the record owner of a fee or undivided fee interest in any Lot shall automatically be a member of the Association, excluding persons who hold such interest under a mortgage. Said membership shall continue during the period of ownership by such lot owner. If a Lot is owned by more than one person and if only one of those persons 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 of those persons 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. Each Owner of a Lot is obligated to pay assessments for necessary expenses of the Association.

Section 2. Voting Rights. The Association shall have one class of voting membership, which shall consist of all Owners. Such Owners shall be entitled to the votes provided in the Declaration for each Lot in which they hold the interest required for membership by Article III, Section 1 of these Bylaws; provided, however, that no votes shall be deemed to appertain to any Lot during the period that the Owner thereof is the Association. The vote attributable to a Lot shall be exercised as a whole. When more than one person or a person other than a natural person owns such interest in any Lot, the vote therefor shall be exercised in accordance with the provisions of Article III,

Section 1 of these Bylaws. 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.

Section 3. Suspension of Voting Rights. During any period in which a Lot Owner 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 other charge has been paid. Such rights of a Lot Owner may also be suspended, for a reasonable period (not to exceed 30 days) for a violation of any provisions of the Declaration, these Bylaws or any of the published rules and regulations of the Association

Section 4. Decisions of Lot Owners. Unless otherwise expressly provided in the Declaration or these Bylaws, a majority of the votes cast on any particular issue shall be necessary to adopt decisions at any meeting of the lot owners. When the Declaration or these Bylaws require the approval or consent of all or a specified percentage of lot owners no decision or resolution duly adopted by the lot owners shall be effective or valid until such approval or consent shall have been obtained.

ARTICLE IV

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 Meetings. Annual meetings of the membership of the Association shall be held during the last week of February. Notwithstanding the foregoing, the Board of Directors may cause the annual meeting of Lot Owners 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 proposed budget of the Association shall be made to the Lot Owners.

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 by resolution of a majority of the Board of Directors or upon written petition signed by the Lot Owners who are entitled to cast at least twenty-five percent (25%)/one-fourth (1/4) of the votes of the Association membership presented to the Secretary of the Association. 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. Written notice of each meeting of the lot owners shall be delivered by, or at the direction of, the Secretary of the Association 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 Lot Owner at least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting. The mailing of a notice in the manner provided in this Section 3.04 shall be considered notice given. 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. 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 beginning of the meeting, 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 5. 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 at least one-third (1/3) of the eligible votes of the membership are present in person or by proxy at the beginning of such meeting. 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 or not said person holds a valid proxy for the purpose of voting as set forth in Article III, Section 2 of these Bylaws. No Lot Owner whose voting rights have been suspended pursuant to Article III, Section 3 of these Bylaws shall be counted for a quorum or as an eligible vote.

If, however, such quorum shall not be present or represented at any meeting, the Lot Owners and/or proxies entitled to cast a majority of the votes thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. 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.

Section 6. Proxy. Subject to the provisions of Article III, Section 2, hereof, at all meetings of the Lot Owners, each Lot Owner may vote in person or by written proxy or proxies or electronic transmission. All proxies shall be duly executed by or on behalf of the Lot Owner, in writing and 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 Lot Owner 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 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 Lot Owner at the meeting for which a proxy is given shall automatically revoke the proxy. The proxy of a Lot Owner 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 Lot Owner to be deemed in attendance at the meeting.

Section 7. Order of Business. The order of business at all annual membership meetings shall be as follows:

- (a) Verification of a quorum and certification of proxies
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers, if any, including presentation of annual budget
- (e) Reports of Committees, if any
- (f) Election or appointment of those persons tallying votes
- (g) Election of Directors
- (h) Unfinished Business
- (i) New Business

Section 8. Conduct of Meetings. The President shall preside over all meetings of the lot owners and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions duly adopted as well as a record of all transactions occurring at such meetings. Copies of the minutes of all lot owner meetings shall be distributed to all lot owners. The latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the lot owners when not in conflict with the Declaration or these Bylaws.

Section 9. Action Taken by Association. Except as otherwise provided by the Act or by the Declaration or these Bylaws, any action taken at any meeting of members shall be effective and valid when taken or authorized by a majority of all of the votes of the members present in person or by proxy at a duly constituted meeting where a quorum is present. In the event of any tie vote at any regular, special, or adjourned meeting of the Association, the proposition shall not pass.

Section 10. 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 V

BOARD OF DIRECTORS, NUMBER, POWERS, MEETINGS

Section 1. Number of Directors. The affairs of the Association shall be governed by a Board of Directors. The Board of Directors of the Association shall be composed of not less than five and no more than seven persons, and may be fixed by resolution of the directors from time to time. Each Director shall be a member of the Association or the spouse of a member at all times during their service as Directors; provided, however, that no Lot Owner and his or her spouse, 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 Section 4.01 and Section 5.01 hereof, shall be deemed to include, without limitation, any shareholder, director, officer, partner in, or trustee of any person which is, either alone or on conjunction with any other person or persons, a Lot Owner. 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. Election to the Board of Directors shall be by written ballot cast at the annual meeting. At such election, the eligible Lot Owners or their proxies may cast, in respect to each directorship, one vote. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted. Elections shall take place annually. Directors shall serve for a term of two (2) years. These terms shall be staggered so that at each annual meeting of the Association, at least two (2) directors shall be elected. 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. At the first annual meeting after the adoption of these Bylaws, the two (2) Directors with the most votes will be elected for two year terms, and the three (3) remaining directors will serve for only a single year. Thereafter, all future elections will be staggered as stated above.

Section 3. Removals or Vacancies. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed from the Board with or without cause, by a majority vote of the eligible Lot Owners, present or by proxy, and a successor shall be elected at such meeting by the Lot Owners to fill the vacancy thus created. Any Director whose removal has been proposed by any Lot Owner or Owners 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 to 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. In the event of death or resignation of a director, a successor shall be elected by a vote of the majority of the remaining members of the Board, even though they may constitute less than a quorum, and each person so elected shall serve for the remaining unexpired term of his predecessor.

Section 4. Annual Organization Meeting. The first meeting of the Board of Directors following each annual meeting of the lot owners shall be held within ten days thereafter, at such time and place as shall be fixed by the newly elected directors at such annual meeting, and no notice shall be necessary in order legally to constitute such meeting.

Section 5. Regular Meetings. Regular meetings of the Board of Directors shall be held at least once a year, and preferably quarterly. Board meetings may be held at such time and place as shall be determined from time to time by the Board of Directors. Notice of the time and place of regular meetings shall be given to every director by mail, electronically or telephone. The Board of Directors shall keep minutes of its meetings and full account of its transactions. Meetings of the Board may be open for attendance by members of the Association; provided, however, that the Board may go into executive session at which members may not attend.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by the President. Three (3) days' notice of the time and place of a special meeting shall be given to every director by mail, electronic transmission or telephone. 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.

Section 7. Waiver of Notice: and Actions Without Formal Meeting. Whenever notice of a meeting of the Board of Directors is required to be given under any provision of these By-Laws, a written waiver thereof, executed by a director before or after the meeting and filed with the Secretary, shall be deemed equivalent to notice to the director executing the same. Attendance at a meeting by the director shall constitute a waiver of notice of such meeting by the director if such director attends the meeting without protesting prior thereto or at the meeting's commencement the lack of notice to him. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in any written waiver of notice.

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting provided that all directors consent to the action in writing setting forth the action so taken, and such consent shall be signed or electronically transmitted by all members of the Board or of such Committee, as the case may be, and such written or electronic consents are filed with the minutes of the proceedings of the Board of Directors. Such consents shall be treated for all purposes as a vote at a meeting.

Section 8. Voting, Quorum of the Board, Adjournment of Meetings. 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, and a majority vote on any matter by those present shall bind the Board of Directors and the Association as to any matter within the powers and duties of the Board. A Director 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. If any Board of Directors meeting cannot be held because of the absence of a quorum, a majority of the votes present and voting may adjourn the meeting to a later time.

Section 9. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things except those acts which by law, the Declaration, the Articles of Incorporation, and/or these Bylaws may not be delegated to the Board by the Lot Owners. In exercising its powers and duties, the Board of Directors shall take as its standard the maintenance of the general character of the subdivision as a residential community of the first class in the quality of its maintenance, use and occupancy. Such powers and duties of the Board of Directors shall be exercised in accordance with and subject to all provisions of the Declaration and these By-Laws, including but not limited to the following:

- (a) Operate, care for, maintain, repair and replace the common area and other portions of the Property to be maintained by the Association;
- (b) Determine common expenses of the Association;
- (c) Levy and collect assessments from the members on behalf of the Association in accordance with the annual budget as hereinafter set forth;
- (d) Designation and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and any improvements thereon;
- (e) Subject to the provisions in the Declaration, adopt and amend rules and regulations governing the use and enjoyment of the Common Areas;
- (f) Manage, control, lease as lessor, and otherwise deal with the Common Area, including power to make shut-offs of common services and other interruptions of the normal functioning of the Common Areas and improvements to facilitate performance of any maintenance or repair work or the making of additions, alterations or improvements by the Association or the Lot Owners pursuant to provisions of the Declaration. The Board of Directors shall use reasonable effort to limit any and all disruptions to the Lot Owners and Occupants in exercising such power to make shut offs and other interruptions;
- (g) Purchase, lease or otherwise acquire lots offered for sale or lease or surrendered by their Lot owners to the association;
- (h) Own, sell, lease, encumber, and otherwise deal in, but not vote with respect to, Lots owned by the Association;
- (i) Obtain and maintain insurance for the common area of the subdivision pursuant to the

provisions of the Declaration;

- (j) (1) Make additions and improvements to and alterations of the common area, and (2) make repairs to and restoration of the property after damage or destruction by fire or other casualty, or as a result of condemnation;
- (k) Enforce by any legal or equitable remedies available all obligations of the Lot Owners or any of them to the Association;
- (l) Conduct litigation and be subject to suit as to any cause of action involving the Common Area or arising out of the enforcement of the provisions of the Declaration or these Bylaws;
- (m) Enter into contracts in connection with the exercise of any of the powers and duties of the Board of Directors. Unless the Board of Directors shall from time to time otherwise determine, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by the President or treasurer;
- (n) Appoint committees as deemed necessary for the administration of the affairs of the subdivision, with such powers and duties as the Board shall authorize;
- (o) Take all other actions the Board of Directors deems necessary or proper for the sound management and fulfillment of the terms and provisions of the Declaration and these Bylaws.

In the case of those powers and duties specified in the foregoing clauses (d), (g), (h), and (j)(1), the Board of Directors need exercise the same only to the extent, if any, it deems necessary or desirable or is required to do so by vote of the lot owners. The Board of Directors shall not be obligated to take any action or perform any duty imposed upon it requiring an expenditure of funds unless in its opinion it shall have funds of the Association sufficient therefor.

In exercising the authority granted to them in this section, the Board of Directors shall not be authorized to spend more than \$2000.00 during any calendar year on any single project, item, purchase, etc. without the approval of a majority of the Homeowners present or voting by proxy, which shall be given at a duly called meeting of the Homeowners.

Section 10. Preparation of the 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 Property 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 with the notice of the annual meeting. The budget and the annual 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 11. Fees and Compensation. No director shall receive compensation from the Association for acting as such, but shall be entitled to reimbursement from the Association as a common expense for reasonable out-of-pocket expenses made in the performance of his duties. No director shall be obligated to make any such disbursements.

ARTICLE VI

OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board. The term of each person serving as an officer shall be one year. A vacancy in any office shall be filled by the Board at a regular or special meeting of the Board for the unexpired portion of the term of that office.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the votes of the Board of Directors, any officer may be removed with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 1 of this Article VI.

Section 5. President. The President shall be the chief executive officer of the Association and shall, when present, preside at all meetings of the membership and the Board. The President shall have all of the general powers and duties which are incident to the office of President. 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, 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. He may also have the power to sign checks when the treasurer is unavailable, appoint committees from among the lot owners from time to time as he may, in his sole discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 6. Vice President. The Vice President shall take the place of the President and perform those duties whenever the President is absent or unable to act and, when so acting, shall have

all the powers of and be subject to all the restrictions upon the President. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed by the Board of directors or by the President.

Section 7. Secretary. The Secretary shall keep and maintain the minutes of all meetings of the Lot Owners and of the Board of Directors. The Secretary shall, in general, perform duties incident to the office, including the sending of all notices duly given in accordance with the Declaration, the provisions of these Bylaws, or as required by law; and such other duties as shall, from time to time, may be imposed by the Board of Directors or by the President.

Section 8. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and a book of accounts showing all receipts and disbursements. Treasurer shall also be responsible for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board, and shall, in general, perform all the duties incident to the office of Treasurer, including authorizing vouchers and signing checks for all monies due and payable by the Association, promptly render to the President and to the Board an account of the financial condition of the Association whenever requested, and such other duties as shall, from time to time, be imposed by the Board or by the President.

Section 9. Compensation. Unless otherwise expressly provided by the Board, no officer shall receive compensation from the Association for acting as such, but shall be entitled to reimbursement from the Association as a common expense for reasonable out-of-pocket expenses incurred by him in the performance of his duties. No officer shall be obligated to make any such disbursements.

Section 10. 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 VII

OFFICES AND DIRECTORS - GENERAL PROVISIONS

Section 1. Contracts. The Board of Directors may authorize any two (2) officers of the Association 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. The Board may require a performance bond on particular contracts in its discretion. The Board shall also require appropriate insurance from contractors employed by the Association.

Section 2. Conflicts with Interested Parties. No contract or transaction between the Association and one or more of its officers, directors, or employees, or between the Association and any other entity in which one or more of the Association's officers or directors are officers, directors, partners or trustees, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Association's officer or director is present at, or participates in the meeting of the Board which authorizes the contract or transaction, or solely because the Association's officer or director is present at or participates in the meeting of the Board which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if (a) the material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board, and the Board in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote or votes of the interested director or directors; or (b) the material facts as to his interest and as to the contract or transaction are disclosed or are known to the lot owners entitled to vote thereon, and the contract or transaction is specifically approved or ratified in good faith by vote of such lot owners; or (c) the contract or transaction is fair as to the Association as of the time it is authorized, approved or ratified by the Board of Directors or the lot owners. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board that authorizes the contract or transaction.

Section 3. 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 4. Insurance. The Association shall maintain in effect at all times as a common expense any workmen's compensation or other insurance required by law or by the Declaration, and such other insurance as the Board may from time to time deem appropriate.

Section 5. Casualty Insurance. The Board shall review or cause to be reviewed at least every two (2) years the amount of insurance in effect, taking into account the value and replacement cost of the improvements, and the Board may engage appraisers, cost estimators or others it deems appropriate in connection therewith. The policy shall insure the common areas owned or maintained by the Association, as provided in the Declaration.

ARTICLE VIII

FISCAL MATTERS AND BOOKS AND RECORDS

Section 1. Books and Records. 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 a record giving the names and addresses of the Directors, and of all members of the Association; provided, however, that the listing of e-mail addresses or other information for electronic transmissions shall be optional.

Section 2. 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, and all rules and regulations of the Association, with all amendments thereto, shall be maintained at the principal and the registered offices of the Association, 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 3. 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 or by the President of the Association if the treasurer is unavailable.

Section 4. 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 5. Fiscal Year. The fiscal year of the Association shall begin on the first day of April and end on the 31st day of March the following year, or as determined by the Board of Directors.

Section 6. 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.

ARTICLE IX

AMENDMENTS

Section 1. Amendments. These Bylaws may be amended by the written consent of two-thirds (2/3) of the total Association vote or at a regular or special meeting of the members duly called for such purpose. 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. Amendments to these Bylaws for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity authorized to fund, insure or guarantee mortgages on individual lots, as such requirements may exist from time to time, may be enacted by an instrument duly executed by a majority of the directors of the Association. Each such amendment shall be effective when adopted or at such later date as may be specified therein.

ARTICLE X

MISCELLANEOUS

Section 1. Indemnification. Each Director and Officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of the fact that he is or was a director or officer of the Association, shall be indemnified by the Association against those expenses and costs which are allowed by the laws of the State of Georgia and which are actually and reasonably incurred by him in connection with such action, suit or proceeding. Such indemnification shall be made only in accordance with the laws of the State of Georgia and subject to the conditions prescribed therein. To the extent obtainable, the Association shall maintain insurance on behalf of Directors and Officers of the Association against all liabilities asserted against and incurred by any such person in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify such Directors and Officers against such liabilities under the laws of the State of Georgia.

Section 2. Agreements. Subject to the provisions of the Declaration and the Act, 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 Property, 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. Any management agreement for the Property 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 Act, 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 3. Conflicts. In the event of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 4. Severability. Invalidation 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 5. 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 6. 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.