
BYLAWS OF
WHITE COLUMNS NORTH COMMUNITY
ASSOCIATION, INC.

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BYLAWS

OF

WHITE COLUMNS NORTH COMMUNITY ASSOCIATION, INC.

Article 1

Identity

1.1. Name. The name of the corporation shall be White Columns North Community Association, Inc. (the "Association").

1.2. Principal Office. The Association's principal office shall be located in the State of Georgia at such place as shall be lawfully designated by its Board of Directors (the "Board").

1.3. Nonprofit Corporation. The Association shall be a nonprofit corporation under the provisions of the Georgia Nonprofit Corporation Code (the "Nonprofit Code").

1.4. Membership. The Association shall have one class of membership as set forth in the Master Declaration of Protective Covenants, Conditions and Restrictions for White Columns (the "Declaration"). Members shall all be Owners of fee title to Lots located in the North Neighborhood as defined in the Declaration. Only one (1) vote per Lot will be counted. If more than one (1) vote per Lot is submitted, neither vote will be counted.

1.5. Purpose. The Association shall operate as a Neighborhood Association as defined in the Declaration and Articles of Incorporation (the "Articles").

1.6. Definitions. The capitalized terms used herein shall have the same meaning as set forth in the Declaration, unless the context shall prohibit, or the Nonprofit Code. Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

Article 2

Powers And Duties of the Association and the Exercise Thereof

The Association shall have all powers granted to it by Georgia law, the Declaration, the Articles, and these Bylaws. All granted powers shall be exercised by the Board unless the exercise thereof is otherwise restricted in the Declaration, the Articles, or these By-laws.

Article 3

Meetings of the Members

3.1 Place of Meetings. Meetings of the Members ("Membership Meetings") shall be held in White Columns or at such other suitable place convenient to the members as may be designated by the Board.

3.2 Annual Meetings. An annual Membership Meeting shall be held for the purpose of receiving reports of officers and others; to elect Members (the "Directors") to serve on the Board; and to conduct such other business as may be properly brought before the meeting.

3.3 Special Meetings. The President or the Board may call special Membership Meetings. In addition, it shall be the duty of the President to call a special Membership Meeting upon the delivery of a petition signed and dated by Members representing at least ten percent (10%) of the Lots in the North Neighborhood and describing the purpose(s) for which it is to be held. The notice of any special Membership Meeting shall state the date, time, and place of such meeting and the purpose(s) thereof. No business shall be transacted at a special Membership Meeting other than those that are within the purpose(s) described in the notice.

3.4 Record Date. The Board shall fix in advance a record date for the identification and determination of Members entitled to notice of any Membership Meeting or any adjournment thereof, or to make a determination of the Members for any other purpose. The Board shall set the record date not more than seventy (70) days nor less than fifteen (15) days prior to the date on which the particular action requiring such determination of Members is to be taken.

3.5 Notice of Meetings. It shall be the duty of the Secretary or such other agent of the Board or as required by these Bylaws to mail or to cause to be delivered to each Member (as shown in the records of the Association as of the record date) a written notice of each Membership Meeting stating the date, time, place where it is to be held, and to the extent required by the Nonprofit Code or other applicable law (the "Governing Law"), the purpose(s) thereof. Such notice shall be delivered personally; sent prepaid by United States mail; delivered using an overnight delivery service when required by the Governing Law; or sent by electronic transmission in accordance with the Nonprofit Code to all Members of record at the address shown in the Association's records. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by notice in writing to the Secretary such other address. Notices shall be mailed or delivered not less than ten (10) days (or if notice is mailed by other than first-class or registered mail, thirty (30) days) nor more than sixty (60) days in advance of any Membership Meeting. If any Membership Meeting is adjourned to a different date, time or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If, however, a new record date is or must be fixed under the Governing Law, notice of the adjourned meeting shall be given to persons who are Members of record as of the new record date.

3.6 Waiver of Notice. Waiver of notice of a Membership Meeting shall be deemed the equivalent of proper notice. Any Member may, in writing or by electronic transmission signed by the Member entitled to notice and delivered to the Secretary for inclusion in the minutes for filing with the Association's records, waive notice of any Membership Meeting, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed waiver by such Member of lack of notice or defective notice, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order.

3.7 Adjournment of Meetings. If any Membership Meeting cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may 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 the reconvened meeting, any business which might have been transacted at the meeting originally called may be transacted. Notice of the time and place for reconvening the meeting shall be given to the Members in accordance with these Bylaws.

3.8 Membership List. After the record date for any meeting is established by the Board, the Secretary shall prepare an alphabetical list of the names and addresses of all of the Members who are entitled to notice of the meeting. Beginning at least two (2) business days after notice is given of the meeting for which the

list was prepared, the list of Members shall be available for inspection by any Member or a Member's agent or attorney: (1) on a reasonably accessible electronic network, provided that the information required to gain access to such list is included with the notice of the meeting or upon requestor or at any other reasonable place as may be specified in the notice in the city where the meeting will be held. In the event that the Association makes the list available on an electronic network, the Association shall take reasonable steps to ensure that such information is available only to Members of the Association. In addition, the list shall be available for inspection at the meeting or any adjournment thereof.

3.9 Management of Membership Votes. For every vote to be taken by the Members, the Board shall utilize the services of the Association's property management company in conducting such votes to the extent possible under the terms of their contract with the North Association. These services shall include, but not be limited to, the notice process, the acceptance of proxies and written ballots, tabulating the votes, and announcing the outcome of the voting. The use of commercially available voting software is permissible so long as such software complies with the requirements of the Nonprofit Code, the Declaration, the Article, and these Bylaws. To be valid, all proxies and written ballots must be delivered directly to the Association's property management company.

3.10 Voting. When a quorum is present at any original Membership Meeting, a majority of the votes present, whether in person or by proxy, shall decide any question brought before the meeting, unless the Declaration, the Articles, these Bylaws, or any Governing Law provides otherwise. When a Membership Meeting is adjourned and reconvened in accordance with section 3.8 of these Bylaws, a majority of those present at such reconvened meeting, where a quorum is present whether in person or by proxy, shall decide any question brought before the meeting, unless the Declaration, the Articles, these Bylaws, or any Governing Law provides otherwise.

3.11 Proxies. At all Membership Meetings, each Member may vote in person or by proxy. All proxy appointment forms shall be in writing, signed either personally, conformed or electronically, dated, and filed with the Association's property management company before the appointed time of each meeting. An electronic transmission must contain or be accompanied by information acceptable to the Board from which it can be determined that the Member, the Member's agent, or the Member's attorney-in-fact authorized the electronic transmission. Proxies may be delivered personally, by United States mail, or electronic transmission. Every proxy shall be revocable and shall automatically cease upon the (i) receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, (ii) conveyance by the Owner of its Lot; (iii) receipt of a written revocation signed by the Member; (iv) attendance by the Member and voting in person at any meeting, or (v) the expiration of eleven (11) months from the date of the proxy appointment form. Further, if proxy forms are sent to Members as part of the voting process, the proxy forms may not indicate a position of the Board on the matters to be voted upon.

3.12 Quorum. The presence, in person or by proxy, of Members entitled to cast at least twenty-five percent (25%) of the votes entitled to be cast at any Membership 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.

3.13 Action By Written Ballot. Any action that may be taken at any Membership Meeting may be taken without a meeting if approved by ballot in writing or by electronic transmission as provided herein. The Association shall deliver a ballot in writing or by electronic transmission to each Member entitled to vote on the matter. The ballot in writing or by electronic transmission shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by ballot in

writing or electronic transmission shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of Directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely ballot in writing or by electronic transmission received by the Association may be revoked if done so prior to the Membership Meeting. Approval by ballot in writing or by electronic transmission of an 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 matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Article 4 Board of Directors

4.1 Composition. The affairs of the Association shall be governed by its Board. Directors shall be natural persons who are eighteen (18) years of age or older. Each Director must reside in the White Columns North Neighborhood and be a Member or the spouse of a Member.

4.2 Initial Board of Directors. The initial Directors on the Board shall be as set forth in the Articles and shall serve until the close of the Annual Membership Meeting, at which a quorum is present, required to be called as in these Bylaws for the purpose of electing the first regular members of the Board. This special meeting shall be held, if possible, within ninety (90) days of the recording of the Seventeenth Amendment in the Fulton County, Georgia records. Individuals serving on the Initial Board may run for election as regular Board members. Directors shall be elected as provided for in these Bylaws. Should there be no quorum at special Membership Meeting, members of the Initial Board shall continue in office until their successors have been elected or a Board member has otherwise been replaced as provided in these Bylaws.

4.3 Number of Directors. The Board shall have seven (7) Directors, all of whom shall serve at large.

4.4 Nomination of Directors. The Board shall put out a call for nominations for Directors at least sixty (60) days prior to a Membership election. Members who meet the qualifications to be a Director shall nominate themselves and must submit their nomination along with a biography to the Board no later than forty (40) days prior to the election. Notice of a Membership Meeting where the election of Directors shall occur must be provided at least thirty (30) days prior to the meeting and must include the names and biographies of the candidates, the positions the candidates are running for, the time, date and location of the meeting and any other pertinent information or information required by these Bylaws and the Nonprofit Code. Each candidate shall be provided with the same opportunities to use the Association's social media to campaign for their position. Candidates shall not be permitted to collect ballots directly from the other Members. Each Directorship shall be elected independent of other Directorships, and candidates shall not be listed or considered to be running as a combined group of candidates. Neither the Board nor anyone purporting to speak on behalf of the Board may endorse any candidate or group of candidates.

4.5 Election and Term of Office. The three (3) candidates receiving the highest vote totals shall serve two-year terms, and the next four (4) candidates receiving the next highest vote totals shall serve one-year terms. Going forward, the candidates elected upon the expiration of a Director's term will serve two (2) year terms. All eligible Members of the Association may vote on all Directors to be elected. If there is a tie vote, the winner shall be determined by a run-off election between those candidates which are tied.

Cumulative voting is not permitted. Notwithstanding anything herein to the contrary, the members of the Board shall continue in office until their respective successors shall have been elected and take office.

4.6 Removal of Directors. At any Membership Meeting, one (1) or more of the members of the Board may be removed, with or without cause, if approved during the meeting by the Owners of at least fifty-one (51%) of the total number of Lots in the North Neighborhood. A Director whose removal has been proposed shall be given an opportunity to be heard at the meeting, after which the vote may be taken. Additionally, any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment or other charges for more than thirty (30) days may be removed by a majority vote of the remaining Directors, whether or not quorum can be achieved.

4.7 Vacancies. Vacancies on the Board caused by any reason shall be filled by a vote of the majority of the remaining Directors. Each Person so selected shall serve the unexpired portion of the term.

4.8 Organization Meetings. The first meeting of all newly elected Boards shall be held within ten (10) days after the election at such time and place as the Directors may conveniently assemble.

4.9 Regular Meetings. Regular meetings of the Board shall be held at such time and place as shall be determined from time to time by the Board, provided that at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. The Annual Membership Meeting shall not constitute a regular meeting. Notice of the time and place of all regularly scheduled Board meetings shall be communicated to the Directors not less than ten (10) days prior to the meeting.

4.10 Special Meetings. Special meetings of the Board shall be held when requested by the President, Vice President or by any two (2) Directors. The notice shall specify the date, 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 (including commercial delivery service) to such Director's home or office; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to the Director's home or office; or (d) issued electronically in accordance with the Nonprofit Code, if the Director has consented in writing to such method of delivery and has provided the Board with an email address regarding the same. All such notices shall be given or sent to the Director's address, email address regarding the same. All such notices shall be given or sent to the address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the United States Postal Service at least four (4) days before the date of the meeting. Notices given by personal delivery, electronic transmission or telephone shall be given at least two (2) days before the day of the meeting.

4.11 Waiver of Notice. The business transacted at any meeting of the Board, 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, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes either in writing or by electronic transmission which is included in the minutes or filed with the official records of the Association. The waiver of notice or 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.

4.12 Quorum of Board of Directors. At all meetings of the Board, a majority of all the Directors then in office 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. If any meeting

of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

4.13 Compensation. No Director shall receive any compensation from the Association for acting as such but shall be entitled to be reimbursed for documented expenses reasonably incurred on behalf of the Association.

4.14 Open Meetings. All Board meetings shall be open to all Members, but Members, other than Directors, may not participate in any discussion or deliberation unless expressly authorized to do so by the Board.

4.15 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

4.16 Action Without a Formal Meeting. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if one or more consents, in writing or by electronic transmission, setting forth the action so taken, shall be signed by a majority of all the Directors and delivered to the Secretary for inclusion in the minutes for filing in the corporate records. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

4.17 Participation in Meetings by Conference Communications. One or more Directors may participate in and vote during any meeting of the Board by conference communications equipment or any other means of communication by which all Directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

4.18 Powers. The Board shall be responsible for and have all of the powers and duties necessary for the administration of the Association's affairs, and, as provided by law, may do all acts and things other than those that the Declaration, the Articles, or these Bylaws directed to be done and exercised by the Members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) Adopting an annual budget in which there shall be established the annual contribution of each Member required to defray the expenses of the Association including the maintenance of the cash reserves.

(b) Making assessments; collecting the assessments, depositing the proceeds in interest-bearing accounts in a bank which it shall approve, and using the proceeds to administer the affairs of the Association.

(c) Providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association as determined by the Board, including maintenance or provision of services which are generally provided by a municipality, such as maintenance of grassed or landscaped areas along dedicated rights of-way, streetlights, and community signage.

(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) Establishing and enforcing Community-Wide Standards and other rules and regulations.

(f) Enforcing by legal means the provisions of the Declaration, these Bylaws, the Community-Wide Standards, and the other rules and regulations of the Association. Such enforcement power shall include, without limitation, the power to levy fines as provided herein and in the Declaration in such amounts as from time to time the Board may deem proper in the circumstances, counting each day a violation that continues after notice from the Board as a separate violation.

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

(h) Providing services to all areas that the Association is obligated to provide services for.

(i) Paying the cost of all services, if any, rendered to the Association or its Members which are not directly chargeable to Owners of particular Lots.

(j) Keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof and specifying the maintenance and repair expenses and any other expenses incurred.

(k) Borrowing money for the purpose of addressing an emergency caused by an act of God or requirement of law, where there are insufficient insurance proceeds available and insufficient reserves on hand, but not to exceed 10% of the current annual budget, and if more monies are needed, approval of a majority of the Members of the Association will be required.

(l) And contracting for or authorizing contracts on behalf of the Association for the performance of various duties and functions. The Board shall have the power to enter into common management agreements and other agreements with trusts, condominium associations, or other associations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

4.19 Management Agent. The Board may employ for the Association a professional management agent or agents at a compensation rate established by the Board to perform such duties and services as the Board 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 without penalty, upon sixty (60) days written notice.

Article 5

Officers

5.1 Officers. The officers of the Association shall be a Chief Executive Officer who shall be referred to as "President", Vice President, Secretary, and Chief Financial Officer who shall be referred to as "Treasurer." Any two (2) or more offices may be held by the same Person, excepting the offices of President and Secretary and the offices of President and Treasurer. All officers shall be elected from among the members of the Board.

5.2 Election, Term of Office, and Vacancies. The officers of the Association shall be appointed annually by the Board at the first meeting of the Board following the election of the Directors. A vacancy

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

5.3 Additional Officers and Agents. The Board may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

5.4 Salaries. The officers shall receive no compensation.

5.5 Removal. Any officer may be removed, with or without cause, by a majority vote of the Board.

5.6 President. The President shall be the Chief Executive Officer of the Association and shall (a) preside over all Membership and Board meetings, (b) call Membership and Board meetings, (c) sign, with the Secretary or Treasurer if the Board so requires, all checks, contracts, promissory notes, leases, subleases, and other instruments on behalf of the Association, except those which the Board specifies may be signed by other persons, (d) perform all acts and duties usually required of a Chief Executive Officer including maintaining supervision of the Association's affairs and interests, keeping the Board fully informed about the affairs and condition of the Association, and ensuring that all orders and resolutions of the Board are carried out, and (e) act as an ex-officio member of all committees and render an annual report at the Annual Membership Meeting.

5.7 Vice President. The Vice President shall act in the President's absence or disability and shall have all powers, duties, and responsibilities provided for the President when so acting, and shall perform such other duties as shall be imposed by the Board or delegated to the Vice President by the President.

5.8 Secretary. The Secretary shall (a) attend and keep the minutes, which shall be made part of the Association's permanent records, of all Membership and Board Meetings, (b) notify the Members and Directors of meetings as provided by these Bylaws and the Governing Law, (c) act as agent for the transfer of the corporate books, (d) perform such other duties as the President or the Board may prescribe, and (e) perform the duties of the Treasurer in the absence or disability of the Treasurer.

5.9 Treasurer. The Treasurer shall (a) oversee the receipt of monies that shall be paid into the accounts of the Association and disbursement of funds as may be ordered by the Board, taking proper vouchers for disbursements, (b) be the custodian of all contracts, leases, and other important business documents of the Association which the Treasurer shall keep safely deposited, (c) supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association and deliver the books to the Treasurer's successor, (d) prepare and distribute to the members of the Board a report of the financial transactions and condition of the Association and on a monthly basis, prior to each Annual Membership Meeting, and whenever else required (these reports should include the current month data as well as data on a year-to-date and budget data where appropriate), (e) ensure that a timely independent review or audit of the Association's financial statements is conducted annually by an independent Certified Public Accountant, and (f) make a full and accurate report on matters and business pertaining to the office of the Treasurer to the Members at the annual meeting and make all reports required by law.

5.10 Resignation. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article 6 Committees

6.1 Standing Committees. The Board shall establish the following standing committees and describe their charter, responsibilities, and activities. The Director(s) to sit on each standing committee shall be appointed by President with the approval of the Board unless otherwise specifically designated in these Bylaws or unless the President with the approval of the Board delegates that responsibility to the Chair of the specific committees. The designation of such standing committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it, him, or her by law.

(a) The Modification Committee which shall consist only of Members and shall be charged with the interpretation of the Exterior Modification Guidelines as well as managing the process of reviewing requests for modifications that are received from the residents.

(b) The New Construction Committee which shall be responsible for promulgating design and development guidelines and application and review procedures for new construction for the North Neighborhood.

6.2 Advisory and Ad-Hoc Committees. The Board may provide for such other committees, including committees, advisory groups, etc., consisting in whole or in part of individuals who are not Directors, as it deems necessary or desirable, and may discontinue any such committee at its pleasure. It shall be the function and purpose of each such committee to advise the Board ; and each such committee shall have such powers and perform such specific duties or functions, consistent with the Declaration, Articles, or these Bylaws, as may be prescribed for it by the Board. Appointments to and the filling of vacancies on any such advisory or ad-hoc committees shall be made by the President with the approval of the Board unless the Board otherwise provides. Any action by each such committee shall be reported to the Board and shall be subject to control, revision, and alteration by the Board, provided that no rights of third persons shall be prejudicially affected thereby. All ad-hoc and advisory committees may only provide advice and make recommendations to the Board and shall not act on behalf of the Board or the Association.

6.3 Term of Appointment. Each member of a committee shall continue as such until the next Board meeting and until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member shall resign or be removed from such committee, or unless such member shall cease to qualify as a member thereof.

6.4 Removal. Any committee member may be removed from serving on a committee by the Board whenever in its judgment the best interests of the Association will be served thereby.

6.5 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Article 7 Discipline

7.1 Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute an automatic and continuing lien upon a Lot of the violating Owner, to suspend an

Owner's right to use the Common Area, provided, however, nothing herein shall authorize the Association or the Board to limit an Owner's or Occupant's ingress and egress to or from a Lot. In the event that any Occupant of a Lot violates the Declaration or these Bylaws, and a fine is imposed, the fine shall first be assessed against the Occupant residing therein; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration or Bylaws shall not be deemed a waiver of the right of the Board to do so thereafter.

7.2 Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the accused with written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) a period of not less than ten (10) days within which the alleged violator may present a written request to the Board for a hearing; and (d) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within ten (10) days of the notice.

7.3 Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session of the Board at the next regularly scheduled meeting or at a special meeting affording the accused a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the accused appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Any suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any Person.

7.4 Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association may elect to enforce any provisions of the Declaration or these Bylaws by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

Article 8 Fiscal Management

8.1 Fiscal Year. The fiscal year of the Association shall commence upon the first day of January and conclude on the thirty-first day of December.

8.2 Depositories. The funds of the Association shall be deposited in such accounts as may be selected by the Board, including checking and savings accounts in one (1) or more banks, credit unions, and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with the resolutions approved by the Board. The funds shall be used only for lawful purposes of the Association.

8.3 Expenses. The receipts and expenditures of the Association may be credited and charged to accounts as the Board may determine, in accordance with good accounting practices as set forth in Article 8, Section 8.7 below.

8.4 Reserve Account. The Association shall maintain an adequate reserve account for the periodic maintenance, repair, and replacement of the Common Area and those other areas or items for which the Association has assumed responsibility for maintaining.

8.5 Budget. The Board shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the expenses of the Association for the fiscal year and to maintain an adequate cash reserve the as set forth in Section 8.4, in accordance with good accounting practices as set forth in Section 8.7, below. Budgets for the following fiscal year shall be delivered to the Owners no later than December 1st of the current year.

8.6 Fidelity Bonds. The Association shall, if reasonably available, purchase blanket fidelity bonds for all Directors, officers, and employees of the Association and for any management agent who controls or disburses funds of the Association and any contractor handling or responsible for Association funds. Each fidelity bond purchased by the Association shall name the Association as an obligee of the bond. The premiums for bonds shall be paid by the Association. The fidelity bonds shall be in the amount determined from time-to-time by the Board, and each bond shall include a provision requiring ten (10) days' written notice to the Association before the bond can be cancelled or substantially modified for any reason.

8.7 Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) Accrual accounting (exclusive of depreciation and amortization), as defined by generally accepted accounting principles shall be employed.

(b) Accounting and controls should conform to generally accepted accounting principles.

(c) Cash accounts of the Association shall not be commingled with any other accounts.

(d) No remuneration shall be accepted by any officer, Director, or employee of the Association from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association.

(e) Any financial or other interest which any officer, Director or employee of the Association may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board.

(f) Commencing at the end of the month in which the first Lot is sold, financial reports shall be prepared for the Association at least annually containing (1) an income statement reflecting all income and expense activity for the preceding period on an accrual basis (2) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format; (3) a balance sheet as of the last day of the preceding period; and (4) a delinquency report listing all Owners who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect such Assessments which remain delinquent (an Assessment shall be considered delinquent fifteen (15) days after the date due unless otherwise determined by the Board).

(g) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual

report referred to above shall be prepared on an audited basis by a Certified Public Accountant selected by the Board of Directors.

8.8 Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by the President or by such other members of the Board or officers of the Association as may be designated by resolution of the Board.

8.9 Books and Records.

(a) Inspection by Owners and Institutional Mortgagees. Pursuant to Nonprofit Code, a member is entitled to inspect and copy, at a reasonable time and location specified by the Association, any of the records of the Association described in the Nonprofit Code if the member gives the Association written notice or a written demand at least five business days before the date on which the member wishes to inspect and copy. This includes, but is not limited to, the Declaration, Articles, bylaws, membership register, books of account and minutes of meetings of the Members, the Board, and committees, a record of receipts and expenditures and accounts for each Owner, which accounts shall designate the names and addresses of the Owners, the due dates and amount of each Assessment, the amounts paid upon the account and the balance due. This shall also apply to any Mortgagee or the Mortgagee or Owner's duly appointed representative. Accounts of Owners shall only be available for inspection by the Board, the officers and the Owner or such Owner's Mortgagee or representative. Minutes of grievance hearings will not be released to any person other than the person subject to the disciplinary action. Books and records of the Association may be kept at the Association office or the office of the Association's management company.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to: (1) notice to be given to the custodian of the records; (2) hours and days of the week when an inspection may be made; and (3) payment of the cost of reproducing copies of documents requested.

(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 extracts and copy of relevant documents at the expense of the Association.

8.10 Insurance. The Association shall procure, maintain, and keep in full force and effect all insurance as may be required by the Declaration to protect the interests of the Association and the Owners, including but not limited to General Liability Insurance. The Association shall also procure, maintain, and keep in full force and effect insurance as required by these Bylaws to protect the Directors and officers of the Association, including but not limited to Directors and Officers Liability Insurance.

Article 9

Liability and Indemnification of Directors and Officers

9.1 Limited Liability of Directors. The liability of the Directors and officers of the Association shall be limited in accordance with the provisions of Sections 14-3-830 and 14-3-842 of the Nonprofit Code, O.C.G.A. §51-1-20, any other applicable provisions of federal and state law, the Articles, and these Bylaws.

9.2 Indemnification. To the fullest extent permitted by applicable law, including Section 14-3-856 of the Nonprofit Code, and the Articles, the Association shall indemnify any person (and the heirs, executors and administrators of such person) who, by reason of the fact that he or she is or was a Director of the

Association, or is or was serving at the request of the Association as a Director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals, including a claim, action, suit or proceeding by or in the right of the Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such claim, action, suit or proceeding.

9.3 Advancement of Defense Costs. The Association, before final disposition of a proceeding, [other than a proceeding by or in the right of the Association] shall advance funds to pay for or reimburse the reasonable expenses incurred by a Director who is a party or threatened to be made party to the proceeding upon submitting the affirmation and undertaking required by the Nonprofit Code Section 14-3-856.

9.4 Indemnification of Officers. Officers of the Association shall be indemnified, and their defense costs advanced to the same extent and on the same terms and conditions as Directors.

9.5 Success on Merits or Otherwise. To the extent that a person who is or was a Director or officer of the Association, or of any other corporation, partnership, joint venture, trust or other enterprise with which he or she is or was serving in such capacity at the request of the Association, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) reasonably incurred by such person in connection therewith.

9.6 Procedure. A Director or officer shall give the Association notice, as promptly as reasonably practicable, of any claim as to which he or she desires to be indemnified or desires defense costs to be advanced; however, the failure to do so shall not preclude his or her rights under this Article unless and only to the extent that the Association's own rights have been materially prejudiced. The Association shall not be obligated to pay for any settlement to which it has not consented, such consent not to be unreasonably withheld.

9.7 Non-Exclusivity of Article. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a Director or officer seeking indemnification may be entitled under the Articles, these Bylaws, any statute, agreement, vote of Members or disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

9.8 Insurance. The Association will use its best efforts to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such person against such liability under applicable law.

9.9 Intent. The intent of this Article is to permit indemnification of Directors of the Association to the fullest extent permitted by the Nonprofit Code and to indemnify officers to the same extent as Directors. If the Nonprofit Code is amended to authorize additional or greater measures of indemnification of nonprofit corporation Directors, then the obligations of the Association and the rights of the Association's Directors and officers shall, without further action by the Association or the Board, be increased to the further extent

permitted by the amended Nonprofit Code. The terms and conditions of this Article shall be interpreted to include definitions and meanings contained in the Nonprofit Code Section 14-3-850.

9.10 Severability. The invalidity or unenforceability of any provision in this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

Article 10 Miscellaneous

10.1 Rules of Order. The meetings and proceedings of the Association shall be conducted in a regular and orderly fashion as directed by the President. The President may appoint a Parliamentarian to attend a Board or Membership meeting and ensure it is run in an orderly fashion.

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

10.3 Electronic Records, Signatures and Documents. To the extent permitted by the Uniform Electronic Transaction Act, O.C.G.A. § 10-12-1, *et seq.*, the Nonprofit Code, the Declaration and these Bylaws, the Association and its members, officers, Directors, Owners and Occupants may perform any obligation or exercise any right by use of electronic means providing sufficient security, reliability, identification and verifiability, which electronic means have been approved by the Board of Directors in its sole discretion.

10.4 Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws, except as specifically provided in any Meeting Notice provision sections of these Bylaws, shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid: (a) if to an Owner or Member, at the address which the Owner or Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of the Owner or Member; or (b) if to the Association or the Board at the principal office of the Association or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section. If expressly authorized by an Owner or Member, notices may be given to that Owner or Member by electronic mail or other electronic communication.

10.5 Amendment.

(a) By the Board. These Bylaws may be amended by the Board if such amendment is necessary to: (a) bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration; (c) enable an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make or purchase Mortgage loans on the Lots subject to the Declaration; (d) enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration; or (e) comply with the provisions of the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220, *et seq* taken under that clause.

(b) By the Members. Any amendment initiated by a Member, or upon the rights of an Owner of a Lot, shall require the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total eligible votes in the Association. However,

the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.