

BYLAWS
of the
VINEYARDS HOMEOWNERS ASSOCIATION, INC.

(Effective Date: October 1, 1999)



BYLAWS TABLE OF CONTENTS

Article I : Name, Membership, Applicability, and Definitions	Page
Section 1. Name.....	1
Section 2. Membership.....	1
Section 3. Applicability.....	1
Section 4. Definitions.....	1
 Article II : Association Meetings, Quorum, Voting, and Proxies	
Section 1. Place of Meetings.....	2
Section 2. Annual Meetings.....	2
Section 3. Special Meetings.....	2
Section 4. Notice of Meetings.....	2
Section 5. Waiver of Notice.....	3
Section 6. Adjournment of Meetings.....	3
Section 7. Voting.....	3
Section 8. Proxies.....	3
Section 9. Quorum.....	4
Section 10. Action by Written Ballot.....	4
 Article III : Board of Directors, Number, Powers, Meetings	
<u>A. Composition and Selection</u>	
Section 1. Governing Body: Composition.....	5
Section 2. Election and Term of Office.....	5
Section 3. Nomination of Directors.....	6
Section 4. Removal of Directors.....	6
Section 5. Vacancies.....	7
 <u>B. Board Meetings</u>	
Section 6. Organization Meetings.....	7
Section 7. Regular Meetings.....	7
Section 8. Special Meetings.....	7
Section 9. Waiver of Notice.....	8
Section 10. Quorum of Board of Directors.....	8
Section 11. Compensation.....	8
Section 12. Open Meetings	9
Section 13. Executive Session.....	9
Section 14. Action Without a Formal Meeting.....	9
Section 15. Telephonic Participation.....	9

C. Powers and Duties

Section 16. Powers..... 9
Section 17. Management Agent..... 11
Section 18. Borrowing..... 11
Section 19. Liability and Indemnification of Directors and Officers..... 11

Article IV : Board Officers

Section 1. Officers..... 12
Section 2. Election, Term of Office, and Vacancies.....12
Section 3. Removal..... 13
Section 4. President.....13
Section 5. Vice-President.....13
Section 6. Secretary..... 13
Section 7. Treasurer.....13
Section 8. Additional Officers..... 14
Section 9. Resignation.....14

Article V : Committees.....14

Article VI: Rule Making and Enforcement

Section 1. Authority and Enforcement..... 15
Section 2. Fining and Suspension Procedure15

Article VII : Miscellaneous

Section 1. Fiscal Year..... 17
Section 2. Parliamentary Rules17
Section 3. Conflicts17
Section 4. Books and Records.....17
Section 5. Financial Review.....18
Section 6. Amendment.....18

BYLAWS OF THE
VINEYARDS HOMEOWNERS ASSOCIATION, INC.

Article I :

Name, Membership, Applicability, and Definitions

Section 1. Name. The name of the association shall be the "Vineyards Homeowners Association, Inc." (hereinafter referred to as the "**Association**").

Section 2. Membership. The Association shall have one class of membership. Every person who is the record owner of a fee or undivided fee interest in any lot that is subject to the Declaration of Conditions, Reservations, Restrictions, and Protective Covenants for the Vineyards Development (such Declaration, as amended, renewed, or extended from time to time is hereinafter referred to as the "**Declaration**"), shall be deemed to have a membership in the Association. The foregoing is not intended to 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. No owner, whether one or more persons, shall have more than one (1) membership per lot. In the event of multiple owners of a lot, votes and rights of use and enjoyment shall be as provided in the "Declaration" and in these Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be cast nor office held for each lot owned.

Section 3. Applicability. These Bylaws provide for the self government of the Association in accordance with the Articles of Incorporation and the Declaration, which are recorded in the Office of the Clerk of the Superior Court of Forsyth County, Georgia and with the "Georgia Property Owners' Association Act" O.C.G.A. S 44 - 3 - 220, et seq., dated July 1, 1994.

Section 4. Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

Effective Date: October 1, 1999

Article II : Association Meetings, Quorum, Voting, and Proxies

Section 1. Place of Meetings. Meetings of the Association shall be held at such suitable place convenient to the members as may be designated by the Board of Directors (hereinafter referred to as the "**Board**"), either in the Vineyards Development or as convenient thereto as possible and practical.

Section 2. Annual Meetings. The Board shall set the Association's regular annual meeting so as to occur no later than sixty (60) days after the close of the "Association's" fiscal year, which is December 31.

Section 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association, if so directed by resolution of the Board of Directors or upon a petition signed by at least twenty-five percent (25%) of the total eligible vote of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Association Secretary to mail or to cause to be delivered to the owner of each lot (as shown in the Association's records) a notice of each annual or special meeting of the Association stating the purpose, time and place where the meeting is to be held, and in the notice of a special meeting, the purpose thereof. If an owner wishes notice to be given at an address other than his or her lot, such owner shall designate by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than 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.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the members shall be

Effective Date: October 1, 1999

deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waived by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum (as defined in Section 9) is not present, a majority of the members who are present at such meeting, either in person or by proxy, should adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such a rescheduled meeting, at which a quorum is present, any business, which was to have been transacted at the original meeting, shall be transacted without change of agenda.

Section 7. Voting. Members shall be entitled to one (1) vote for each lot owned. When more than one (1) person holds an ownership interest in any lot, the vote for such lot shall be exercised as those owners themselves determine and advise the Secretary prior to any meeting. In the absence of such advice, the lot's vote shall be suspended in the event more than one (1) person seeks to exercise it. No owner shall be eligible to vote, either in person or by proxy or to be elected to the Board of Directors, 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 Bylaws or any Rule of the Association. If the voting rights of the owner have been suspended, that owner shall not be counted as an eligible vote for the purpose of establishing a majority or a quorum.

Section 8. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of such member's lot, or upon receipt of notice

by the Secretary of the death or judicially declared incompetence of a member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 9. Quorum. At the initial meeting called, the presence, in person or by proxy, of at least one-third (1/3) of the total eligible Association vote shall constitute a quorum of Association Members. If a quorum is present, an affirmative vote of a majority of the votes represented at the meeting and entitled to vote on the subject matter shall be sufficient to pass said matter unless a greater percentage is required by these Bylaws, the Declaration, the Articles or the Georgia Nonprofit Corporation Code. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) or less than five (5) days following the preceding meeting. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 10. Action by Written Ballot. Any action to be taken at any annual, regular or special meeting of members may be taken without a meeting, if approved by written ballot as provided herein. The Association shall deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot of any action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the subject 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 indicate: (a) the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve such matter other than the election of directors and (c) specify the time by which a ballot must be

received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked without the consent of the Board of Directors. The results of each action by written ballot shall be certified by the Secretary and included in the Association's permanent meeting minutes.

Article III :

Board of Directors, Number, Powers, Meetings

A. Board Composition and Selection:

Section 1. Governing Body; Composition. The affairs of the Association shall be administered and governed by a Board of Directors composed of not less than five (5) nor more than seven (7) persons. The directors must reside in and be Lot Owners in the Vineyards Development and shall be members of the Association or spouses of such members; provided, however, no person and his or her spouse may serve on the Board at the same time, and no co-owners of lots may serve on the Board at the same time.

Section 2. Election and Term of Office.

(a) Election and term of office for the Board of Directors are such that approximately half the Board members are elected and begin serving their term in one year and the remaining members are elected and begin serving their term for the next year. This alternating election system allows for the staggered terms. At the expiration of the term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. The term of a new Director begins on January 1st. To help ensure continuity of the Board, elections shall be held such that the terms of service for the Directors are staggered. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association and replacement officers have been identified by the Board according to Article IV, Section 2 herein.

(b) Directors shall be elected by written ballot that shall be delivered or mailed to all

Effective Date: October 1, 1999

eligible Members of the Association. To facilitate new Directors beginning their terms on January 1st., voting for candidates will take place prior to the end of the year. Normally, ballots to elect new directors will be delivered or mailed to all eligible Members of the Association during November of the current year. Votes will be tallied and the results made known to the Association Membership during December. The newly elected Directors will assume and initiate their Board responsibilities January 1st. of the following year. All eligible candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes. Members of the Association may vote on all directors to be elected, and the candidates receiving the most votes shall be elected. In the event of a tie, a run-off election shall be conducted by ballot or at the annual meeting.

Section 3. Nomination of Directors. Directors shall be nominated by a nominating committee consisting of no less than five (5) members of the Association, to be appointed by the Board. The nominating committee will provide the Board with a list of candidates (no less than two (2) persons more than there are vacancies on the Board) prior to the written ballots being sent to the Homeowners. The written ballots, by which the directors are to be elected, shall include the names and addresses of the persons nominated by the nominating committee. The nominating committee shall count the votes at the December Board of Director's meeting.

Section 4. Removal of Directors. At any regular or special meeting of the Association duly called with a quorum present, any one (1) or more of the members of the Board of Directors may be removed, with or without cause, by Association vote and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the directors at a Board meeting, a quorum of Board Members being present.

Effective Date: October 1, 1999

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each person so selected shall serve for the remainder of the year in which their appointment occurs. The position will then be filled by election at the next annual meeting, for the unexpired term of the vacancy.

B. Board Meetings.

Section 6. Organization Meetings. The first meeting of the Board of Directors shall be held after January 1st. and prior to the annual meeting of the Membership at such time and place as shall be fixed by the Board.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

Section 8. Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President, or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: **(a)** by personal delivery; **(b)** written notice by first class mail, postage prepaid and sent at least five days before the time set for the meeting; **(c)** by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; **(d)** by telegram, charges prepaid; or **(e)** by commercial delivery service to such directors home or office. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices given by

Effective Date: October 1, 1999

personal delivery, telephone, or telegraph company shall be given at least forty-eight (48) hours before the time set for the meeting.

Section 9. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if **(a)** a quorum is present, and **(b)** either before, or after the meeting, the directors not present sign a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice of consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 10. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

Section 11. Compensation. No director shall receive any compensation from the Association or any other source for acting as such. However, any director may be reimbursed for his or her actual and lawful expenses incurred in the performance of his or her duties upon approval of such expenses by the Board of Directors.

Section 12. Open Meetings. All meetings of the Board shall be open to all Association members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

Section 13. Executive Session. The Board may adjourn a meeting and reconvene in private, 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 business to be considered in executive session shall first be

announced in open session.

Section 14. Action Without a Formal Meeting. Board action may be taken without a formal meeting of the directors, if a majority of the directors so consent, in writing, setting forth the action so taken. A report of such action shall be signed by all of the directors and delivered to the Secretary for inclusion in the meeting minutes of the Association's permanent records.

Section 15. Telephonic Participation. One(1)or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and those directors so participating shall be considered present at such meeting. Any such meeting at which a quorum participates shall constitute a regular meeting of the Board.

C. Powers and Duties.

Section 16. Powers. The Board of Directors shall be responsible for the management of the Association and shall have all of the powers and duties necessary for the lawful administration of the Association's affairs. The Board of Directors has the jurisdiction over all appointed committees. Any dispute arising out of committee action may be appealed to the Board for resolution. The Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation of the estimated next year Association expenses and adoption of an annual budget in which there shall be established the assessment(s) of each owner to provide for these Common Expenses; (The preparation of the next year estimated expenses, the new budget and the assessments shall be completed prior to the end of the current fiscal year.)

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment

payments, if any, of the annual assessment; (Notices of assessments shall be mailed to all Members by January 15 th.)

(c) providing for the operation, care, upkeep, and maintenance of all common areas, which is the maintenance responsibility of the Association;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association 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 bank depository, which it shall approve and using the proceeds to administer the Association;

(f) making and amending common area and recreation facility use restrictions and rules;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) enforcing by legal means the provisions of the Declaration, these Bylaws, the ACC Design Standards and the Rules and Regulations, adopted by the Association, and bring any lawful proceedings which may be instituted on behalf of or against the owners concerning the welfare of the Association;

(i) obtaining and carrying insurance on common areas, structures, and recreational facilities against casualties and liabilities and paying the premium cost thereof;

(j) paying the cost of all services rendered to the Association of its members, which are not directly chargeable to owners;

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

Effective Date: October 1, 1999

(I) contracting with any person for the performance of various duties and functions.

Section 17. Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause or penalty, upon thirty (30) days written notice.

Section 18. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Area, including the Recreational Facilities, without the approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed Five Thousand Dollars (\$5,000.00) outstanding debt at any one time.

Section 19. Liability and Indemnification of Directors and Officers. 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 a director, officer, or committee member at the time such expenses are incurred subject to the limitation below. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer, director, or committee member in the performance of his or her duties. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association

Effective Date: October 1, 1999

(except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director 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, including any right to indemnification outlined in the Georgia Nonprofit Corporation Code. The Association shall, as a common expense, maintain adequate general liability and, if obtainable, officers', and directors' liability insurance to fund this obligation.

Article IV : Board Officers

Section 1. Officers. The officers of the Association shall be a President, Vice-President, Secretary, Treasurer, and Assistant Treasurer and shall be elected from among the members of the Board of Directors.

Section 2. Election, Term of Office and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors and prior to the annual meeting of the Association Membership. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the year in which the vacancy shall occur. During the next annual written ballot vote for directors, the membership shall elect a director to fill the remainder of the term vacated.

Section 3. Removal. Any officer may be removed by a majority of the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all the general powers and duties, which are

Effective Date: October 1, 1999

incident to the office of the president of a corporation, organized under the Georgia Nonprofit Corporation Code, and, in addition, will serve as an exofficio member, without vote, on all committees.

Section 5. 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 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Georgia law. The Secretary shall keep updated membership records, be the keeper of the Corporate Seal, and certify to all legal documents. The Secretary will also serve as agent for the Association unless the Board designates someone else.

Section 7. 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 having prepared or 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 of Directors.

Section 8. Additional Officers. The Board of Directors shall have authority to create and to elect assistant officers when such need arises in the Board's opinion.

Section 9. Resignation. Any officer may resign at any time for any reason by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise

Effective Date: October 1, 1999

specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article V : Committees

Section 1. 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 of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Architectural Control Committee (ACC). Three (3) to five (5) members are appointed by the Board of Directors to serve a one-year term. The ACC has the responsibility and authority to enforce the latest issue of the Vineyards Design Standards. The ACC responsibilities and authority include establishing guidelines with respect to approval and / or disapproval of house and other structures design features, architectural styles, exterior colors and materials, details of construction, location and size of structures and all other matters that require approval by the ACC pursuant to the authority as provided for herein. Additional information pertaining to the authority and responsibilities of the ACC and guidelines for the Vineyards Design Standards is found in Section 5 of the Declaration.

Article VI:

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 Area; provided, copies of all such rules and regulations shall be furnished to all owners. Any rule or regulation may be repealed by the affirmative vote or written consent of a majority of the

Effective Date: October 1, 1999

total Association vote at an annual or special meeting of the membership. 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 Area for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted thereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from an Owner's Lot. The failure of the Board to enforce any provision of the Declaration, Bylaws 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 (a late charge shall not constitute a fine), suspend the right to vote or suspend the right to use the Common Area (unless an owner is more than thirty (30) days delinquent in any payment owed to the Association in which case the suspension of such rights shall be automatic) unless and until the following procedure is followed:

(a) Notice. Written notice shall be served upon the violator by first-class or certified mail sent to the last address of the member shown on the Association's records specifying:

(i) the nature of the violation, the suspension and / or fine to be imposed and the date, not less than fifteen (15) days from the date of the notice, that the recourse will take effect;

(ii) that the violator may, within ten (10) days from the date of the notice, request a hearing regarding the suspension and/or fine imposed;

(iii) the name, address, and telephone numbers of a person to contact to challenge the fine and/or suspension;

(iv) that any statements, evidence, and witnesses may be produced by the violator at

Effective Date: October 1, 1999

the hearing; and

(v) that all rights to have the suspension and/or fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

(b) **Hearing.** If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No suspension and/or fine shall be imposed prior to the date that is five (5) days after the date of the hearing.

Article VII : Miscellaneous

Section 1. Fiscal Year. The fiscal year shall be the calendar year.

Section 2. Parliamentary Rules, Roberts Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, these Bylaws, or a ruling made by the person presiding over the proceeding.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Georgia law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section 4. Books and Records.

Effective Date: October 1, 1999

(a) Inspection by members and mortgagees. The Declaration, these Bylaws, copies of rules and use restrictions, membership register, books of account, and minutes of meetings of the Membership and of the Board and of committees shall be made available for inspection and copying by any member and by holders, insurers, or guarantors of any first mortgage on any lot at any reasonable time and for a purpose reasonably related to such person's interest as a member or holder, insurer, or guarantor of a first mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extra copies of documents at the reasonable expense of the Association.

Section 5. Financial Review. A review of the books and records of the Association shall be made annually in the manner as the Board of Directors may decide; provided, however, after having received the Board's financial statements at the annual meeting, by a majority of the total Association vote, the members may require that the accounts of the Association be audited as a common expense by a Certified Public Accountant. Upon written request of any institutional holder of a first mortgage on any lot and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements within ninety (90) days of the date of the request.

Effective Date: October 1, 1999

Section 6. Amendment. These Bylaws may be amended by the Board of Directors **(a)** if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; **(b)** if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the lots subject to the Declaration; **(c)** if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the lots subject to the Declaration; or **(d)** if such amendment is necessary to enable any government agency or insurance company to insure or guarantee mortgage loans on the lots subject to the Declaration.

In addition, except where a higher vote is required for action under a particular provision of the Declaration, the Articles or the Georgia Nonprofit Corporation Code of Bylaws, in which case such higher vote shall be necessary to amend, these Bylaws may be amended by the affirmative vote or written consent, or any combination thereof, of at least two-thirds (2/3) of the total Association vote. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. Any amendment duly certified shall be conclusively presumed to have been duly adopted in accordance with the Declaration and these Bylaws.

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

Effective Date: October 1, 1999