

BY-LAWS

ARTICLE I

Name and Location

Section 1. Name and Location. The name of this Association is as follows: Silver Ridge Homeowners Association, Inc.

Its principal office and mailing address is initially located at: c/o Pulte Home Corporation, Two Concourse Parkway, Suite 200, Atlanta, Georgia 30328

ARTICLE II

Definitions

Section 1. Declarant. "Declarant", as used herein, shall have the same meaning as that expression is defined to have in the Declaration.

Section 2. The Project. The "Project", as used herein, means that certain community being developed by the Declarant in Fulton County, Georgia known as Silver Ridge Subdivision.

Section 3. Declaration. "Declaration", as used herein, means that certain Amended and Restated Declaration of Covenants and Restrictions of Silver Ridge Subdivision, dated as of December 6, 1989 made by the Declarant.

Section 4. Mortgagee. "Mortgagee", as used herein, means the Holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed to secure debt encumbering one or more of the Units. "Mortgage", as used herein, shall include a deed to secure debt. "First Mortgage", as used herein, shall mean a Mortgage with priority over other Mortgages. As used in these By-Laws, the term "Mortgagee" shall mean any Mortgagee and shall not be limited to Institutional Mortgagees. As used in these By-Laws, the term "Institutional Mortgagee" or "Institutional Holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, mutual savings banks, credit unions, trusts, pension funds, mortgage companies, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, all corporations and any agency or department of the United States Government or of any state or municipal government. As used in these By-Laws, the term "Holder" or "Mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

Section 5. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration.

ARTICLE III

Membership

Section 1. Membership. The Association shall have two (2) classes of voting membership which shall be known as "Class A" and "Class B":

(a) With the exception of the Declarant, every individual, group of individuals, corporation, partnership, trust or other legal entity, or any combination thereof, which is a record owner of a fee interest in any Unit which is part of the premises described in the Declaration, or which otherwise becomes subject to the covenants set forth in the Declaration to be assessed by the Association, shall be a Class A Member of the Association; provided, however, that any such individual, group of individuals, corporation, partnership, trust or other legal entity which holds such interest solely as security for the performance of an obligation shall

not be a Class A Member solely on account of such interest. Each Class A Member shall be entitled to one (1) vote for each Unit in which such Member holds the interest required for Class A membership. The Class A Members shall be entitled to vote on all matters on which the Class B Members shall be entitled to vote except as otherwise expressly provided in these Bylaws to the contrary.

(b) The Class B Member shall be the Declarant, its nominee or nominees, and shall include every individual, group of individuals, corporation, partnership, trust or other legal entity, or any combination thereof, which shall obtain any Class B membership by specific assignment from the Declarant. The Class B Member or Members shall have one (1) Class B membership for each Unit in which such Member holds the interest otherwise required for Class A membership. Each Class B Member shall be entitled to four (4) votes for each Class B membership which it holds. The Class B membership shall lapse and become a nullity on the first to happen of the following events:

- (i) there is no Class B Member of the Association which holds the interest otherwise required for Class B membership; or
- (ii) on January 1, 2000; or
- (iii) upon the surrender of all said Class B memberships by the then Holders thereof for cancellation on the books of the Association.

Upon the lapse or surrender of the Class B memberships as provided for in this Article, the Declarant shall thereafter remain a Class A Member of the Association as to each and every Unit in which the Declarant then holds the interest otherwise required for such Class A membership.

The Members of the Association shall have no preemptive rights to acquire any memberships of this Association that may at any time be issued by the Association except as may be specifically provided in this Article.

Section 2. Membership Certificates. In the event the Board of Directors considers it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Association is organized under the laws of the State of Georgia, the name of the registered Holder or Holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to the Unit to which such membership is appurtenant. Every membership certificate shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary and shall be sealed with the corporate seal. Such signatures or seal may be original or facsimile.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Association and alleged to have been destroyed or lost, upon the making of an affidavit of the fact by the person claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered Holder or Holders of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association on account of the issuance of such new certificate.

Section 4. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association, each Class A Member of the Association shall be entitled to receive out of the assets of the Association available for distribution to the Members an amount equal to that proportion of such assets which the number of Class A memberships held by such Member bears to the total number of Class A memberships of the Association then issued and outstanding.

ARTICLE IV

Meeting of Members

Section 1. Place of Meeting. Meetings of the Members shall be held at the principal office or place of business of the Association or at such other suitable place within the State of Georgia which is reasonably convenient to the Members and as may from time to time be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the Members of the Association shall be held at such time and place as may be designated by the initial Board of Directors; provided, however, that the first annual meeting of Members shall be held within one (1) year from the date of filing of the Articles of Incorporation of the Association with the Secretary of State. Thereafter, the annual meetings of the Members shall be held during the month of June of each succeeding year. At such meeting there shall be elected by ballot of the Members who are entitled to vote for the election of Directors a Board of Directors in accordance with the requirements of Article V of these By-Laws. The Members may also transact such other business as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a petition signed by at least twenty (20%) percent of each class of the then Members, having been presented to the Secretary; provided, however, that no special meetings shall be called, except upon resolution of the Board of Directors, prior to the first annual meeting of Members as hereinabove provided for. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meeting. It shall be the duty of the Secretary to mail by first class mail or to hand deliver a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Member of record, at his address as it appears on the membership books of the Association or, if no such address appears, at his last known place of address, at least ten (10) days but not more than ninety (90) days prior to such meeting. Notice by either such method shall be considered as notice served. Attendance by a Member at any meeting of the Members shall be a waiver of notice by him of the time, place and purpose thereof. Notice of any annual or special meeting of the Members of the Association may also be waived by any Member either prior to, at, or after any such meeting.

Section 5. Roster of Membership. The Board of Directors of the Association shall maintain a current roster of the names and addresses of each Member to which written notice of meetings of the Members of the Association shall be delivered or mailed. Each Unit Owner shall furnish the Board of Directors with his name and current mailing address.

Section 6. Quorum. The presence, either in person or by proxy, of Members representing at least fifty-one (51%) percent of each class of the then Members of record, shall be requisite for, and shall constitute a quorum for the transaction of business of all meeting of Members. If the number of Members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 7. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 8. Voting. At every meeting of the Members, each Class A Member shall have the right to cast one (1) vote for each Class A membership which he owns on each question. Each Class B Member shall have the right to cast four (4) votes for each Class B membership which he owns on each question. The vote of the Members representing fifty-one (51%) percent of each class of the then Members present at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting unless the question is one upon which, by the express provision of law or of the Articles of

Incorporation, or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other Owner of such membership is noted at such meeting. In the event all of the Owners of any membership who are present at any meeting of the Members are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary or an Assistant Secretary of the Association, prior to or during the meeting. Any such certificate shall remain valid until revoked or superseded in writing. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Class A Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be delinquent in any payment due the Association.

Whenever in these By-Laws any action is required to be taken by a specified percentage of "each class of the then Members" of the Association, then such action shall be required to be taken separately by the specified percentage of the votes of the then outstanding Class A Members of the Association and the specified percentage of the votes of the then outstanding Class B Members of the Association. Whenever in these By-Laws any action is required to be taken by a specified percentage of "both classes of the then Members" of the Association, then such action shall be required to be taken by a specified percentage of the votes of the then outstanding cumulative membership of the Association.

Section 9. Proxies. A Member may appoint any other Member or the Declarant as his proxy. Except for the Declarant, in no case may any Member cast more than one (1) vote by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in form approved by the Board of Directors before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the Member; provided, however, that no proxy shall be effective for a period in excess of one hundred eighty (180) days unless granted to a Mortgagee or lessee of the Unit to which the vote is appurtenant.

Section 10. Rights of the Mortgagees. Any Institutional Mortgagee of any Unit who desires notice of the annual and special meetings of the Members shall so notify the Secretary of the Association by certified mail/return receipt requested. Any such notice shall contain the name and post office address of such Institutional Mortgagee and the name of the person to whom notice of the annual and special meeting of the Members should be addressed. The Secretary of the Association shall maintain a roster of all Institutional Mortgagees from whom such notices are received, and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the Members to each such Institutional Mortgagee, in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Members. Any such Institutional Mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Members, and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman of such meeting in advance of the meeting, address the Members present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary of the Association.

Section 11. Order of Business. The order of business at all annual meetings of the Members shall be as follows:

- (a) Roll call and certificate of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meeting, if any.
- (d) Reports of officers, if any.

- (e) Reports of committees, if any.
- (f) Unfinished business.
- (g) New business.
- (h) Election or appointment of inspectors of election.
- (i) Election of Directors.
- (j) Adjournment.

In the case of special meetings, items (a) through (e) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

Section 12. Rules of Order and Procedure. The rules of order and all other matters of procedure at all annual and special meetings of the Members shall be determined by the Chairman of such meeting.

Section 13. Inspectors of Election. The Board of Directors may, in advance of any annual or special meeting of the Members, appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so appointed, the Chairman of any annual or special meeting of Members shall appoint such inspectors of election. Each inspector so appointed, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector of election at such meeting. The oath so taken shall be filed with the Secretary of the Association. No officer or Director of the Association shall act as an inspector of election at any meeting of the Members if one of the purposes of such meeting is to elect Directors.

ARTICLE V

Directors

Section 1. Number and Qualifications. The affairs of the Association shall be governed by the Board of Directors composed of an uneven number of at least three (3) individuals and not more than nine (9) individuals, a majority of whom (after the lapse of all of the Class B memberships as provided in these By-Laws) shall be Members of the Association.

Prior to the lapse of all the Class B memberships as provided in these By-Laws, the number of Directors shall be determined, from time to time, by a vote of the initial Directors hereinafter named. Thereafter, the number of Directors may be changed by a vote of the Members at any subsequent annual or special meeting of the Members; provided, however, that (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent Director.

Section 2. Initial Directors. The initial Directors shall be selected by the Declarant and need not be Members of the Association. The names of the Directors who shall act as such from the date upon which the Articles of Incorporation of the Association are accepted for record by the Georgia Secretary of State, and until the first annual meeting of the Members or until such time as their successors are duly chosen and qualified, whichever shall last occur, are as set forth in the Articles of Incorporation of the Association.

Section 3. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration or these By-Laws directed to be exercised and done by the Members. The powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

(a) to provide for the care, upkeep and surveillance of the Common Areas and Community Facilities and services in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

(b) to establish, collect, use and expend assessments from the Members and in connection with the assessment, to file and enforce liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

(c) to promulgate and enforce such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the Common Areas and Community Facilities as are designated to prevent unreasonable interference with the use of the Common Areas and Community Facilities by the Members and others, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration; and

(d) to authorize, in their discretion, the payment of patronage refunds from residual receipts when and as reflected in the annual report; and

(e) to purchase such policies of insurance as shall from time to time be considered appropriate by the Board of Directors including, without limitation, casualty insurance, public liability insurance, workmen's compensation insurance to the extent necessary to comply with any applicable law, so-called "legal expense indemnity insurance" affording protection for the officers and Directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim or cause of action to which any such officer or Director shall have been made a party by reason of his or her service as such, fidelity coverage and the like; and

(f) to repair, restore or reconstruct all or any part of the Common Areas and Community Facilities after any casualty loss in a manner consistent with law and the provisions of these By-Laws and to otherwise improve the Common Areas and Community Facilities; and

(g) to lease, grant licenses, easements, rights-of-way and other rights of use in all or any part of the Common Areas and Community Facilities; and

(h) to purchase Units and to lease, mortgage or convey the same, subject to the provisions of these By-Laws and the Declaration; and

(i) to appoint the Members of the Architectural and Environmental Control Committee provided for in the Declaration and to appoint the Members of such other committees as the Board of Directors may from time to time designate.

Section 4. Election and Term of Office. The term of the initial Directors named herein shall expire when their successors have been elected at the first annual meeting of Members and are duly qualified. The election of Directors shall be by secret written ballot, unless balloting is dispensed with by the unanimous consent of the Members who are entitled to vote for the election of Directors and who present at any meeting, in person or by proxy. Prior to the lapse of all Class B memberships as provided by these Bylaws, only the Class B Members shall be entitled to vote for the election of Directors. After the lapse of all Class B memberships, the Class A Members shall be entitled to vote for the election of Directors. There shall be no cumulative voting. At the first annual meeting of the Members, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years, and the term of the office of the other Director or Directors shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. In the alternative, the Class B Members may, by resolution duly made and adopted at the first annual meeting, resolve to fix the term for each Director elected at any such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 5. Resignation and Removal of Directors. Any Director may resign at any time upon written notice to the Board of Directors. At an annual meeting of Members, or at any special meeting duly called for such purpose (but only after the lapse of all of the Class B memberships as provided in these By-Laws), any Director may be removed with or without cause by the affirmative vote of the majority of the votes of the Members entitled to vote for the election of Directors who are present and voting, in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. After the lapse of all Class B memberships, any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. The term of any Director who is a Class A Member of the Association and who becomes more than sixty (60) days delinquent in payment of any assessments or carrying charges due the

Association may be terminated by resolution of the remaining Directors, and the remaining Directors shall appoint his successor as provided in this Article.

Section 6. Compensation. No compensation shall be paid to Directors for their services as Directors. After the first annual meeting of the Members, no remuneration shall be paid to any Director who is also a Member for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration shall have also been adopted by the Board of Directors before such services are undertaken. Directors may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Directors.

Section 7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present at such first meeting.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days prior notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least fifty percent (50%) of the Directors.

Section 10. Waiver of Notice. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all the 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 11. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at any meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of these present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all 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 13. Fidelity Bonds. With the exception of the initial officers and Directors set forth in the Articles of Incorporation, the Board of Directors shall require that all officers, Directors and employees of the Association regularly handling or otherwise responsible for the funds of the Association shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty. The premiums on such bond or insurance shall be paid by the Association.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by a Board of Directors. Prior to the lapse of all the Class B memberships as provided in these By-Laws, the officers of the Association need not be Members of the Association. Thereafter, except for the President, the officers of the Association need not be Members of the Association. The Board of Directors may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Resignation - Removal of Officers. Any officer may resign at any time upon written notice to the Board of Directors. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at and be chairman of all meetings of the Members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also assist the President generally and shall perform such other duties as shall from time to time be delegated to him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members of the Association. The Secretary shall give notice of all annual and special meetings to the Members of the Association in conformity with the requirements of these By-Laws. The Secretary shall have custody of the seal of the Association, if any. The Secretary shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct and he shall, in general, perform all of the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for funds and securities of the Association and shall be responsible for keeping, or causing to be kept, full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for causing the deposit of all monies and other valuable effects in the name, and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association, which shall begin on the date when the Articles of Incorporation of the Association are accepted for record by the Georgia Secretary of State. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should the practice of the Association subsequently dictate.

Section 2. Principal Office - Change of Same. The principal office of the Association shall be as set forth in Article I of the By-Laws. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time.

Section 3. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and expenditures and other transactions of the Association and its administration and shall specify the maintenance and repair expenses of the Common Areas and Community Facilities, services required or provided with respect to the same, and any other expenses incurred by the Association. The amount of any assessment or portion of any assessment, required for payment of any capital expenditures or reserves of the Association, may be credited upon the books of the Association to the "paid-in-surplus" account as a capital contribution by the Members.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an independent certified public accountant whose report shall be prepared and certified in accordance with generally accepted accounting principles consistently applied. Based upon such report, the Association shall furnish the Members and any Mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Association, within one hundred twenty (120) days following the end of each fiscal year.

Section 5. Inspection of Books. The books and accounts of the Association, vouchers accrediting the entries made thereupon and all other records maintained by the Association shall be available for examination by the Members and their duly authorized agents or attorneys, and to the Mortgagees and their duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable prior notice.

Section 6. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or a Vice President, and all checks shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

Section 7. Seal. The Board of Directors may provide a suitable corporate seal containing the name of the Association, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any Assistant Secretary or Assistant Treasurer.

ARTICLE VIII

Amendment

Section 1. Amendments. Subject to the other limitations set forth in these By-Laws, these By-Laws may be amended by the affirmative vote of Members representing two-thirds (2/3) of each class of the then Members of record at any meeting of the Members duly called for such purpose in accordance with the provisions and requirements of these By-Laws.

Section 2. Proposal of Amendments. Amendments to these By-Laws may be proposed by the Board of Directors of the Association or by petition signed by at least twenty-five (25%) percent of the total vote of the Members, which petition shall be delivered to the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meeting of the Members at which such proposed amendment is to be considered and voted upon.

Section 3. Approval of Class B Members. Notwithstanding anything to the contrary contained in these Bylaws, no amendment to these Bylaws shall be effective without the unanimous vote of all of the Class B Members so long as there are any Class B Members.

ARTICLE IX

Mortgages – Notice – Other Rights of Mortgages – FHA – Veterans Administration

Section 1. Notice to Board of Directors. Any Owner of any Unit who mortgages such Unit shall promptly notify the Board of Directors of the name and address of his Mortgagee and, if requested so to do, shall deliver a conformed copy of such Mortgage with the Board of Directors. The Board of Directors shall maintain a suitable roster pertaining to such Mortgages.

Section 2. Consents. Any other provision of these By-Laws or of the Declaration to the contrary notwithstanding, neither the Members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the Institutional Mortgagees holding first priority Mortgages of record on the Units of which the Board of Directors have been notified as required by these Bylaws:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas and Community Facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other purposes consistent with the use of the Common Areas and Community Facilities by the Members of the Association and the dedication of streets and other rights of way in the subdivision shall not be an action requiring any approval within the meaning of this Section; or

(b) abandon or terminate the Declaration; or

(c) modify the method of determining and collecting common expense assessments or other assessments as provided for in the Declaration; or

(d) resolve to use the proceeds of casualty insurance for any purpose other than the repair, replacement or reconstruction of the Common Areas and Community Facilities; or

(e) modify or amend any material or substantive provision of the Declaration or these By-Laws which will adversely affect the interest of the Institutional Mortgagees holding first priority Mortgages.

Section 3. Casualty Losses. In the event of damage or destruction to the Common Areas and Community Facilities, if any, by fire or other casualty, the same shall be promptly repaired, replaced or reconstructed in substantial conformity with the original plans and specifications for the Common Areas and Community Facilities with the proceeds of insurance available for that purpose. In the event that the proceeds of insurance are not sufficient to repair damage or destruction of the Common Areas and Community Facilities caused by fire or other casualty or, in the event such damage or destruction is caused by any casualty not insured against, then and in either of these events, upon resolution of the Board of Directors, the repair, replacement or reconstruction of the damage shall be accomplished promptly by the Association at its common expense. The Association shall not use the proceeds of casualty insurance received as a result of damage or destruction of the Common Areas and Community Facilities for purposes other than the repair, replacement or reconstruction of the Common Areas and Community Facilities without the prior written consent and approval of the Institutional Mortgagees holding first priority Mortgages of record on the Units of which the Board of Directors have been notified as required by these Bylaws.

In the event of substantial damage or destruction to any part of the Common Areas and Community Facilities, the Board of Directors of the Association shall give prompt written notice of such damage or destruction to the Holders of Mortgages approved on the Units of which the Board of Directors have been notified as required by these Bylaws. No provision of these By-Laws shall entitle any Member of the Association to any priority over the Mortgagees on his Unit with respect to the distribution to such Member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Common Areas and Community Facilities.

Section 4. Condemnation or Eminent Domain. In the event any portion of the Common Areas and Community Facilities is made the subject matter of any condemnation or eminent domain proceeding, or is

otherwise sought to be acquired by condemning authority, then the Board of Directors of the Association shall give prompt written notice of any such proceeding or proposed acquisition to the Mortgagees holding first priority Mortgages on the Units. No provision of these By-Laws shall entitle any Member of the Association to any priority over the Mortgagees holding first priority Mortgages on his Unit with respect to the distribution of such Member to the proceeds of any condemnation award or settlement relating to a taking of any of the Common Areas and Community Facilities.

Section 5. Veterans Administration, Federal Housing Administration and Federal National Mortgage Association. Provided that any Unit in the project is then encumbered by a Mortgage which is insured by the Veterans Administration, Federal Housing Administration, or by the Federal National Mortgage Association and provided further that there are then Class B memberships of the Association outstanding, neither the Members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions without the prior written consent and approval of the above-mentioned institution or institutions insuring Mortgages on any Units:

(a) abandon, partition, subdivide, encumber, sell or transfer any of the Common Areas and Community Facilities; provided, however, that the granting of rights-of-way, easements and the like for public utilities or for other a purposes consistent with the use of the Common Areas and Community Facilities by the Members of the Association and the dedication of streets and other rights of way in the subdivision shall not be and action requiring any approval within the meaning of this Section; or

(b) abandon or terminate the Declaration; or

(c) modify or amend any material or substantive provisions of the Declaration or these By-Laws which will adversely affect the interests of the Institutional Mortgagees holding first priority Mortgages.

ARTICLE X

Interpretation - Miscellaneous

Section 1. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these By-Laws and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 2. Notices. Unless another type of notice is herein elsewhere or by law specifically provided for, any and all notices called for in these By-Laws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provision hereof which can be given effect.

Section 4. Waiver. No restriction, condition, obligation or provisions of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 5. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws.

Section 6. Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice-versa, unless the context requires otherwise.

Section 7. Applicable Law. These Bylaws are made and entered into under the laws of the State of Georgia and said laws shall control interpretation of this Agreement. If, and in the event that, after taking all steps available under the law, compliance herewith would constitute a violation of such law these Bylaws shall be

deemed modified to the extent that it does not violate such law. In case any term of those Bylaws shall be held invalid, illegal or unenforceable, in whole or in part, neither the validity of the remaining part of such term nor the validity of any other term of these Bylaws shall in any way be affected thereby.

Section 8. Time of Essence. It is expressly agreed by the parties hereto that time is of the essence with respect to all provisions hereof.