

BY-LAWS OF
THE CHATTAHOOCHEE RIVER CLUB HOMEOWNER'S ASSOCIATION INC.

General

Section 1. Applicability. These By-Laws provide for the government of The Chattahoochee River Club Homeowner's Association, Inc. in accordance with its Articles of Incorporation and the Declaration ' of Covenants, Conditions, and Restrictions for Chattahoochee River Club recorded at Deed Book 1024, Page 648, *et seq.* of the Forsyth County, Georgia, Records as the same may be amended from time to time (hereinafter referred to as the "Declaration").

Section 2. Name. The name of the Corporation is The Chattahoochee River Club Homeowner's Association, Inc., (hereinafter referred to as the "Association").

Section 3. Membership. There shall be two classes of membership in the Association: Class A and Class B.

Class A Membership:

Class A Membership shall consist of all record owners of Lots, as defined below, (other than the Developer prior to the termination of the Class B membership as provided herein), who shall automatically become Class A members of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership, as may be more fully provided below. If title to a Lot is held by more than one person, the membership shall be shared in the same proportion as the fide, but there shall be only one vote per Lot. Class A membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall be appurtenant to the Lot to which it appertains and shall be transferred automatically by conveyance of that Lot and may be transferred only in connection with the transfer of title- and,

Class B Membership):

Class B Membership shall consist solely of The Developer. Class B Membership shall terminate upon the earliest of the occurrence of any of the following events-

- a. Ten (10) years from the date of the initial recording of the Declaration, said date being September 23, 1996.
- b. If the Developer no longer has the right or option to submit or annex additional property to the Declaration pursuant to Article X of the Declaration, the ownership of seventy-five (75%) of the Lots on the Property (as those terms are defined in the declaration) by persons or entities other than the Developer or builders of homes, for re-sale.

- c. The recording by the Developer in the Forsyth County, Georgia Records of a document executed by the Developer relinquishing the Developer's rights to its Class
- d. The Developer's abandonment of this project, which for the purposes of this provision of the By-Laws only, shall mean the failure of the Developer for any consecutive four (4) year period to commence construction of any improvement upon any portion of the Property or to submit or annex any additional real property to the declaration provided that nothing in this subsection d. shall be deemed to otherwise limit or restrict the Developers rights under Article X or any other provision of the Declaration.

Upon termination of Class B Membership, the Developer shall have and hold a Class A membership as to each Lot it owns.

Section 4. Voting. Each Lot shall be entitled to a single vote, as set out in the Declaration, which may be cast by an owner; a director, officer or partner of an owner; or by a lawful proxy as provided below. When more than one person owns a unit, the vote for such unit shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cared with respect to any Lot. hi the event of disagreement among such persons and an attempt by two or more of them to cast such vote or votes, such persons shall not be recorded and such vote or vote slid not be counted. No owner, other than the Developer, shall be eligible to vote, either in person, or by proxy, or serve on the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association if the owner's right to has been suspended by the Board, as provided in the Declaration.

Section 5. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other groups as the context may indicate totaling more than fifty (50%) percent of the total number of votes, owners, other groups. Unless otherwise specifically stated, the words "majority vote" mean more than fifty (50%) percent of those voting in person or by proxy. Unless otherwise provided in the Declaration or these By-Laws, all decisions shall. be by majority vote.

Section 6. Purpose, The Association shall have the responsibility of administering and exercising all rights, powers and throes of the Association under the Declaration, performing all contractor or other obligations to which the Association may enter into, assume, undertake or acquire, establishing the amount, means and methods of collecting the assessments for the common expenses arranging for the management of the Association's business and, performing all other acts, duties, and obligations, and exercising all rights, powers and authority that may be permitted by the Georgia Nonprofit Corporation Code and the Declaration. Except as to those matters which the Declaration, or the Georgia Nonprofit Corporation Code expressly and specifically require, to be performed or approved by the vote of the membership of the Association., the exercise and administration of the foregoing powers and responsibilities shall be by the Board of Directors as more particularly set forth below.

Article II Definitions

Unless the context otherwise requires, the terms as used in these By-Laws shall have the definition in the Declaration. The following terms shall have the special meanings set forth below:

Section 1. "Association" shall mean The Chattahoochee River Club Homeowners Association, Inc, and its successors.

Section 2. "Code" shall mean the Georgia Nonprofit Corporation Code, O.C.G.A. Section 14-3-101, et seq, as such laws may be amended from time to time.

Section 3. "Declaration" shall mean the Declaration of Covenants, Condition and Restrictions for The Chattahoochee River Club Homeowner's Association, Inc. , as recorded in the Forsyth County, Georgia, Records, as may be amended from time to time.

Section 4. "Developer" shall have the meaning set forth in the Declaration- There maybe only one Developer at any given time in regard to these By-Laws.

Section 5. "Lot" shall have the meaning set forth in the Declaration.

Section 6. "Owner" or "lot owner" shall mean the record title holder(s) of a Lot, as defined in the Declaration and having a Class A membership in the Association, but shall not mean a mortgage holder.

Section 7. "Property" shall have the meaning set forth in the Declaration.

Article III Meeting of Members

Section 1. Annual Meeting. The regular annual meeting of the members shall be held within the first ten (10) days of the month of December each year, on a day and at an hour set by the Board. Meetings shall be at the Property or other suitable place set by the Board in Forsyth County, Georgia.

Section 2. Special Meetings. Special meeting of the members for any purpose may be called at any time by the President or the Secretary, by request of any two or more members of the Board of Directors, upon written request of fifteen (15%) percent of the lot owners, or as set forth Article IV, Part A, Section 2(a)(ii) below.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail or cause to be delivered to each lot owner a notice of each annual or special meeting of the Association at least twenty one (21) days prior to each annual meeting and at least seven (7) days prior to each special meeting. Such notice shall state the purpose of any special meeting as well as the time and place where it is to be held to each lot owner of record- if any owner wishes notice to be given at an address other than his or her lot the

owner shall have designated the same in writing to the Secretary. The mailing or delivering of a notice of meeting in the manner provided in this section shall be considered service of notice. Upon request, any institutional holder of a first mortgage shall be entitled to written notice of all meetings and shall be permitted to designate a representative to attend and observe any such meeting.

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

Section 5. Quorum. Except as may be provided elsewhere, the presence at the beginning of the meeting of lot owners entitled to cast a majority of the votes of the Association shall constitute a quorum, which quorum shall be deemed to be present throughout the meeting. 1/3

Section 6. Adjournment. Any meeting of the owners may be adjourned from time to time by vote of the Class B Members and owners holding the majority of the Class A votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

Section 7. Proxy. Any member entries to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies must be dated and may be revoked only by written notice delivered to the Association, except that presence in person at the meeting for which the proxy is given shall automatically revoke the proxy. No proxy shall be effective for a period in excess of eleven (11) months from the date it was given.

Section 8. Consents. Any action which may be taken by a vote of the members may also be taken by written consent signed by all owners.

Article IV Board of Directors

Part A. Composition and Selection:

Section 1. Number and Qualification. The number of members of the Board of Directors shall be five (5), except as provided herein. No person who has been duly and lawfully appointed or elected to a position on the Board may be deprived of such position solely by reason of any amendment to these By-laws reducing the number of members of the Board. All members of the Board, except persons appointed by the Class B member as provided below, must be a member in good standing of the Association. Any amendment to the By-laws which expands or diminishes

the number of directors shall only be effective as of the next annual meeting of the Association following the adoption of the amendment.

Section 2. Appointment or Election of Directors. The members of the Board of Directors shall be appointed or elected in the following manner:

a. Directors shall be elected or appointed at the annual meeting of the Association. Then number of directors appointed or elected at such meeting shall be equal to the number of vacancies on the Board which have resulted by reason of the expired term(s), removal, resignation or death of director(s), as follows:

(i) During the Period of Class B Membership. The initial Board of Directors shall consist of two directors. The number of directors shall remain at two with the first annual meeting of the Association following the initial organizational meeting of the Association. At this first annual meeting of the Association, five (5) directors shall be appointed by the Class B Member, unless such membership has terminated. The terms of the directors shall be staggered on a one, two and three year basis, the term of one director being for one (1) year, of two directors of two (2) years, and the remaining two directors for three (3) year terms. So long as there exists a Class B membership, the Class B member in its sole discretion shall appoint all the directors to the Board.

(ii) After the termination of the of Class B Membership. Following the termination of the Class B membership, as set forth in Article 1, Section 3, above, there shall be called within 21 days of said event a special meeting of the Association, in accordance with the procedures set forth above for the purposes of electing members of the board of directors by the Class A members. At such special meeting all directors remaining who have been appointed by the Class B member shall resign or be deemed to have re-signed from the board and at said meeting nominations for and election of five (5) in new directors shall occur, whose terms shall be for the balance of the remaining term of the respective directors they replace. Thereafter, nomination and election of directors shall be made at the annual meetings. All nominees shall consent to serve at the time of nomination, or the nomination shall be invalid.

b. Each member entitled to a vote shall be entitled to vote for each position of director to be filled, at a meeting of these By-Laws. Cumulative voting shall not be permitted. The candidates receiving the most votes shall be elected.

c. The members of the Board of Directors elected or appointed shall take office at the regularly scheduled meeting of the Board of Directors next following the date upon which they were elected, and shall serve until- the next annual meeting of the

Association following the term for which **they** were elected or until such time as their successor is duly qualified and installed.

Section 3. **Removal of Members of the Board of Directors** At any regular or special Meeting of the Board, any member of the Board of Directors may be removed with or without cause by the majority vote of the Board, or, after the termination of Class B membership, by a majority vote of the members of the Association at an annual or special meeting, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4. **Vacancies.** Vacancies in the Board of Directors during the period between annual meetings of the Association caused by any reason 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. The term of any director so elected shall be until the next annual meeting of the Association, at which a replacement shall be appointed or elected for the remaining term.

Section 5. **Compensation.** Directors shall not be compensated for service as directors unless and to the extent a 2/3 majority of the Class A members of the Association so authorize at any meeting duly called for that purpose.

Part B. Meetings.

Section 6. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every three months. One of such meetings shall be within ten (10) days after each annual meeting of members.

Section 7. **Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the Secretary in like manner and on like notice on the written request of at least two (2) directors.

Section 8. **Waiver of notice.** Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by any director at any meeting of the Board of Directors shall also constitute a waiver of notice by him or her of the time or place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 9. **Conduct of Meetings.** The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meeting. Roberts Rides of Order (Latest Edition) shall govern the conduct of the meetings of the

Board of Directors when not in conflict with the Declaration or these By-Laws. A majority of directors shall constitute a quorum for the transaction of business.

Section 10. Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if au of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 11. Attendance at Meetings. A member or members of the Board of Directors may attend and participate in any meeting by telephone conferencing or other means of communication which fulfills the requirements of O.C.G.A. § 14-2-820 and participation by such means shall constitute presence at the meeting for the purposes of a quorum and voting.

Part C. Powers and Duties:

Section 12. Powers and Duties. 'The Board of Directors shall manage the affairs of the Association and exercise its powers. The Board shall have all the powers and duties necessary for administration and enforcement of the Declaration; to perform its responsibilities under the Declaration and any contract easement or agreement to which it may lawfully be a party; to maintain any property, easement, landscaping, signage, system or street lights which it may have a duty to maintain by reason of ownership interest therein or any agreement, top contract for any services necessary and incident to the same; and may do all such acts and things as are not by the Code, the Declaration Articles of Incorporation, or these By-Laws directed to be done or exercised exclusively by the members. The Board shall have the power to adopt such rules and Regulations as it deems necessary and appropriate to effectuate and administer the Declaration, including any restrictions on uses or architectural controls, and to enforce the same by actions at law or equity, self-help, and, impose sanctions for violations thereof, including without limitation, monetary fines and suspension, of owner's voting rights.

Section 13. Management Agent. The Board of Directors may *employ* or contract 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 Board of Directors shall not enter into any such employment agreement or contract unless there shall be included therein a termination clause permitting termination, for cause or without cause, upon no more than thirty (30) days written notice.

Section 14. The Board of Directors shall have the power to borrow money in the name and on behalf of the Association for the purpose of repair pr maintenance of property, casements and facilities without the approval of the Class A members of the Association; provided, however, that the Board shall obtain approval of Class A membership in the same manner as for special assessments as set forth in the Declaration, in the event that the proposed borrowing is for the purpose of acquiring any real property by the Association, acquiring personal property in excess of \$5,000.00 or the total amount of such borrowing exceeds or would exceed Ten Thousand Dollars (\$10,000.00) outstanding debt at one time.

The Board shall not have the power to pledge, hypothecate, or convey as security for any loan the Common Property, assessments, income stream or receivables of the Association without the approval of both the Class B membership, so long as the same exists, and two-thirds (2/3) of the Class A membership of the Association given at an annual meeting or a special meeting of the Association called for such purpose. "Borrowing" as us herein shall not include the payment of contracts for maintenance and repair by installment payment where any interest to be paid thereunder is commercially reasonable and the principal amount of the contract does not exceed \$10,000.00.

Part D. Committees.

Section 15. Architectural Control. The Board may establish a separate Architectural Control Committee for the purposes of developing architectural standards for the Property and approving architectural changes, as may be provided in the Declaration, and for recommending to the Board; action for the enforcement of any violation thereof in manner consistent with the Declaration.

Section 16 Other Committees. There shall be such other Committees as the Board shall determine, with the powers and duties that the Board shall authorize. Unless otherwise provided in the resolution creating the committee, the chair-person of each committee shall be a member of the Board.

Article V
Officers

Section I Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. Following the termination of Class B Membership, all officers shall be members of the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other subordinate officers as in its judgment may be necessary. Such subordinate officers shall not be required to be members of the Board of Directors. Except for the offices of the Secretary and the Treasurer, which may be held by the same person, no person may hold more than one office.

Section 2. Election of Officers. The officers of the Association shall be elected or appointed by the Board of Directors, and shall hold office at the pleasure of the Board of Directors and until a successor is elected or appointed.

Section 3. 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 incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including but not limited to the power to, appoint to Committees such members from time to time as he may in his discretion decide appropriate to assist in the conduct of the affairs of the Association.

Section 4- Vice President. The Vice President shall act in the President's absence and shall have all the powers, duties, and responsibilities provided for the President when so acting.

Section 5. 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.

Section 6. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the assembly and presentation of all budget and financial reports. If the Association employs a management agent certain duties of the Treasurer may be delegated to the agent. In such case, the duties shall be performed by the Treasurer in conjunction with the management agent.

Section 7. Agreements, Contracts Deeds Leases Checks Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors, which may include any Management Agent for the Association.

Article VI Association Responsibilities

Section 1. Liability and Indemnification of Officers and Directors . The Association shall indemnify every officer and director against any and all expenses, including counsel fee reasonably incurred by or imposed upon such officer or director in connection with any action or other proceeding (including settlement of any such action, suit if approved by the Board of Directors) to which he may be made a party by reason of being or having been an officer or director, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligence, or otherwise, except for their own individual willful misfeasance or malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment entered into by them, in good faith, on behalf of the Association (except to the extent such officers and directors may also be members of the Association) and the Association shall indemnify and forever discharge 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 be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association may as an Association expense, maintain adequate general liability insurance if obtainable, officers' and directors' liability insurance to fund this obligation.

Article VII Miscellaneous

Section 1. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given and received if delivered personally or if sent by registered or certified mail, return receipt requested, first class postage prepaid-

a. If to a lot owner, at the address which the lot owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the lot of such owner; or

b. If to the Association, the Board of Directors or any Management Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by resolution by the Board of Directors as to which notice has been given to the members.

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

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

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

Section 5, Fiscal Year. The fiscal year shall be set by resolution of the Board of Directors.

Section 6. Audit. An accounting review of the Association shall be made at least every two (2) years, or more often as the Board may determine, as a common expense by a public accountant, and a copy of the report thereof shall be furnished to each member who requests a copy in writing. Upon written request of any institutional holder of a first mortgage, such holder shall also be entitled to receive a copy of such report.

Section 7. Conflicts. In the event of any direct conflict among the Articles of Incorporation the Declaration and these By-Laws, the Declaration and the Articles of Incorporation shall control, 'in that order.

Section 8. Amendment. Prior to the termination of Class B membership, the Board of Directors may amend these By-Laws by resolution adopted by majority vote, and no members shall be entitled or required to vote upon or approve any amendment of these By-Laws. Subsequent to the termination of Class B membership, these By-Laws may only be amended at an annual or special meeting of the members by a vote of two-thirds (2/3) of those Class A members present in person or by proxy, a quorum being present. Notice of any meeting at which amendment will be considered shall state that fact and the subject matter of the proposed amendment.

Section 9. Books and Records. All members of the Association and any institutional holder of a first mortgage shall, upon written request, be entitled to inspect all books and

records of the Association during normal business hours at the office of the Association or other place designated reasonable by the Board of Directors as the depository of such books and records.