

**BYLAWS
OF
THE FALLS OF CHEROKEE HOMEOWNERS' ASSOCIATION, INC.**

A Georgia Nonprofit Corporation

PREAMBLE

These Bylaws are to assist The Falls of Cherokee Homeowners' Association Board of Directors in the performance of the duties and exercising the powers pursuant to the Declaration of Covenants as recorded in the public records of Cherokee County, Georgia.

1. GENERAL PROVISIONS.

1.01 Identity. These are the Bylaws of The Falls of Cherokee Homeowners' Association, Inc. ("Association"), a nonprofit corporation formed under the laws of the State of Georgia. The Association shall have all of the powers provided in these Bylaws, its Articles of Incorporation ("Articles"), the Declaration of Covenants and any statute or law of the State of Georgia, or any other power incident to any of the above powers.

1.02 Principal Office. The principal office of the Association shall be at such place as the Board of Directors of the Association ("Board") may determine from time to time.

1.03 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.04 Seal. The seal of the Association shall have inscribed upon it the name of the Association and the year of its incorporation. The seal may be used by causing it, or a facsimile thereof to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the Association

1.05 Inspection of Books and Records The books and records of the Association shall be open to inspection by all Owners or their authorized representatives. upon request, during normal business hours or under other reasonable circumstances. Such records of the Association shall include current copies of the Declaration of Covenants Articles and Bylaws, and any amendments thereto any contract entered into by the Association, and the books, records and financial statements of the Association. The Association shall be required to make available to prospective purchasers of Lots current copies of The Declaration of Covenants Articles and Bylaws. and the most recent annual financial statements of the Association. Copies of routine correspondence shall also be maintained in a centralized file by the Secretary of the Association.

1.06 Definitions Unless the context otherwise requires, all terms used in these Bylaws shall have the same meaning as are attributed to them in the Articles and/or the Declaration of Covenants

2. MEMBERSHIP IN GENERAL.

2.01 Qualification. All of the record owners of Lots (as defined in the Declaration of Covenants Conditions and Restrictions for The Falls of Cherokee) shall be members of the Association.

2.02 Changes in Membership. The transfer of the ownership of fee title to, or fee interest in, a Lot, whether by conveyance, devise, judicial decree, foreclosure or otherwise, and upon the recording amongst the public records of Cherokee County of the deed or other

instrument establishing such acquisition” the new Owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior Owner as to the I lot affected shall be terminated. It shall be the responsibility of any such transferor and transferee of a Lot to notify the Association of any change in the ownership of such Lot, and the corresponding change in any membership, by delivering to the Association a copy of the deed or other instrument of conveyance which establishes a transfer of ownership. In the absence of such notification the Association shall not be obligated to recognize any change in membership or ownership of a Lot for purposes of notice, voting, assessments, or for any other purpose. The share of each member in the funds and assets of the Association and any membership in this Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Lot for which that membership is established

2.03 Member Register. The secretary of the Association shall maintain register in the office of the Association showing the names and addresses of the members of the Association. It shall be the obligation of each member of the Association to advise the secretary of any change of address of the member, or of the change of ownership of the member’s Lot, as set forth above.

3. MEMBERSHIP VOTING.

3.01. Voting Rights. There shall be one vote for each Lot. In the event any Lot is owned by a person other than an individual, the vote for such Lot shall be cast as set forth below, and votes shall not be divisible. In the event any member owns more than one Lot, the member shall be entitled to one vote for each such Lot.

3.02 Majority Vote and Quorum Requirements. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding upon all members and Owners for all purposes, except where otherwise provided by law, in the Declaration of Covenants, in the Articles, or in these Bylaws. Unless otherwise so provided, at any regular or special meeting, the presence in person or by proxy of persons entitled to cast the votes or one-tenth (1/10th) of the Lots shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration of Covenants, or these Bylaws.

3.03 Determination as to Voting Rights.

(a) In the event any Lot is owned by one person, his right to cast the vote for the Lot shall be established by the record title to his Lot

(b) In the event any Lot is owned by more than one person or by an entity, the vote for the Lot may be cast at any meeting by any co-owner of the Lot, provided, however, that in the event a dispute arises between the co-owners as to how the vote for the Lot shall be cast, or in the event the co-owners are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to cast the vote for the Lot on the matter being voted upon at the meeting, but their membership shall be counted for purposes of determining the existence of a quorum. For purposes of this paragraph, the principals or partners of any entity (other than a corporation) owning a Lot shall be deemed co-owners of the Lot, and the directors and officers of a corporation owning a Lot shall be deemed co-owners of the Lot.

3.04 Proxies. Every member entitled to vote at a meeting of the members, or to express consent without a meeting may authorize another person or persons to act on the member's behalf by a proxy signed by such member or his attorney-in-fact. Any proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for delivering proxies. In no event shall any proxy be valid for a period longer than eleven (11) months after the date given. Every proxy shall be revocable at any time at the pleasure of the member executing it. Every proxy shall specifically set forth the name of the person voting by proxy, and the name of the person authorized to vote the proxy for him, and if a limited proxy, shall set forth those items on which the proxy holder may vote, and the manner in which the vote is to be cast.

4. MEMBERSHIP MEETINGS.

4.01 Who May Attend. In the event any Lot is owned by more than one person all co-owners of the Lot may attend any meeting of the members. In the event any Lot is owned by a corporation, any director or officer of the corporation may attend any meeting of the members. Homeowner the vote for any Lot shall be case in accordance with the provisions of Paragraph 3 above.

4.02 Place. All meetings of the members shall be held at the principal office of the Association or at such other place and at such time as shall be designated by the Board and stated in the notice of meeting.

4.03 Notices. Written notice stating the place, day and hour of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member entitled to vote at such meeting not less than seven (7), nor more than fifty (50), days before the date of the meeting, by or at the direction of the president, the secretary or the officer or persons calling the meeting. For the purpose of determining members entitled to notice of, or to vote at, any meeting of the members of the Association, or in order to make a determination of the members for any other purpose, the Board shall be entitled to rely upon the member register as same exists seven (7) days prior to the giving of the notice of any meeting, and the Board shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so. Notwithstanding the foregoing, if a Lot is owned by more than one person or an entity, only one notice shall be required to be given with respect to the Lot, which may be given to any co-owner as defined in Paragraph 3.03(b) of these Bylaws. Notice to any member or co-owner shall be sent to the Lot of such member or co-owner, unless the Lot owner(s) of the Lot otherwise request.

4.04 Waiver of Notice. Whenever any notice is required to be given to any member under the provisions of the Articles or these Bylaws, or as otherwise provided by law, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

4.05 Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other business shall be held within the month of January of each year.

4.06 Special Meetings. Special meetings of the members may be called at any time by any director, the president, or at the request in writing, of not less than twenty-five percent (25%) of the members, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting. Notice of any special meeting shall be given by the secretary, or other officer of the Association, to all of the members within thirty (30) days after same is duly called and the meeting shall be held within forty-five (45) days after same is duly called.

4.07 Adjournments. Any meeting may be adjourned or continued by a majority vote of the members present in person or by proxy and entitled to vote, or if no member entitled to vote is present, then any officer of the Association may adjourn the meeting from time to time. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting.

4.08 Organization. At each meeting of the members, the president, the vice president, or any person chosen by a majority of the members present, in that order, shall act as chairman and secretary, respectively, of the meeting.

4.09 Order of Business. The order of business at the annual meetings of the members shall be:

- (a) Determination of chairman of the meeting;
- (b) Calling of the roll and certifying of proxies;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Reading and disposal of any unapproved minutes;
- (e) Determination of number of directors;
- (f) Election of directors;
- (g) Reports of directors, officers or committees;
- (h) Unfinished business;
- (i) New business and
- (j) Adjournment.

4.10 Minutes The minutes of all meetings of the members shall be kept in books available for inspection by the members or their authorized representatives, and the directors, at any reasonable time.

4.11 Actions without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the members of the Association may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof.

5. DIRECTORS

5.01 Number, Qualification, Powers. The property, business, and affairs of the Association shall be managed by a Board of Directors of not less than three (3) nor more than nine (9) directors. All of the duties and powers of the Association existing under the Declaration of C Covenants the Articles and these Bylaws shall be exercised exclusively by the Board, its agents, contractors or employees, subject to approval by the members only when specifically required. Directors are not required to be members of the Association. So long as the Declarant is entitled to appoint any director pursuant to Paragraph 5.02 hereof, the number of directors will be determined, and may be changed from time to time, by the Declarant by written notice to the Board. After the Declarant is no longer entitled to appoint any director, the number of directors shall be initially seven (7). This may be changed at any meeting where the members are to elect any directors (i) by the then existing Board, if prior to such meeting of the members the Board votes to change the number of directors and such change is indicated in the notice of the meeting sent to the members or (ii) by the members at the meeting prior to the election of directors. If the number of directors on the Board is not changed then the number of directors shall be the same as the number on the Board prior to such meeting (plus any unfilled vacancies created by the death, resignation or removal of a director). In any event, there shall always be an odd number of directors. Two of the members of the Board shall automatically be the President and Vice-President from the previous year. These two Board members do not have to be voted in by the membership. The membership shall vote on the remaining five Board members, or such other number as is determined.

5.02 Declarant Control. The Declarant shall have the right to appoint all of the directors through December 13, 2000. The Declarant may waive its right to elect one or more directors by written notice to the Association, and thereafter such directors shall be elected by the members. After December 13, 2000, the directors shall be determined as provided in these Bylaws.

5.03 Election of Directors by Members. Election of directors by the members of the Association shall be conducted in the following manner:

(a) Within thirty (30) days after the members other than the Declarant are entitled to elect any directors, or within sixty (60) days after the Declarant notifies the Association that it waives its right to appoint one or more directors, the Association shall call a special meeting of the members to elect five (5) directors, with the required seven (7) days notice.

(b) Except as provided above, the members shall elect directors at the annual members' meetings.

(c) Prior to any special or annual meeting at which directors are to be elected by the members, the existing Board may nominate a committee, which committee shall nominate

one person for each director to be elected by the members on the basis that the number of directors to serve on the Board will not be altered by members at the members' meeting. Nominations for additional directorships created at the meeting shall be made from the floor and other nominations may be made from the floor.

(d) The election of directors by the members shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each member voting being entitled to cast his vote or votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

(e) In the event of a tie in the vote, there shall be a run-off election among only those nominees who are tied for such remaining positions as are not filled by the election.

5.04 Term of Office. All directors elected by the members shall hold office until the next annual meeting of the members and until their successors are duly elected, or until such director's death, resignation or removal, as hereinafter provided or as otherwise provided by statute.

5.05 Organizational Meeting. The newly elected Board shall meet for the purposes of organization, the election of officers, and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

5.06 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time by a majority of the directors.

5.07 Special Meetings. Special meetings of the Board may be called by any director, or by the president, at any time.

5.08 Notice of Meetings. Notice of each meeting of the Board shall be given by the secretary or by any other officer or director which notice shall state the day, place and hour of the meeting. Notice of such meeting shall be delivered to each director either personally or by telephone or telegraph, at least forty-eight (48) hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, addressed to such director at his residence, or usual place of business, at least three (3) days before the day on which such meeting is to be held. Notice of a meeting of the Board need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting for the Board need be specified in any notice or waiver of notice of such meeting.

5.09 Quorum and Manner of Acting. A majority of the directors shall constitute a quorum for the transaction of any business at a meeting of the Board. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board,

unless the act of a greater number of directors is required by statute, the Declaration of Covenants, the Articles or by these Bylaws. A director may join hi written concurrence in any action taken at a meeting of the Board but such concurrence may not be sued for the purpose of creating a quorum.

5.10 Adjourned Meetings. A majority of the directors present at a meeting, whether or not a quorum exists, may adjourn any meeting to the Board to another place and time. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment, and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.11 Presiding Officer. The presiding officer of the Board meetings shall be the chairman of the Board if such an officer is elected; and if none, the president of the Association shall preside. In the absence of the presiding officer, the directors shall designate one of their members to preside.

5.12 Order of Business. The order of business at a Board meeting shall be:

- a) Calling of roll;
- (b) Proof of due notice of meeting;
- (c) Reading and disposal of any unapproved minutes;
- (d) Reports of officers and committees;
- (e) Election of officers;
- (f) Unfinished business;
- (g) New business and
- (h) Adjournment

5.13 Minutes of Meetings. The minutes of all meetings of the Board shall be kept in a book available for inspection by the members of the Association, or their authorized representative and the directors at any reasonable time.

5.14 Committees. The Board may, by resolution duly adopted, appoint committees. Any committee shall have and may exercise such powers, duties, and functions as may be determined by the Board from time to time, which may include any powers which may be exercised by the Board and which are not prohibited by law from being exercised by a committee.

5.15 Resignation. Any director any resign at any time by giving written notice of his resignation to another director or officer Any such resignation shall take effect at the time

specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective

5.16 Removal of Directors. Directors may be removed as follows:

(a) Any director other than a director appointed by the Declarant may be removed by majority vote of the remaining directors, if such director (i) has been absent for the last three (3) consecutive Board meetings and/or adjournments and continuances of such meetings; or (ii) is an Owner and has been delinquent for more than thirty (30) days after written notice in the payment of Assessments or other monies owed to the Association.

(b) Any director other than a director appointed by the Declarant may be removed with or without cause by the vote of a majority of the members of the Association at a special meeting of the members called by not less than twenty-five percent (25%) of the members of the Association expressly for this purpose. The vacancy on the Board caused by any such removal may be filled by the members at such meeting or, if the members shall fail to fill such vacancy, by the Board, as in the case of any other vacancy on the board.

5.17 Vacancies.

(a) Vacancies in the Board may be filled by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director, and a director so chosen shall hold office until the next annual election and until his successor is duly elected, unless sooner displaced. If there are no directors, then a special election of the members shall be called to elect the directors.

(b) In the event the Association fails to fill vacancies on the Board sufficient to constitute a quorum in accordance with these Bylaws, any Lot Owner may apply to the Superior Court of Cherokee County Georgia, for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Superior Court, the Lot Owner shall mail to the Association a notice describing the intended action giving the Association the opportunity to fill the vacancies. If during such time the Association fails to fill the vacancies, the Lot Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all powers and duties of a duly constituted member of the Board and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

5.18 Directors Appointed by the Declarant. Notwithstanding anything contained herein to the contrary, the Declarant shall have the right to appoint the maximum number of directors in accordance with the privileges granted it pursuant to Paragraph 5.02 hereof. All directors appointed by the Declarant shall serve at the pleasure of the Declarant, and the Declarant shall have the absolute right, at any time, and in its sole discretion, to remove any director appointed by it, and to replace such director with another person to serve on the Board. Replacement of any director appointed by the Declarant shall be made by written instrument delivered to any officer or any other director, which instrument shall specify the name of the person designated as successor director. The removal of any director and the designation of his successor by the Declarant shall become effective immediately upon delivery of such written

instrument by the Declarant.

5.19 Compensation. The Directors shall not be entitled to any compensation for service as Directors unless the members approve such compensation, provided however, the Association may reimburse any Director for expenses incurred on behalf of the Association without approval of the members.

6. OFFICERS.

6.01 Members and Qualifications The officers of the Association shall include a president, a vice president, a treasurer, and a secretary, all of whom shall be elected by the directors and may be preemptively removed from office with or without cause by the Directors. Any person may hold two or more other except that the president shall not also be the secretary. The Board may, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be appropriate to manage the affairs of the Association from time to time. Each officer shall hold office until the meeting of the Board following the next annual meeting of the members, or until his successor shall have been duly elected and shall have qualified, or until his death, resignation or removal as provided in these Bylaws.

6.02 Resignations. Any officer may resign at any time by giving written notice of his resignation to any director or officer. Any such resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.03 Vacancies. A vacancy in any office whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these Bylaws for the regular election or appointment of such office.

6.04 The President. The president shall be the chief executive officer of the Association. The president shall have all of the powers and duties which are usually vested in the office of president of an association or corporation including, but not limited to, the power to appoint committees from among the members from time to time, as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association. The President shall also serve as a Board Member in the year after his or her term of office expires.

6.05 The Vice President. The vice president shall, in the absence or disability of the president, exercise the powers and perform the duties of the president. The vice president shall also assist the president generally and exercise such other powers and perform such other duties as may be prescribed by the directors. The Vice President shall also serve as a Board Member in the year after his or her term of office expires.

6.06 The Secretary. The secretary shall prepare and keep the minutes of all proceedings of the directors and the members. The secretary shall attend to the giving and service of all notices to the members and directors and other notices required by law. The secretary shall have custody of the seal of the Association and affix the same to instruments

requiring a seal when duly executed. The secretary shall keep the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of the secretary of an association, and as may be required by the directors or the president.

6.07 The Treasurer The treasurer shall have custody of all property of the Association, including funds securities, and evidences of indebtedness. The treasurer shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board for examination at reasonable times. The treasurer shall submit a Treasurer's Report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. The treasurer shall collect all Assessments and shall report to the Board the status of collections as requested.

6.08 Compensation. The officers shall not be entitled to compensation. However, this provision shall not preclude the Board from employing a director or an officer as an employee of the Association and compensating such employee, nor shall they preclude the Association from contracting with a director for the management of property subject to the jurisdiction of the Association, or for the provision of services to the Association, and in either such event, to pay such director a reasonable fee for such management or provision of services.

7. INDEMNIFICATION AND INTERESTED PARTIES.

7.01 Indemnification

(a) The Association shall indemnify those persons whom it is entitled to indemnify under Sections 14-3-110 and 14-2-156 (a) through (i) of the Official Code of Georgia Annotated (the "Code"), for those amounts authorized under said statutory provisions; provided, however, indemnification shall only be made upon compliance with the requirements of such statutory provisions and only in those circumstances in which indemnification is authorized under those provisions: provided further, however, the members of the Association may approve additional indemnifications and advancements of expenses, or both pursuant to Section 14-2-156(f) of the Code.

(b) The Association may purchase and maintain insurance on behalf of those persons for whom it is entitled to purchase and maintain insurance under Section 14-2-156(g) of the Code against any liability asserted against such persons and incurred by such persons in any capacity as described in said statutory provisions, or arising out of such persons' status as described in such statutory provisions, whether or not the Association would have the power to indemnify such persons against such liability under the laws of the State of Georgia.

(c) If any expenses or other amounts are paid by way of indemnification, otherwise than by court order, action by the members or by an insurance carrier pursuant to insurance maintained by the Association, the Association shall provide notice of such payment in accordance with Section 14-2-156(h) of the Code and in the manner specified in Section 14-2-113 of the Code.

(d) Pursuant to Section 14-2-156(j) of the Code, the indemnification and advancement of expenses provided by or granted pursuant to this Paragraph 7.01 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a

director, officer employee or agent of the Association and shall inure to the benefit of the heirs, executors, and administrators of such person. The provisions of this Paragraph 7.01 shall be applicable to any of those proceedings described in Section 14-2-156 of the Code commenced or continuing after the adoption of this Paragraph 7.01, whether arising from actions or omissions occurring before or after such adoption.

(e) Any advance or advances provided for hereunder shall be advanced within twenty (20) days after the receipt by the Association of a statement or statements from the person requesting such advance or advances from time to time whether prior to or after final disposition of those proceedings described in Section 14-2-156 of the Code with such statement or statements reasonably evidencing the expenses incurred by such person and including the undertaking described in Section 14-2-156(e) of the Code. To obtain indemnification under this Paragraph 7.01 such person shall submit to the secretary of the Association a written request, including such documentation and information as is reasonably available to such person and reasonably necessary to determine whether and to what extent such person is entitled to indemnification. The determination of such person's entitlement to indemnification shall be made within a reasonable time after receipt by the Association of the written request for indemnification together with the supporting documentation for the same. The secretary of the Association shall, promptly upon receipt of such request for indemnification, advise the Board in writing that such person has requested indemnification.

8. FINANCES AND ASSESSMENTS.

8.01 Assessment Roll. The Association shall maintain an Assessment Roll for each lot, designating the name and current mailing address of the Owner, the amount of each Assessment against such Owner, the dates and amounts in which the Assessments come due, the amounts paid upon the account of the Owner, and the balance due.

8.02 Depositories. The funds of the Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, directors or other persons as may be designated by the Board.

8.03 Application of Payments and Co-mingling of Funds. All sums collected by the Association from Assessments may be co-mingled in a single fund or divided into more than one fund, as determined by the Board.

8.04 Accounting Records and Reports. The Association shall maintain accounting records according to good accounting practices. The records shall be open to inspection by Owners or their authorized representatives, at reasonable times. The records shall include, but not be limited to, (i) a record of all receipts and expenditures, and (ii) the Assessment Roll of the members referred to above. The Board may, and upon the vote of a majority of the members at any meeting at which a quorum is present, shall, conduct a review of the accounts of the Association by a public accountant, and if such a review is made, a copy of the report shall be furnished to each member or their authorized representative, within fifteen (15) days after same is completed.

8.05 Reserves. The budget of the Association shall provide for a reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the Subject Property which the Association is obligated to maintain.

8.06 Capital Expenditures. The Board may not spend more than \$10,000 for any project or capital improvement without the approval of a majority of members at any meeting at which a quorum is present.

9. PARLIAMENTARY RULES

9.01 Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with any Declaration of Covenants, the Articles or these Bylaws.

10. AMENDMENTS.

10.01 Amendment of Articles. Amendments to the Articles shall be proposed and adopted in the following manner:

(a) A majority of the Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be the annual or a special meeting.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote thereon within the time and in the manner provided in these Bylaws for the giving of notice of a meeting of the members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of the meeting.

(c) At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of at least two-thirds (2/3) of the votes of the entire membership of the Association.

(d) Any number of amendments may be submitted to the members and voted upon by them at any one meeting.

(e) If all of the directors and all of the members eligible to vote, sign a written statement manifesting their intention that an amendment to these Articles be adopted, then the amendment shall thereby be adopted as though the above requirements have been satisfied.

(f) No amendment to these Articles shall be made which discriminates against any Owner(s), or affects less than all of the Owners within the Property, without the written approval of all of the Owners discriminated against or affected

(g) Upon the approval of an amendment to these Articles, the Articles of Amendment shall be executed and delivered to the secretary of State of Georgia as provided by law.

10.2 Amendment of Bylaws Except otherwise provided, these Bylaws may be amended in the following manner:

(a) A resolution for the adoption of the proposed amendment shall be adopted either: (i) by unanimous vote of all of the directors; or (ii) by not less than a majority of the votes of the entire membership of the Association. Any amendment approved by the members may provide that the Board may not further amend, modify or repeal such amendment.

(b) Notwithstanding anything contained herein to the contrary, so long as the Declarant is entitled to appoint a majority of the directors, the Declarant shall have the right to unilaterally amend these Bylaws without the joinder or approval of the Board or any member, and so long as the Declarant owns any Lot, no amendment to these Bylaws shall be effective without the written approval of the Declarant.

(c) No amendment shall make any changes in the qualifications for membership nor in the voting rights or property rights of members without approval by all of the members. No amendment shall be made that is in conflict with the Declaration of Covenants or the Articles. Prior the closing of the sale of all Lots, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the Declarant, unless the Declarant shall join in the execution of the amendment, including, but not limited to, any right of the Declarant to appoint directors.

(d) No amendment to these Bylaws shall be made which discriminates against any Owners without the written approval of all of the Owners so discriminated against or affected.

11. DISSOLUTION. In the event of dissolution or final liquidation of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non – profit corporation, association trust or other organization, to be devoted to purposes as nearly as practicable to those to which they were required to be devoted by the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the Declaration of Covenants unless made in accordance with the provisions of the Declaration of Covenants.

12. MISCELLANEOUS.

12.01 Tenses and Genders. The use of any gender or of any tense in these Bylaws shall refer to all genders or to all tenses, wherever the context so requires.

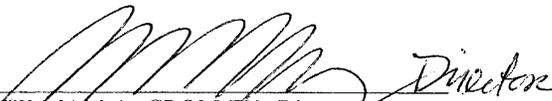
12.02 Partial Invalidity. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, remain in full force and effect.

12.03 Conflicts. In the event of any conflicts, the Declaration of Covenants, the Articles, and these Bylaws shall govern in that order.

12.04 Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define limit or describe the scope of these Bylaws or the intent of any provisions hereof.

12.05 Waiver of Obligations. The failure of the Board or any officers of the Association to comply with any terms and provisions of the Declaration of Covenants, the Articles or these Bylaws which relate to time limitations shall not, in and of itself invalidate the act done or performed. Any such failure shall be waived if it is not objected to by a member of the Association within ten (10) days after the member is notified or becomes aware, of the failure. Furthermore, if such failure occurs at a general or special meeting the failure shall be waived as to all members who received notice of the meeting or appeared and failed to object to such failure at the meeting.

The foregoing was adopted as the Bylaws of the Association on the 13th day of December, 2000.

By:  Director
WILLIAM A. CROLLEY, Director

By:  Director
JARRELL C. BRANTLEY, Director

By:  Director
REBECCA A. MARTIN, Director
