AMENDED AND RESTATED BYLAWS OF EDINBURGH HOMEOWNERS ASSOCIATION, INC.

THIS AMENDED AND RESTATED BYLAWS OF EDINBURGH HOMEOWNERS ASSOCIATION, INC. ("Bylaws") is made as of the _4_ day of ___February_____, 2013 by Edinburgh Homeowners Association, Inc., a Georgia nonprofit corporation (hereinafter "Association").

WITNESSETH

WHEREAS, Pulte Home Corporation, a Michigan corporation, as "Declarant", executed that certain Declaration of Covenants, Restrictions and Easements for Edinburgh which was recorded on August 23, 2000 at Deed Book 201152, Page 91, *et seq.*, Gwinnett County, Georgia records (as supplemented and/or amended, the "Declaration"); and

WHEREAS, the Association is a nonprofit corporation organized under the Georgia Nonprofit Corporation Code to be the association named in the Declaration to have the power and authority set forth therein; and

WHEREAS, Declarant adopted the Bylaws of the Association simultaneously with the recording of the Declaration ("Original Bylaws"; and

WHEREAS, the Original Bylaws were amended by the certain First Amendment dated November 6, 2008; and

WHEREAS, pursuant to Article VII of the Original Bylaws of the Association, the Original Bylaws may be amended only in accordance with the following procedure: (i) the Board of Directors shall first adopt a resolution proposing the amendment and recommending its adoption by the members; (ii) the proposed amendment shall be presented to the members at a meeting thereof duly called and held for the purpose of considering such proposed amendment; and (iii) the proposed amendment is approved by at least two-thirds (2/3) of the votes cast at such meeting; and

WHEREAS, the Board of Directors adopted a resolution proposing that the Original Bylaws, together with the First Amendment thereto, by deleted in their entirety and replaced with the Bylaws set forth below, and presented the Bylaws to the members at a meeting duly called for that purpose; and

WHEREAS, the Bylaws were approved by at least two-thirds (2/3) of the votes cast at such meeting;

NOW THEREFORE, the Association and the members thereof hereby approve the deletion of the Original Bylaws of the Association, together with the First Amendment thereto, and the replacement thereof with the Bylaws set forth below:

BYLAWS

OF

EDINBURGH HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
OFFICE

The Association shall at all times maintain a registered office in the State of Georgia and a registered agent at that address. The Association may also have such other offices as the Board of Directors shall determine.

ARTICLE II
DEFINITIONS

Unless the context requires otherwise, the terms defined in the Declaration of Covenants, Restrictions and Easements for Edinburgh, dated August 1, 2000, recorded in the Office of the Clerk of the Superior Court of Gwinnett County, Georgia in Deed Book 21152, Page 91 (the "Declaration", the Declaration being incorporated herein in its entirety) shall have the same meanings for purposes of these Bylaws as are ascribed to them in the Declaration.

ARTICLE III
MEMBERS

Section 3.1. Membership. The Association shall have two classes of membership, Class A and Class B, which classes of membership shall have the rights conferred upon them by the Declaration and the Articles of Incorporation of the Association, and these Bylaws.

Section 3.2. Annual Meeting. A meeting of the members of the Association shall be held annually at such time and place on such date as the Directors shall determine from time to time.

Section 3.3. Special Meetings. Special meetings of the members may be called at any time by the President of the Association. Additionally, it shall be the duty of the President to call a special meeting of the members upon being presented with a written request to do so signed (i) by a majority of the members of the Board of Directors, or (ii) after the termination of the Class B membership, by the members of the Association entitled to cast no less than forty percent (40%) of the total vote of the Association.

Section 3.4. Notice of Meetings. It shall be the duty of the Secretary to give a notice to each member of each meeting of the members within the time limits required by Section 14-3-705 of the Georgia Nonprofit Corporation Code. Each notice of a meeting shall state the purpose thereof as well as the time and place where it is to be held.

Section 3.5. Quorum. A quorum shall be deemed present throughout any meeting of the members until adjourned if members, in person or by proxy, entitled to cast more than one-fourth (1/4) of the votes of the Association are present at the beginning of such meeting.

Section 3.6. Voting. On all matters upon which the members are entitled to vote, each member shall be entitled to cast one (1) vote for each Lot in which he shall own of record a fee interest or an undivided fee interest. In no event, however, shall more than one vote be cast with respect to any Lot.

During any period in which a member shall be in default in the payment of any amount due and owing to the Association, the vote which is allocated to any Lot in which such member owns a fee interest shall not be counted for any purpose.

Section 3.7. Adjournments. Any meeting of the members, whether or not a quorum is present, may be adjourned by the holders of a majority of the votes represented at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. At any such reconvened meeting at which a quorum is represented or present, any business may be transacted which could have been transacted at the meeting which was adjourned.

ARTICLE IV
DIRECTORS

Section 4.1. Number. The number of members of the Board of Directors shall be three (3). From and after the election of the first Board of Directors to be elected by the Class A members, the Board of Directors shall consist of five (5) members.

Section 4.2. Qualification. Directors must be Members of the Association and must occupy their Lot as their primary residence. No person who has been convicted of a felony shall be eligible to serve as a director. Any director who is convicted of a felony shall be automatically removed from the Board of Directors.

Section 4.3. Appointment and Election. At the first annual meeting after the adoption of the First Amendment to the Bylaws of Edinburgh Homeowners Association, Inc. on November 6, 2008, the members elected five directors as follows: the three (3) directors receiving the most votes served for an initial term of two (2) years and the remaining two (2) directors served for an initial term of one (1) year. At each subsequent annual meeting of the membership, directors shall be elected to succeed those directors whose terms are expiring and elected directors shall serve for a term of two (2) years. The candidates receiving the largest number of votes shall be elected. Notwithstanding anything herein to the contrary, the members of the Board of Directors shall continue in office until their respective successors shall have been elected and take office.

Elected directors shall be nominated from the floor at a meeting of the members. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Each member entitled to vote shall be entitled to cast one (1) vote for each Lot owned by such member for each directorship to be filled on the Board of directors. Cumulative voting shall not be permitted.

Section 4.4. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors.

Section 4.5. Duties and Powers. Except as specifically provided otherwise in the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation of the Association or these Bylaws, the powers inherent in or expressly granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the members. The Board of Directors shall also have the responsibility of discharging all of the duties imposed upon the Board of Directors under the terms and provisions of the aforesaid instruments.

Without limiting the generality of the provisions of this Section 4.5, the Board of Directors shall have the following specific powers:

(a) To suspend the membership rights of any member of the Association, including the right to vote and use the Common Area and the facilities located thereon, during the period of time such member shall be delinquent in the payment of any assessment, assessment installment, or any other amount or amounts as shall be due and payable to the Association, or shall fail to comply with or abide by any rule or regulation adopted by the Board of Directors in regard to the Common Area; and

(b) To enter into management agreements for the Association.

(c) To cause the Association to borrow money in connection with the repair and replacement of any Common Area and to subject the Common Area to a Mortgage to secure the repayment of such borrowed money;

(d) To determine to provide certain services (such as landscaping and grounds maintenance and property insurance coverage) for the benefit of certain Lots that are not provided for other Lots; and

(e) To appoint an architectural advisory committee to advise it in connection with its performances of its responsibilities under Section 4 of Article VI of the Declaration.

(f) To borrow money on behalf of the Association, other than as permitted in Section 4.5(c), only upon the affirmative vote of two-thirds (2/3) of the members of the Association.

Section 4.6. Regular Meetings. Until such time as the Class B membership shall terminate, the Board of Directors shall not be required to hold regular meetings and the Board of Directors shall meet as often as the President of the Association shall determine. Thereafter, the Board of Directors shall meet no less frequently than once every six months.

Section 4.7. Special Meetings. Special Meetings of the Board of Directors may be called at any time by the President, or by any three directors, on two (2) days' notice to each director, which notice shall specify the time and place of the meeting. Notice of any such meeting may be waived by an instrument in writing executed before or after the meeting. Attendance in person at any meeting shall constitute a waiver of notice thereof.

Section 4.8. Compensation. No fee or compensation shall be paid by the Association to directors for their services in said capacity. The directors shall be entitled in all events, however, to reimbursement for reasonable expenses incurred by them in the performance of their duties.

ARTICLE V
OFFICERS

Section 5.1. General Provisions. The officers of the Association shall consist of a President, a Vice President, a Secretary and a Treasurer. In addition, the Association shall have such other officers as the Board of Directors shall deem to be desirable in connection with the administration of the affairs of the Association. Any two or more offices may be held by the same persons, except the offices of President and Secretary.

Section 5.2. Appointment. All of the officers of the Association shall be appointed by, and shall serve at the pleasure of, a majority of the members of the Board of Directors.

Section 5.3. President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the members and of the Board of Directors. The President shall manage, supervise and control all of the business and affairs of the Association, and shall have all of the powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 5.4. Vice-President. The Vice President shall perform the duties of the President whenever the President shall be absent or unable to perform such duties. If neither the President nor the

Vice-President shall be able to perform such duties, the Board of Directors shall appoint one of their members to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as the President may delegate to him from time to time.

Section 5.5. Secretary. The Secretary (a) shall attend all meetings of the members and of the Board of Directors and shall keep the minutes thereof, (b) shall be responsible for the preparation and giving of all notices which are required to be given by the Declaration and these Bylaws, (c) shall be the custodian of the books and records of the Association, (d) shall keep a register of the addresses of each member of the Association, and (e) shall perform such other duties as are incident to the office of the secretary of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 5.6. Treasurer. The Treasurer shall be charged with the management of the financial affairs of the Association, and shall keep full and accurate financial records and books of account showing all receipts and disbursements and of the Association, and shall prepare all required financial data. The Treasurer shall also perform all of the duties which are incident to the office of the treasurer of a corporation organized under the Georgia Nonprofit Corporation Code.

Section 5.7. Compensation of Officers. No fee or compensation shall be paid by the Association to officers for their services in said capacity. The officers shall be entitled in all events, however, to reimbursement for reasonable expenses incurred by them in the performance of their duties.

ARTICLE VII
MISCELLANEOUS

Section 6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 6.2 Certain Notices. Any member who shall sell or lease any Lot in which he has a fee or undivided fee interest shall promptly give the Secretary a written notice of such sale or lease, which notice shall also set forth the name and address of such purchaser or lessee. The address so furnished for such purchaser or lessee shall be the address to which the Secretary shall send any notices to be sent to such purchaser or lessee, until such purchaser or lessee shall furnish the Secretary with another address for such purpose.

Section 6.3 Approval of Gwinnett County for Dissolution. Notwithstanding any provisions of the Act, the Declaration, the Articles of Incorporation, or the Georgia Non-Profit Corporation Code which may provide to the contrary, the Association shall not be dissolved unless said dissolution is approved by the Board of Commissioners of Gwinnett County, Georgia.

Section 6.4 Electronic Records, Signatures and Documents. To the extent permitted by Georgia laws, the Declaration and these Bylaws, the Association and its officers, directors and members, owners and occupants may perform any obligation or exercise any right by use of technological means providing sufficient security, reliability, identification and verifiability, which technological means have been approved by the Board in its sole discretion. Acceptable technological means of creating an electronic transmission may include, without limitation, electronic communication over the internet, telecopier or email. An electronic transmission which is transmitted by a member that evidences a member's consent or approval on a ballot, requests or demands an action to be taken by the Association, or provides notice to the Association under these Bylaws or the Declaration shall be deemed to be written, signed, and dated for the purpose of these Bylaws and the Declaration, provided that any such electronic transmission sets forth or is delivered with information from which the Association can determine: (1) that the electronic transmission was transmitted by the member and (2) the date on which such member transmitted such electronic transmission. The date on which such electronic transmission is transmitted shall be deemed to be the date on which such consent, request, demand, or notice was signed. Except as may be otherwise provided in the Declaration or these Bylaws, records, signatures and notices which are accepted, created or given by the Board shall not be denied validity or effectiveness hereunder solely on the grounds that they are transmitted, stored, made or presented electronically.

(a) Use of Electronic Signatures. Wherever the Declaration or these Bylaws permit an action to be taken by electronic communication, the Board may accept an electronic signature as valid if:

(1) the signature is easily capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or

(2) the Board reasonably believes that the signatory affixed the signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

(b) Verification and Liability for Falsification. The Board may require reasonable verification of any electronic signature, document, record or instrument. Pending verification, the Board may refuse to accept any electronic signature, document, record or instrument which, in the sole discretion of the Board, is not clearly authentic. Any member or person who negligently, recklessly or intentionally submits any falsified electronic document or unauthorized electronic signature shall fully indemnify the Association for actual damages and reasonable attorneys' fees and other expenses incurred as a result of such act(s).

(c) Non-Technology Alternatives. If any owner, occupant or third party does not have the capability or desire to conduct business using electronic or other technological means, the Association shall make reasonable accommodation, at its expense, for such person to conduct business with the Association without use of such electronic or other means until such means has become generally (if not universally) accepted in similar projects in the area.

Section 6.5 Board Meetings.

(a) Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep minutes recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. A majority of directors shall constitute a quorum for the transaction of business. One (1) or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

(b) Open Meetings. Board meetings shall be open to all members; however, members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. Notwithstanding the foregoing, 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. The Board may order the removal of any meeting guest who, in the Board's opinion, either disrupts the conduct of business at the meeting or fails to leave the meeting upon request after an announcement of reconvening in executive session. The foregoing shall not preclude the Board from holding informal planning meetings at which no business shall be conducted, which shall not be required to be held open to all members.

(c) Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if a majority of the directors consent to such action in writing, sent via hand delivery, regular first class or electronic mail or facsimile. Such consents must be filed with the minutes of the Board of Directors.

Section 6.6 Discretionary Spending. Except as set forth in the budget for the current fiscal year, the Board of Directors cannot spend any money on any new capital improvements on Common Area of the Association or on any enhancements to existing capital improvements on Common Area without the affirmative vote of a majority of the Members of the Association.

Section 6.7 Financial Reports & Transparency.

(a) The Board shall cause a financial audit to be prepared every 3 years by an independent accountant.

(b) The Board shall post or cause to be posted on the Association's website the following information:

(i) Board meeting minutes
(ii) Yearly Operating Budget with side by side comparison to previous year's budget (updated yearly)
(iii) Current Reserve Study Summary
(iv) Reserve Balance and year to date actual (updated semi-annually)
(v) Operating Fund balances (updated semi-annually)

(c) All members of the Association shall, upon written request, be entitled to inspect current copies of the Declaration, these Bylaws and the Rules and Regulations of the Association during normal business hours at the office of the Association or other place designated reasonably by the Board of Directors as the depository of such items. All other books and records of the Association shall be subject to inspection by the Members to the extent provided for and in accordance with the provisions of the Georgia Nonprofit Corporation Code. Notwithstanding the foregoing, the Association may prevent the inspection of records which the Board determines, in its sole discretion, are confidential in nature or legally privileged.

(d) The Board of Directors shall not change the individual components of the operating budget without the affirmative vote of a majority of the members of the Association.

Section 6.7.1 Compliance Check. Each year, the Board of Directors shall elect an auditor who shall perform the following:

(a) Verify no conflicts of interest and no appearance of these conflicts.

(i) The auditor should review the decisions of the Board, the management company, and those awarded contracts to verify that any personal relationships were fully disclosed, and preferably, to confirm no conflicts of interest.
(ii) Signed statements should be on file by each party stating that there is no conflict of interest or, if any, that such conflict was disclosed before any decision taken. The Board can sign annual statements, but the management company and contract winners must sign them for each transaction.

(b) Verify the proper management of reserve funds, including:

(i) Separation between the accounting and bank accounts of operational expenses and reserve funds.
(ii) Verification that the reserve funds meet the minimum level.
(iii) Verification the reserve study is current, sound and properly applied
(iv) Verify that the author of the reserve study is truly independent with no ties to the community

(c) Random spot checks of between 5% and 10 % of transaction to verify proper receipts, supporting documents, etc.

(d) Verification that Bylaws concerning limits on Board are followed on:
(i) Loans
(ii) Spending Limits
(iii) Budget approvals

Section 6.8 Removal of members of the Board of Directors. At any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed with

or without cause by a Majority Vote of the total Eligible Votes of the Members and a successor may then and there be elected to fill the vacancy thus created for the term so remaining. Any such director whose removal has been proposed by the Membership 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. Any member of the Board of Directors who has not attended three (3) consecutive Board meetings, at least two of which shall be regular meetings of the Board of Directors, may be removed from the Board by a majority vote of the Board Members present at such third consecutive Board meeting, a quorum being had. A board member may also be removed for any reason with a majority vote of all the members (not those that show up for a meeting, but the total members). A petition signed by 40% of the members forces a call to have a special meeting and vote.

Section 6.9 Bidding process. At any time the Association, or the Association's management company on behalf of the Association, requests bids for a particular project within Edinburgh, a request for proposal shall be sent to all members to provide the membership with an opportunity to bid. All Bids shall be returned to the property management company. Once all bids have been received, the management company shall present the bids as A, B, C to the Board of Directors in order to ensure that a bid is selected solely due to its content and not because of by whom it was submitted.

Section 6.10 Conflicting Interest Transactions.

(a) A director shall be deemed to have a "Conflicting Interest" in a transaction involving the Association if the director or a person or entity (other than the Association) related to the director is a party to the transaction or has a beneficial financial interest in the transaction. For purposes of the foregoing sentence, a person shall be deemed related to the director if such person is (i) the spouse or a parent or sibling of the spouse of the director; (ii) a child, grandchild, sibling or parent of the director or the spouse of a child, grandchild, sibling or parent of the director; (iii) an individual having the same home as the director; or (iv) an individual otherwise having a close personal relationship with the director. An entity shall be deemed related to a director if the director is an owner, director, officer, partner, agent or employee of the entity.

(b) All directors shall exercise their powers and duties in good faith and in the interest of and with utmost loyalty to the Association and its Members. All directors shall comply with all lawful provisions of the Declaration, the Bylaws and Rules and Regulations of the Association.

(c) Any "Conflicting Interest" on the part of a director with respect to any transaction or proposed transaction involving the Association shall be disclosed to the other directors at the first meeting of the Board of Directors at which the interested director is present after the "Conflicting Interest" is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the Board meeting at which the disclosure of the "Conflicting Interest" is made.

(d) Any contract or transaction in which a director has a "Conflicting Interest" must be commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

(e) Any director having a "Conflicting Interest" with respect to any contract or transaction involving the Association shall not vote on or use his or her personal influence on the contract or transaction. The minutes of the meeting shall reflect that a disclosure was made and that the interested director abstained from voting.

(f) All contracts or transactions between the Association and (i) a Member of the Association; (ii) the spouse, parent or child of a Member of the Association; or (iii) an entity of which a Member (or the spouse, parent or child of a Member) is an owner, officer, director, partner, agent or employee shall require the approval of the Board of Directors following full disclosure by the Member of such Member's interest.

(g) The Association shall not enter into a management contract with or otherwise engage as a managing agent of the Association (i) a Member of the Association; (ii) the spouse, parent or child of a

Member of the Association; or (iii) an entity of which a Member (or the spouse, parent or child of a Member) is an owner, officer, director, partner, agent or employee unless the following requirements are satisfied: (i) the person or entity engaged to act as managing agent must be properly licensed as required by applicable law; and (ii) the person or entity engaged as managing agent must have a minimum of three (3) years' experience in the management of community associations.

(h) The foregoing requirements shall not be construed as preventing an interested director from briefly stating his or her position in the matter nor from answering pertinent questions of other Board Members since his or her knowledge may be of great assistance.

ARTICLE VII
AMENDMENTS

These Bylaws may be amended only in accordance with the following procedure: the Board of Directors shall first adopt a resolution proposing the amendment and recommending its adoption by the members. Such proposed amendment shall then be presented to the members at a meeting thereof duly called and held for the purpose of considering such proposed amendment. If such proposed amendment is approved by at least two-thirds (2/3) of the votes cast at such meeting, such amendment shall become effective.

ARTICLE VIII
INDEMNIFICATION

Each person who is or was a director or officer of the Association shall be indemnified by the Association against those expenses (including attorneys' fees) judgments, fines and amounts paid in settlement which are allowed to be paid or reimbursed by the Association under the laws of the State of Georgia and which are actually and reasonably incurred in connection with any action, suit, or proceeding, pending or threatened, whether civil, criminal, administrative or investigative, in which such person may be involved by reason of his being or having been a director of officer of the Association. Such indemnification shall be made only in accordance with the laws of the State of Georgia and subject to the conditions prescribed therein.

In any instance where the laws of the State of Georgia permit indemnification to be provided to persons who are or have been an officer or director of the Association only on a determination that certain specified standards of conduct have been met, upon application for indemnification by any such person the Association shall promptly cause such determination to be made (i) by the Board of Directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding; (ii) if a quorum cannot be obtained by majority vote of a committee duly designated by the Board of Directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding; (iii) by special legal counsel selected by the Board of Directors or its committee in the manner prescribed in (i) or (ii), or if a quorum of the Board of Directors cannot be obtained under (i), and a committee cannot be designated under (ii), selected by majority vote of the full Board of Directors (in which selection directors who are parties may participate); or (iv) by the members, but members who are also directors who are at the time parties to the proceeding may not vote on the determination.

As a condition to any such right of indemnification, the Association may require that it be permitted to participate in the defense of any such action or proceeding through legal counsel designated by the Association and at the expense of the Association.

The Association may purchase and maintain insurance on behalf of any such persons whether or not the Association would have the power to indemnify such officers and directors against any liability under the laws of the State of Georgia. If any expenses or other amounts are paid by way of indemnification, other than by court order, action by the members or by an insurance carrier, the Association shall provide notice of such payment to the members in accordance with the provisions of the laws of the State of Georgia.

ARTICLE IX
PURPOSE OF ASSOCIATION: ASSESSMENTS, CAPITAL IMPROVEMENTS, RESERVE STUDY AND RESERVE FUNDING

Section 9.1 Purposes. As more fully provided for in Article III of the Articles of Incorporation of the Association, the purposes for which the Association is organized are to provide for provide for the enforcement of the covenants and restrictions set forth in the Declaration and to levy assessments against the members of the Association in accordance with the terms and provisions of the Declaration in order to raise the funds required by the Association to defray the expenses which the Association shall incur in carrying out such purposes. The Association shall be responsible for, among other things, the maintenance of the Common Area, the payment of the premiums for all policies of insurance maintained by the Association for the improvements located on the Common Area, and the payment of taxes levied against the Common Area.

Section 9.2 Assessments. Article VI, Section 1 of the Declaration provides that each person who shall own any Lot shall pay to the Association all assessments and charges which are levied by the Association against the Lot(s) owned by such person in accordance with the terms and provisions of the Declaration. Article VI, Section 4 of the Declaration provides that the Annual Expenses incurred by the Association shall be levied against the members of the Association, and that any amounts determined by the Board of Directors to benefit less than all of the Lots shall be specially assessed equitably among the Lots so benefited. Section 44-3-232(a) of the Act and Article VI, Section 6 of the Declaration provide that all assessments payable by any Member of the Association which shall not be paid within ten days after the date the same is due and payable shall be secured by a lien of the Association on every Lot owned by the delinquent Member.

Section 9.3 New Capital Improvements. If the Reserve Fund is less than the Threshold Balance defined in Section 9.4 below, then the Board of Directors shall not be authorized to seek the approval of a new Capital Improvement project. If the Reserve Fund equals or exceeds the Threshold Balance, then approval for a new Capital Improvement project can be sought. Each and every new Capital Improvement project shall be an individual and separately funded project. A new Capital Improvement shall not mean an addition, enhancement or improvement to an existing capital asset of the Association, but shall mean the construction or acquisition of a new capital asset for the Association. Before any new Capital Improvement shall be commenced the following process must be followed:

(a) The Board of Directors shall appoint a committee of not less than 3 and no more than 5 members to develop a plan for the new Capital Improvement project (the "Project Plan"). The Project Plan shall have a clear objective, shall set forth the cost per member of the new Capital Improvement Project and shall contain such other information as may be required in the sole discretion of the Board of Directors. The committee shall send out formal requests for proposals and obtain a minimum of three (3) bids for the new Capital Improvement project.

(b) Once the Project Plan is approved by the Board of Directors, the committee shall prepare a letter of support for the new Capital Improvement project. Such letter of support must be signed by twenty five (25) members of the Association in good standing, as verified by the Association's property manager.

(c) Each new Capital Improvement project shall require the approval of the Members of the Association as follows:

(i) Projects with a projected cost of less than $50,000.00 shall require the approval of 51% of the Members present at a meeting called to vote on the project.

(ii) Projects with a projected cost $50,000.01 up to $150,000.00 shall require the approval of 2/3 of the Members present at a meeting called to vote on the project.

(iii) Projects with a projected cost of over $150,000.00 shall require the approval of 51% of the Members of the Association.

(d) Once approved as set forth above, the expenses associated with the new Capital Improvement project so approved shall be shown as a separate component on the annual budget for the upcoming fiscal year.

Section 9.4 Reserve Study and Reserve Fund.

(a) The Board of Directors shall cause a reserve study to be prepared by a qualified independent professional, who cannot be a resident of Edinburgh, at least every five (5) years, but more often if, in the sole discretion of the Board, economic conditions or financial demands warrant an updated study (the "Reserve Study"). Such Reserve Study shall set forth each of the capital items owned by the Association, their remaining life, their useful life, their projected repair and/or replacement cost and such other information as is customarily set forth in such studies.

(b) The preparer of the Reserve Study shall produce a statement of future expenses expresses as a cash flow of annual expenditures based on the findings of the Reserve Study. The horizon or number of years in the statement of future expenses shall match the length of the longest useful life of any item in the Reserve Study.

(c) The Board of Directors will seek to maintain a Reserve Fund balance equal to 120% of the annual Operating Expenses of the Association. If the Reserve Fund balance is less than an amount equal to 100% of the annual Operating Expenses of the Association ("Threshold Balance"), the Association may not seek approval of a new Capital Improvement project pursuant to Section 9.3 above until the Threshold Balance is restored. For clarity, operating expenses are not related to the Reserve Study, but are used as a simple and clear way to calculate the amount that should be held in the Reserve Fund. The Board of Directors shall have the right to use money in the Reserve Fund to make required repairs or to replace existing Capital Improvements that are in need of replacement. If the Reserve Fund balance falls below the Threshold Balance as a result of such repairs or replacement, the Board of Directors must restore the Threshold Balance by raising additional funds in one of the following ways: (i) by a special assessment approved by the Board of Directors and the members; (ii) by a 5-year plan approved by the Board of Directors that funds the Reserve Fund from contributions from the annual budget of the Association, or (iii) by increasing the Reserve Fund balance each year by an amount equal to 5% of the annual Reserve Fund balance using contributions from the annual budget and, if approved by the Board of Directors and the members, a special assessment.

(d) Monies for the Reserve Fund shall be handled, accounted for, and reported separately from operating expenses. The annual assessment shall itemize amounts designated for the Reserve Fund and amounts designated to cover operating expenses. The Reserve Fund shall be shown as a separate item in the Association's financial statements. The portion of the annual assessment designated for the Reserve Fund shall never be presented as revenue in the financial statements associated with the operating expenses of the community.

Section 9.5 No Co-mingling of Funds in Operating Accounts and Reserve Fund.

(a) There shall be no co-mingling of the monies held in the Reserve Fund and the operating funds of the Association. Funds may not be transferred from Reserve Fund to Operating accounts except as permitted in these Bylaws.

(b) Except as set forth in these Bylaws, the monies in the Reserve Fund shall be used only for the purposes set forth in the Reserve Study.

ARTICLE X
EMERGENCY OPERATIONS & FUNDS

Notwithstanding anything to the contrary herein, the Board shall be empowered, in its sole discretion, to expend such funds and take such actions it may deem necessary and proper in order to repair any of the Common Area and the improvements located thereon which have been damaged as a result of wind, water, fire, Act of God, or other casualty or which may require repair due to natural wear and tear.

IN WITNESS WHEREOF, the Association has duly adopted the Bylaws as of the day and year first above written.

Association: **EDINBURGH HOMEOWNERS ASSOCIATION, INC., a Georgia non-profit corporation**

By: PAT LAPARGUE
Name:
President

Attest: Rick Hudson
Name:
Secretary