

**RESTATED BY-LAWS OF THE  
SUMMERTOWN-ROCKBRIDGE ACRES ASSOCIATION, INC.  
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# BY-LAWS OF THE SUMMERTOWN-ROCKBRIDGE ACRES ASSOCIATION, INC.

## Article I General

**1.1 Applicability** These By-Laws provide for the governance of the Summertown-Rockbridge Acres Association, Inc. in accordance with its Amended and Restated Articles of Incorporation, the Georgia Non-profit Corporation Code (“the Act”), and that certain Permanent Membership Declaration for Summertown and Rockbridge Acres (“the Declaration”), of which Exhibit “D” is a Declaration of Additional Protective Covenants of Summertown and Rockbridge Acres Subdivisions (“the Additional Covenants”), which are or may hereafter be filed with the Clerk of the Superior Court of Gwinnett County, Georgia in the Records of said County, and which may be amended from time to time. Within these By-Laws all capitalized terms shall have the meaning given to them in the Declaration unless defined differently within these By-Laws. These By-Laws shall become effective fourteen (14) days after their passage, and the Class A Permanent Membership shall only become effective:

(a) upon the execution of one hundred and fifty (150) signatures of Lot Owners submitting Consent to the Declaration for Permanent Membership, and

(b) when two Officers of the Association certify the number of signatures has been achieved, and

(c) when the Declaration, certification, and Additional Covenants are filed in the County land records.

The period after adoption of these By-Laws and before the filing of documents in Gwinnett County land records shall be called the “Open Enrollment” period.

**1.2 Name** The name of the corporation is the Summertown-Rockbridge Acres Association, Inc., (hereinafter “the Association”), formerly known as the Summertown Recreation Association, Inc. The name change is established in the Restated Articles of Incorporation and by the adoption of these By-Laws in accordance with the Article 7 provision for amendments in the Original By-Laws of the Summertown Recreation Association, Inc. The Original By-Laws for the Association are deleted in their entirety and replaced by these By-Laws.

**1.3 Membership** There shall be three classes of membership in the Association: Class A, Class B and Class C. Class A and B membership in the Association shall be mutually exclusive and no person may be a member of both A and B classes of membership as to or in regard to the same Lot. Class C membership shall be available to both Class A and Class B Members. No shares or certificates of membership shall be issued by the corporation and the requirements of and eligibility for membership shall be as set forth in the Declaration and these By-Laws, as follows:

**1.3a Class A Permanent Membership:** Class A Permanent Membership shall consist of all Lot Owners, as Lots are defined herein, who have subjected or hereafter shall subject their respective Lot(s) to the Declaration and who thereby and as a consequence thereof have become and are Permanent Members in the Association as provided in said Declaration, and all successors thereto who shall automatically become Members of the Association upon taking title to any Lot and shall remain Members so long as they remain record title owner of any Lot. If title to the Lot is held jointly or otherwise by more than one Person, the Membership in this Association shall be shared in the same proportion as to the title, but there shall be only one (1) vote per Lot. Class A Permanent Membership shall not include any Person or entities who hold title to any Lot merely as security for the performance of any obligation. Membership in the Association is appurtenant to the Lot and shall be automatically transferred upon the conveyance or assignment of title of the Lot to which the Membership is appurtenant, as provided in the Declaration. Class A Members in good standing are eligible but not required to purchase a Class C Recreational Membership.

**Effective Date:** Class A Permanent Membership shall only become effective when at least one hundred and fifty (150) Lot Owners have registered and signed the Declaration of Consent to Permanent Membership and two Officers of the Association have certified that the required number of Lots has been met, and these documents are filed with the County according to the Declaration. If the Threshold Lot number of one hundred and fifty (150) Permanent Member Lots is not met during Open Enrollment, then Class A Permanent Membership shall cease to exist and all reference to Class A Permanent Membership in these By-Laws shall be changed to Class B Temporary Membership and all Class A Permanent Members shall be re-classified as Class B Temporary Members.

**1.3b Class B Temporary Membership:** Subject to the limitations and provisions contained in these By-Laws, Class B Membership shall consist of all Lot Owners who are Members of the Association (including all members

of the Grandparent and the Pool/Tennis Division of the Association, as defined in the Association's Original By-Laws) who are in good standing as reflected upon and in the records of the Association as maintained by the Secretary and Treasurer who have not subjected their respective Lots to the Declaration for Permanent Membership for themselves. Class B membership shall be personal to the individuals or Persons having or holding the same and shall not be transferable or assignable except as provided herein or as may hereafter be provided in any amendment to these By-Laws or by Resolution adopted by three-fourths (3/4) vote of the Association's Board of Directors. Any Class B Member may subject his/her Lot to Permanent Membership for the next Owner of the Lot by submitting a Consent to the Declaration for Permanent Membership which shall be effective only upon the transfer of title (except for transfers for a deed to secure debt), in which case the next Owner shall be subject to Class A Permanent Membership but the current Lot Owner is not a Permanent Member. Any Class B Temporary Member may convert to a Class A Permanent Membership at any time by submitting a written request to the Secretary and by subjecting his or her Lot to the Declaration. Such Class B Member desiring a Class A Membership shall, upon the filing or recording of the consent or instrument for the same in the Gwinnett County, Georgia Records, be re-classified upon the records of the Association as a Class A Permanent Member and shall thereafter enjoy all rights, entitlements and privileges of said Permanent Membership. If title to the Lot is held jointly or otherwise by more than one Person, the Membership in the Association shall be shared in the same proportion as to the title, however there shall be only one (1) vote per Lot. Class B Temporary Membership shall not include any Person or entities who hold title to any Lot merely as security for the performance of any obligation. All Class B Temporary Members in good standing are eligible but not required to purchase a Class C Recreational Membership.

**1.3c Class C Recreational Membership:** Subject to the limitations and provisions contained in these By-Laws, Class C Recreational Membership shall consist of a pool and tennis Membership which may be purchased by all Lot Owners who are Class A or Class B Members of the Association (including all members of the Grandparent and the Pool/Tennis Divisions of the Association, as defined in the Association's Original By-Laws) who are in good standing as reflected upon and in the records of the Association as maintained by the Secretary and Treasurer. Class C Membership entitles all residents of the Member Lot to use the pool and tennis court amenities as defined in Section 11.3. All Class C Members paying additional dues are assigned one (1) additional vote per Lot. Class C Members paying no dues or discounted dues for this additional Membership are not entitled to the one (1) additional vote. Class C Recreational Membership shall be personal to the individuals or Persons having or holding the same and shall not be transferable or assignable except as provided herein or as may hereafter be provided in any amendment to these By-Laws or by Resolution adopted by three-fourths (3/4) vote of the Association's Board of Directors. If title to the Lot is held jointly or otherwise by more than one Person, the Membership in the Association shall be shared in the same proportion as to the title; however, there shall be only one (1) additional vote per Lot.

**1.4 Inactive Membership** Any Class A or Class B Member of the Association in good standing may submit a written request for an Inactive Membership to the Secretary for Board approval. This Inactive Membership, if granted by the Board, shall allow the Member to pay no annual dues, fees, or assessments for a period not to exceed one (1) year. The Inactive Member is not eligible to hold a Class C Recreational Membership, and is not eligible to vote or participate in any Association functions during the inactive period. The inactive period would begin on the date the request is approved and would expire one year later on the same month and day. This Inactive Membership is available only once to each Lot Member, until a transfer of Ownership occurs (except as a deed to secure debt), at which time the next Lot Owner may request inactive Membership under the same procedure at any time as long as the Owner is a Member in good standing. Payment of Annual Dues and assessments must be resumed after one year of Inactive Membership for Class A Permanent Members. For inactive Class B Temporary Members, if at the end of one year, active Membership is not resumed, the Board may re-classify the inactive Temporary Member as a Non-Member for the purpose of transfer of Lot Ownership. See 1.7 below.

**1.5 Majority** As used in these By-Laws, the term "Majority" shall mean those votes totaling more than fifty percent (50%) of the number of eligible votes, Members, or other group respectively. Unless otherwise specifically stated, the words "majority vote" mean more than fifty percent (50%) voting in Person or by proxy or by absentee ballot. Unless otherwise required by the Articles, the Declaration or these By-Laws, all decisions shall be made and all actions shall be taken or approved by majority vote.

**1.6 Purpose** The Association's general purpose shall be to promote the health, safety, welfare, social, cultural, athletic, literary, and civic interests of all those Persons residing in Summertown and Rockbridge Acres Subdivisions. The Association shall have the obligation and responsibility of administering the Association and conducting its business in accordance with the Act, the Articles, the Declaration, the Additional Covenants, and these By-Laws, including performing all actions, obligations, and duties specified or permitted in or by the Act, the Articles, the Declaration, or these By-Laws. The Association shall have all powers and privileges specified herein or reasonably necessary to accomplish and fulfill the purposes set forth herein. Except as to those matters or decisions which the Act, the Articles, the Declaration or these By-Laws specifically require to be made, performed or approved by a vote of the Membership of the Association, all responsibilities, actions and decisions regarding the operation and administration of the Association shall be borne and made by the Board of Directors of the Association.

**1.7 Transfer of Lot Ownership** During the Open Enrollment period which shall begin upon adoption of these By-Laws and shall run at least six months after that date, any Lot Owner whose land is part of Summertown or Rockbridge Acres shall be eligible to purchase a Class A or B and a Class C membership in the Association. During the Open Enrollment there shall be no initiation fee charged. The Board of Directors has the authority to extend the Open Enrollment period if necessary. After the Open Enrollment Period ends, the Board has the discretion to charge an initiation fee or filing fee to the Lot Owners who join the Association after the period of Open Enrollment.

New Lot Owners shall purchase a Membership according to the following rules which shall be enforced at the discretion of the Board of Directors. The purpose of this section is to govern the transfer of membership or the purchase of new memberships after the period of Open Enrollment ends.

(a) Transfer of Ownership of a Class A Permanent Member Lot. The Class A membership is appurtenant to and may not be separated from ownership of any Member Lot and is governed by the Declaration.

(b) Transfer of Ownership of a Class B Temporary Member Lot. The option to purchase a Class A or Class B Membership shall be available to all new Lot Owner(s) during the first one hundred and eighty (180) days (six months) after the closing date or date of transfer of ownership. No initiation fee shall apply when any Class B Temporary Member in good standing converts to a Class A Permanent Membership, nor shall an initiation fee apply if the Class B Temporary Member signs the Declaration binding Class A Permanent membership with the Lot prior to the transfer of Ownership. After one hundred and eighty (180) days from the date of transfer of ownership, new Lot Owners shall be subject to pay an initiation or filing fee at the discretion of the board.

(c) Transfer of Ownership of a Non-Member Lot. After the Open Enrollment period, all Lot Owners who did not purchase a Membership may join a Class A or B or C Membership at any time but shall be subject to pay an initiation fee. Former Summertown Recreation Association, Inc. Members in good standing, whether active or inactive, who are holding a valid Escrow Agreement Certificate as described in the Original By-Laws, or having paid the non-refundable initiation fee and maintained membership in good standing according to the Original By-Laws prior to the adoption of these By-Laws shall not be required to pay an initiation fee at any time to join the Association, even after the period of Open Enrollment ends.

**1.8 Voting Rights** There shall be one (1) vote for each Lot owned by any Class A or B Member of the Association, which may be cast by a record Owner or an officer, director or partner of any owner which is a recognized legal entity, in person, by proxy, by absentee ballot, or by written consent when permitted in these By-Laws. Any Class A or Class B Member who has purchased a Class C membership paying full dues shall be entitled to one (1) additional vote per Lot, for a total of two (2) votes per Lot. There shall be absentee voting either by proxy as provided in Article 3.7 or by absentee ballot as provided in Article 3.9 below. All votes shall have equal weight with the single exception of votes to amend the Declaration. Only Class A Permanent Members may cast votes to approve or disapprove any amendments to the Declaration.

When one or more Persons own a Lot, the vote(s) shall be exercised as they may agree between or among themselves. However, in the event the Owners cannot agree as to the exercise of any vote, any attempt by two or more persons to cast a vote for or on behalf of the same Lot shall be deemed improper, and the vote or votes for that Lot shall not be counted or recognized. No Member shall be permitted to cast any vote or serve as a Director or Officer of the Association who is more than thirty (30) days delinquent in the payment of any assessment, fees, dues, charge or other amount due the Association, or if the Member's right to vote has been otherwise suspended by the Board of Directors or as provided in the Declaration or these By-Laws. No person who has any license or use right in the Association's

Common Property, facilities or amenities who is not a Class A or Class B Member of the Association shall be entitled to any vote in the Association.

## **Article II Definitions**

Unless otherwise required by the context of any provision of these By-Laws, terms used in these By-Laws shall have the definition and meaning as in the Declaration, except as follows:

**2.1** **“Declaration”** shall mean that certain Declaration of Permanent Membership of Summertown and Rockbridge Acres Subdivisions which is or may hereafter be filed with the Clerk of the Superior Court of Gwinnett County, Georgia in the Records of said County, as the same may be amended from time to time.

**2.2** **“Articles”** shall mean the Amended and Restated Articles of Incorporation for the Association, as subsequently amended or revised from time to time.

**2.3** **“Association”** shall mean the Summertown-Rockbridge Acres Association, Inc.

**2.4** **“By-Laws”** shall mean these Amended and Restated By-Laws, as later amended or revised from time to time.

**2.5** **“Code” or “the Act”** shall mean the Georgia Non-profit Corporation Code, O.C.G.A. Section 14-3-101, *et seq.*, as amended from time to time.

**2.6** **“Lot”** shall mean any portion or parcel of the real property comprising the Summertown and Rockbridge Acres Subdivisions, intended for residential use and ownership and located therein as shown upon or depicted by the respective Plats for said Subdivisions filed in the Gwinnett County, Georgia, Records, and any revisions or amendments thereto.

**2.7** **“Lot Owner” or “Owner”** shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation.

**2.8** **“Member”** shall mean any person or entity having or holding Class A or Class B membership in the Association, as defined above.

**2.9** **“Original By-Laws”** shall mean and refer to those By-Laws of Summertown Recreation Association, Inc. which existed or were in effect on December 4, 2005, and which are or have been Amended and Restated by this instrument according to Article VII, Sections 7.1 and 7.2 in the Original By-Laws.

**2.10** **“Person”** as used herein, unless the context requires otherwise, shall mean both a natural person as well as any legal entity.

**2.11** **“Additional Covenants”** shall mean that certain Declaration of Additional Covenants of Summertown and Rockbridge Acres subdivisions which is or may hereafter be filed with the Clerk of the Superior Court of Gwinnett County, Georgia in the Records of said County, as the same may be amended from time to time.

## **Article III Meetings of Members**

**3.1** **Semi-Annual Meetings** The two regular semi-annual meetings of the Members shall be held within the months of March (March 1 through 31, inclusive) and October (October 1 through the 31, inclusive) in each year at a specific place, day and hour set from time to time by resolution of the Board of Directors. These meetings shall be held either on the Association’s property or at such other suitable location or place within Gwinnett or DeKalb Counties (Georgia) as may be reasonably convenient and accessible to all Members, as may be determined by the Board of Directors. The date of the semi-annual meetings may be postponed by up to 30 days by a majority vote of the Board of Directors.

**3.2 Special Meetings** Special meetings of the members for any purpose may be called at any time by the President or the Secretary, or by request of any two or more Members of the Board of Directors, or upon written request of at least ten (10) Class A or B Members.

**3.3 Notice of Meetings** It shall be the duty of the Secretary to mail by regular first class mail or e-mail or to cause to be delivered to each Member a written notice of each semi-annual or special meeting of the Association at least twenty-one (21) days prior to each semi-annual meeting and at least seven (7) days prior to each special meeting. Such Notice shall state the purpose of any meeting, as well as the time, date and place where the meeting is to be held, as well as the purpose(s) of any special meeting, as well as whether absentee votes shall be accepted for any voting scheduled for the meeting. Notices as provided herein shall be mailed or delivered to the Member's Lot, or sent by facsimile or electronic mail provided the Lot Owner registers the facsimile or electronic mail as preferred method of contact with the Secretary. For notices by facsimile and electronic mail, said Lot Owner shall send a confirmation of receipt. If any Member wishes notice to be given at an address other than his or her Lot, the Member shall have designated and filed the same in writing with the Secretary of the Association. The e-mailing, mailing, or delivering of a notice of meeting in the manner provided in this Section shall be considered proper and adequate service of notice as to said meeting. Upon written request to the Secretary of the Association, any institutional holder of a first mortgage shall be entitled to written notice of all meetings by first class mail and shall be permitted to designate a representative to attend and observe, but not speak, participate or vote, at any such meeting. Permission to attend the meetings does not vest the institutional holder of first mortgage with any membership, standing, rights or interest in the Association under the terms of these By-Laws.

**3.4 Waiver of Notice** Waiver of notice of meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed waiver by such Member of notice of the time, date and place thereof unless such Member specifically and expressly objects to lack of proper notice at the time the meeting is called to order. A Member's attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to any vote.

**3.5 Quorum** The presence in person, by proxy, and by absentee ballot at the time the meeting is called to order of those Members entitled to cast twenty-five percent (25%) of the total eligible votes of the Association shall constitute a quorum, which quorum once established shall be deemed to be present throughout the meeting and any later adjournment thereof, even if the quorum becomes lost or ceases to exist during said meeting or any adjournment thereof. The additional votes of Members holding the Class C Recreational Membership shall be counted in the total eligible votes to establish a quorum. In the event the number of votes at a meeting, including proxy and absentee ballots, does not represent a quorum as provided herein, then any transaction of business at the meeting shall be at the discretion of the Board unless the transaction is limited by these By-Laws or the Declaration.

**3.6 Adjournment** Any meeting of the Members may be adjourned from time to time by vote of the Members holding the majority of the votes present at such meeting, regardless of whether a quorum is present. Any business which could be properly transacted at the original session of the meeting may be transacted at an adjourned session by the Board of Directors, unless such business is limited by the Declaration or these By-Laws, and no additional notice of such adjourned session shall be required.

**3.7 Proxy** At any meeting of members, each Member may vote in person or by proxy. All proxies shall be in writing, dated, signed, and filed with the Secretary before the appointed time of each meeting. Proxies may be revoked only by dated written notice delivered to the Association, except that presence in person at the meeting by the proxy-giver 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. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

**3.8 Consents** Any action which may be taken by a vote of the Members may also be taken by written consent signed by all Members. Executed written consents shall be included in the minutes or filed with the Association's records, and the Board shall issue written notice to all Class A Permanent Members who did not sign the written consents. Membership approval shall be effective ten (10) days after written notice is issued; provided, however if the consent is to

an amendment to the Declaration or By-Laws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

**3.9 Absentee Voting** The Board of Directors shall have the discretion to determine if and when absentee ballots shall be accepted. For those circumstances in which the Board determines absentee ballots are to be accepted, a ballot shall be delivered to the Lot Owner by first class mail or by other delivery not less than seven (7) days prior to the date of meeting where aforementioned vote is to take place. All absentee ballots must include a brief discussion or explanation of the issue up for a vote and may include the Board's recommendation on how to vote. Absentee ballots shall be marked and signed by the Member and delivered to the Secretary no later than the start of the meeting during which the vote is scheduled to occur. Absentee ballots which are not signed by the Member or his proxy and ballots delivered after the vote shall not be counted.

## **Article IV Board of Directors**

### **Part A. Composition and Selection**

**4.1 Number, Term of Office and Qualification** The exact number of Members of the Board of Directors shall be established by Resolution adopted from time to time by two-thirds (2/3) of the Board of Directors, but the number of Directors comprising the Board shall not be less than Five (5) nor more than Nine (9) Directors. There shall be four (4) elected Directors serving a two-year term and these shall be the President, Vice President, Treasurer, and Secretary. The Vice President shall also be a Class C Recreational Member. The four Member-elected Board members shall be elected in the October semi-annual meeting and installed at the opening of the next January Board meeting. The Executive Board shall consist of five (5) Members: the President, Vice President, Treasurer, and Secretary and one (1) additional Member who shall be selected from among other Board Members or from the Class A and B Members in good standing after giving written consent to the Secretary. The President, Vice President, Treasurer, and Secretary shall elect the Additional Executive Board Director by a three-fourths (3/4) majority vote during the first January Board meeting after installation of newly-elected Board Members. If no candidate is available at the January meeting, a special Board of Directors meeting shall be held as soon as possible to select a new Additional Executive Director, and the Additional Director whose term has expired shall carry on duties until a candidate is found.

All Members of the Board must be a Class A or Class B Member at the time of his or her appointment and thereafter a Member of the Association. Class A or B Members holding Chair positions are eligible but not required to hold Board of Director positions. The Members of the Board of Directors shall be deemed to have resigned without further action required upon ceasing for any reason to be a Member of the Association or upon failing to remain in good standing as a Member of the Association. No Person who has been duly and lawfully elected by the Members of the Association to fill a position on the Board may be deprived of such position solely by reason of any Resolution or amendment to these By-Laws reducing the number of Members of the Board, as any such Resolution or amendment shall be and operate prospectively only. Any Resolution or amendment which expands or diminishes the number of Directors shall only be effective beginning with the next semi-annual meeting of the Association following the adoption or approval of any such Resolution or amendment by two-thirds (2/3) vote of a quorum of the general Membership.

### **4.2 Nomination and Election of Directors**

(a) The President and Treasurer shall be elected in even-numbered years (2006, 2008, etc.) and the Vice President and Secretary shall be elected in odd-numbered years (2007, 2009, etc.) at the October meeting of the Association. The number of Directors 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). Persons elected by Members as Directors to fill any unexpired term of a Director who ceased to become a Director by reason of resignation, removal or for any other reason shall serve only that unexpired time and period remaining as to the normal term of the Director being replaced. Nominations of candidates for the elected Director positions must be made in writing, signed and submitted to the Secretary of the Association by the Nominating Committee or any two Members at least ten (10) days prior to the semi-annual meeting. All nominees should attend the semi-annual meeting and at said meeting shall consent to his or her nomination and agree to stand for election and, if so elected, shall agree to serve as a Director. If the nominee is unable to attend the meeting, a written consent must be submitted by the nominee or the nomination shall be invalid and said nominee shall not be considered by the Members for election as a Director. At the said meeting, each nominee shall be

given or provided an opportunity to orally give or distribute in writing to Members present at said meeting a brief statement as to the nominee's qualifications, experience, or reason(s) for wanting to serve on the Board of Directors.

(b) Each Lot entitled to vote shall be entitled to cast vote(s) for each position of Director to be filled at such meeting, each vote weighted, allocated and cast as set forth in Section 1.8 of these By-Laws. Cumulative voting shall not be permitted. The nominees receiving the most votes shall be deemed to be elected, without regard to whether any candidate or nominee receives a majority vote.

(c) Those persons elected as Directors by the Members shall take office and shall be installed in office as Directors at the meeting of the Board of Directors in the first meeting of the new calendar year beginning on January 1 after which they were so elected, and shall serve through the last meeting of the Board of Directors until the end of the year in which their respective term of office ends, or until such time as their respective successor is duly elected, qualified and installed.

**4.3 Removal of Members of the Board of Directors** At any regular or special meeting of the Board duly called, any member of the Board of Directors may be removed with or without cause by at least two-thirds (2/3) vote of the remaining Members of the Board, and a successor Director may then and there be elected from among the Members of the Association in good standing by majority vote of the Board to fill the vacancy thus created. Such Director so elected shall serve until such time as a successor Director can be elected by Members at the next annual meeting of the Association. Any Director whose removal has been proposed by another Board Member shall be given at least seven (7) days written notice of the Board meeting at which said removal is to be considered and shall be given an opportunity to be heard at said meeting.

**4.4 Vacancies** A vacancy in any Office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

**4.5 Compensation** Directors shall not be compensated for services as Directors unless and to the extent the Board of Directors so authorize at any meeting of Directors or by an amendment to these By-Laws. Compensation shall not be deemed to include or mean reimbursement to any Director for reasonable out-of-pocket expenses incurred or paid by that Director for or in the course of the fulfillment or discharge of his or her duties, responsibilities or functions as a Director.

## **Part B. Meetings of the Board of Directors or Directors**

**4.6 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 the Board, but such meetings shall be held at least once every three (3) months. One of such meetings shall be held in the month of January following each semi-annual meeting of Members one of which purposes, among the proper transaction of other business as may come before the Board, shall include the installation of any Directors elected at the October meeting.

**4.7 Special Meetings** Special meetings of the Board of Directors may be called by the President on three (3) days written notice given to each Director given by mail, electronic mail, facsimile, or by hand delivery, which notice shall state the date, time, place and purpose(s) of the meeting or the business to be transacted or considered at such meeting. Special meetings of the Board of Directors shall be called by the Secretary in like manner and with the same notice above, on the written request of any two (2) or more Directors.

**4.8 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 a Director at any meeting of the Board of Directors shall also constitute a waiver of notice by him or her of the time and 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 as may arise or come before the Board may be transacted at such meeting.

**4.9 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 actions taken and Resolutions adopted by the Board of Directors and a record of all votes, transactions, and proceedings occurring at such meeting. Roberts Rules 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. No Director shall be allowed to participate in, attend or vote at any meeting by means of any proxy or absentee

ballot, except when action without a meeting is otherwise permitted, or by the approval of the Board of Directors, or provided for by the Act, the Articles or these By-Laws.

**4.10 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 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 maintained and kept by the Secretary of the Association.

**4.11 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 would fulfill the requirements of O.C.G.A. § 14-3-820, and participation by such means shall constitute presence at and participation in the meeting for the purposes of a quorum and voting.

**4.12 Quorum of Directors** The personal presence or participation at any Board meeting of a majority or more of the Board of Directors shall constitute a quorum of the Board for the transaction of business unless otherwise stated in these By-Laws or the Declaration.

### **Part C. Powers and Duties of the Board of Directors**

**4.13 Powers and Duties** The Board of Directors shall manage the affairs of the Association and exercise its rights and powers. The Board shall have all the powers and duties necessary, appropriate or convenient for the operation and administration of the Association and may do all such acts and things as are not by the Declaration, the Act, the Articles of Incorporation, or these By-Laws directed to be done or exercised exclusively by the Members. The Board shall have the power to

(a) adopt such Rules and Regulations as it deems necessary, appropriate or convenient for the operation and use of Association's Property, facilities and amenities in regard to the rights, benefits and privileges of Membership in the Association which are not otherwise contrary to or inconsistent with the Act, the Articles, the Declaration and other provisions of these By-Laws, and

(b) enforce the same by actions at law or equity, self-help, and impose sanctions for violations thereof by any Member, including without limitation, monetary fines; restrictions upon or suspension of rights or privileges to use or to have access to all or portions of the Association's Property, recreational facilities or amenities; and suspension of a Member's voting rights.

The Board of Directors, by two-thirds (2/3) majority vote, may amend the Articles of Incorporation as long as any amendment is not incongruent with the Declaration and these By-Laws.

**4.14 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 agency 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. No member of the Board shall have any proprietary or ownership interest in, be employed by, or act as the Association's management agent.

**4.15 Borrowing** To the extent not otherwise limited by the provisions of the Declaration and these By-Laws, the Board of Directors shall have the power to borrow money in the name and on behalf of the Association for the purpose of improvement, maintenance, repair or restoration of the Association's common property, amenities and facilities or to meet any routine, customary or extraordinary expenses or financial obligations of the Association without the approval of the Members of the Association; provided, however, that the Board shall obtain the approval of a majority of the Membership votes of the Association in the event that any proposed borrowing is for the purpose of purchasing real property; adding to the common property, facilities or amenities of the Association; or the total amount of such borrowing exceeds or would be exceeded Ten Thousand Dollars (\$10,000.00) in outstanding Association debt at any given time. "Borrowing" as used herein shall not include payment for the goods, labor or services utilized in the routine maintenance, repair or operation of the Association's Common Property, amenities or facilities by installment payments or pursuant to any installment contract where any interest to be paid thereunder is commercially reasonable.

**4.16 Common Property** The Board of Directors shall not have the power to make additions or deletions of tennis courts, additions or deletions of swimming pools, additions or deletions of the pavilion, deletion of the fishing lake,

or an addition or deletion of any front entrance. All such additions or deletions shall be made only with the approval of majority of votes cast, as long as the total number of votes cast represents at least seventy-five percent (75%) of the total eligible Membership votes that are on record and not any quorum. In the event that an insufficient number of Membership votes are cast, a record of votes cast shall be kept by the Secretary, and notice of the vote with an explanation and a ballot shall be mailed first class to those eligible Lots which did not yet register a vote for the purpose of achieving a seventy-five (75%) majority of eligible votes. After thirty (30) days of notice mailing date, if seventy-five percent (75%) of total Membership votes are not on record including those cast by absentee ballot and proxy and votes taken in person, then approval shall require a two-thirds (2/3) majority of total votes cast.

#### **Part D. Committees**

**4.17 Standing Committees** The Standing Committees shall be: Membership; Rezoning and Area Development; Finance & Budget; Building and Grounds; Rules and By-Laws; Youth; Social; Newsletter; Special Audit; Tennis; Swimming Pool; Welcoming; Nominating; and Front Entrance.

**4.18 Responsibilities** The Standing Committees shall be subject to the authority of the Board of Directors and shall be reimbursed for reasonable out-of-pocket expenses incurred according to the budgeted plan for each Committee. Expenditures for any service or item not included in the ordinary budget must be approved by the Board of Directors before any such expenditure is made. Non-Members of the Association may hold Committee positions at the discretion of the Board but shall not have voting rights or any legal status in the Association.

The **Membership Committee** shall solicit Memberships and contact new Lot Owners as soon as possible, especially within thirty (30) days if possible after transfer of Ownership of Non-Member and Class B Temporary Member Lots. The Committee shall collect and submit Class A or B and C Membership applications to the Secretary in a timely manner.

The **Rezoning and Area Development Committee** shall be responsible to monitor and inform the Board and subdivision residents of zoning changes or development in the surrounding areas of Gwinnett and Dekalb Counties which would affect traffic, property values, and quality of life. At the discretion of the Board of Directors, the Chair or the President or Vice President may represent the Association individually or as part of any Coalition of subdivisions in meetings with developers or community planners, or Gwinnett Planning and County Commissioners. The Committee may not make legally binding agreements without the majority approval of the Board of Directors.

The **Finance & Budget Committee** shall monitor and prepare the annual budgets, actual and proposed, keeping the Board of Directors advised of the Association's financial, legal and liability status, transactions and outlook. The Committee shall also research and obtain and maintain the required types of insurance as set by the Board and in the provisions of Articles IX and X of these By-Laws.

The **Building & Grounds Committee** shall exercise supervision over and attend to the maintenance and improvement of the Association Property and facilities as well as coordinate with the Board of Directors and other committees all future development of Association facilities except pool and tennis courts. At the Board's discretion, the Committee shall prepare the Annual Capital Repair and Replacement Survey. (Section 8.7).

The **Rules & By-Laws Committee** shall prepare the rules of health, safety, and conduct in connection with the use and operation of all the facilities and Property of the Association. The Committee shall review all the Rules and By-Laws of the Association from time to time and as required in order to promulgate and offer to the Membership such changes, additions or corrections as become appropriate.

The **Youth Committee** shall advise the Board of Directors of the needs and desires of the young people of the Member families. The committee should have a minimum of four (4) members whereby each individual Member would also be a Member of the Social, Tennis, Pool and the Buildings and Grounds Committees. The Members should be no younger than thirteen (13) years of age or no older than seventeen (17) years of age and shall include at least one adult Member.

The **Social Committee** shall be responsible for bringing to the attention of the community the existence and benefits to be derived from Membership in the Association and shall plan, promote, and publicize events and projects as authorized by the Board.

The **Newsletter Committee** shall make copies and distribute the Newsletters, surveys, flyers and temporary signs for the Association. Newsletters may be prepared by the President or a designee.

The **Special Audit Committee** shall be appointed every two years at the discretion the Board of Directors, and shall consist of three Members (excluding Board Members) who shall audit the financial records and shall have a signed

written report prepared and turned into the Board of Directors. The Board of Directors may hire a Certified Public Accountant or public auditor in place of the Special Audit Committee.

The **Tennis Committee** shall be responsible for all activities involving the tennis courts including putting up weekly sign-up sheets for tennis playing and maintenance.

The **Swimming Pool Committee** shall be responsible for all activities including managing lifeguards and maintenance for pool.

The **Welcoming Committee** shall be responsible for visiting and welcoming new homeowners and residents. Welcoming forms are to be kept by the Chair and a copy sent to the Membership Committee Chair or other designees in a timely manner.

The **Nominating Committee** shall be appointed by the Executive Board to search for willing and able Class A or B or C Members to hold expiring or vacant Board and Chair positions.

The **Front Entrance Committee** shall be responsible for the maintenance and upkeep of the front entrance to the subdivision located at the intersection of Clearwater Drive and Rockbridge Road as well as the Rockbridge Road median. Any additional entrances if approved according to Section 4.16 and constructed after the passage of these By-Laws shall also be the responsibility of the Committee. The Board of Directors shall at its discretion allow the Chair to maintain a separate collection of funds for the purpose of upkeep until such time that no resident volunteer cares for the aforesaid areas, at which time the Board shall include entrance and median landscaping, maintenance, replacement and repairs in the general budget.

The Board of Directors by resolution(s) adopted and approved from time to time may establish such other committees as the Board shall determine, and shall delegate thereto such authority, powers and duties as the Board shall authorize. Unless specifically provided otherwise in the resolution creating any committee(s), the chairperson of each committee shall be eligible but not required to be a Member of the Board.

## **Article V Officers**

**5.1 Designation** The principal Officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be Executive Directors and shall be elected by and from the Class A and B Members of the Association. The Vice President should also be a Class C Recreational Member. The one additional Executive Officer is appointed in the manner set by Section 4.1. All Officers are required to be Board Members. No person shall hold more than one office. The other members of the Board shall be appointed by a majority vote of the Executive Officers. In addition, the Board may also appoint an Assistant Treasurer, an Assistant Secretary, and such other subordinate Officers as in its judgment it may deem necessary or appropriate. Such subordinate Officers shall not be required to be Members of the Board of Directors. No one Executive Director shall hold two or more offices. The Board shall not permit any of the offices of President, Treasurer or Secretary to remain vacant for any period of time in excess of fourteen (14) days.

**5.2 Election of Officers** The President and Treasurer shall be elected in even-numbered years (2006, 2008, etc.) and the offices of Vice President and Secretary shall be elected in odd-numbered years (2007, 2009, etc.). The President, Vice President, Treasurer, and Secretary of the Association shall be elected by the Members of the Association at the October meeting of the Members. All officers of the Association shall hold office at the pleasure of a majority of the Board of Directors and his or her term shall commence upon election and shall exist and continue, and the officer shall serve until such time he or she resigns, ceases to be a Director, is removed by the Board, or upon the election by the Board of any successor to said office.

**5.3 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 Non-profit Corporation Code, including the power, as otherwise limited herein, to appoint to committees such Members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall be an ex-officio member of all committees.

**5.4 Executive Vice President** The Executive Vice President, if any, shall act in the President's absence or in the event of any temporary vacancy in the office of the President, and shall have all powers, duties, and responsibilities

provided for the President when so acting. The Vice President shall hold a Class C Recreational Membership and may hold the Chairmanship of the Finance and Budget Committee.

**5.5 Secretary** The Secretary shall keep the minutes of all meetings and the seal of the Association and of the Board of Directors, shall keep an accurate record of the names and addresses of all Members of the Association, and shall keep and have charge of such records, books and papers as the Board of Directors may establish or direct to be kept or maintained and shall, in general, perform all duties incident to the office of the Secretary of a corporation organized and existing in accordance with Georgia law. The Association shall be responsible for all reasonable and justifiable costs incurred by the Secretary in fulfillment of his/her duties.

**5.6 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, books of account and banking records 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 or investment products or vehicles as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the physical preparation of the budgets of the Association. The Treasurer shall also keep the corporate registration for the Association current by paying the annual fee to the Secretary of State. If directed by the Board of Directors, the Treasurer shall be properly bonded; however, in such case the Association shall pay all bonding costs involved. The Treasurer shall keep the financial records open for inspection by any Member at all reasonable times.

**5.7 Agreements, Contracts, Deeds, Leases, Checks, Etc.** All agreements, contracts, deeds, leases, checks, and other legal agreements or instruments of the Association shall be executed by at least two (2) Officers of the Association, and unless otherwise determined by the Board of Directors these two shall be the Treasurer and one other Officer.

## **Article VI Association's Powers and Duties**

**6.1 Purposes, General Powers and Duties of the Association** The Association shall be formed as a non-profit corporation organization for the purposes as set forth in its Articles. The Association:

(a) shall have all the powers of a corporation organized and established under the Georgia Non-profit Corporation Code;

(b) shall have the power to exercise all of the rights, powers, and privileges and to perform all of the duties and obligations of the Association as set forth in the Act, the Articles, the Declaration and these By-Laws, including the ownership, leasing, operation and maintenance of real property, facilities and amenities owned or held by the Association and the authority to grant, give or convey easements, rights-of-way or use rights therein or thereto;

(c) shall have the power to negotiate, enter into and perform such contracts and agreements, material or incidental to the discharge or performance of said rights, powers, privileges, duties and obligations;

(d) shall have the power to assume, accept or acquire certain rights, duties and obligations and to acquire, purchase, own, convey, lease, operate, and manage real and personal property;

(e) shall exercise all powers, rights, and privileges necessary or appropriate to effectuate the purposes and provisions of the Declaration and these By-Laws;

(f) shall have the power to negotiate and enter into any and all such agreements with any governmental agency or entity or public or private utility service;

(g) shall have the power, right and standing to enforce the provisions of the Declaration and these By-Laws by legal processes or by such other means as provided for;

(h) shall levy, assess, charge, impose, make, collect and enforce payment of each and all of the assessments, dues, charges, fees, fines, penalties, late charges, and interest thereon provided herein and in and by the Declaration and these By-Laws;

(i) shall obtain such policies of insurance as provided herein;

(j) shall make and impose all Rules and Regulations as referenced or provided herein;

(k) shall, through its Board of Directors, determine all rights, privileges and benefits of Membership in the Association not otherwise provided or established by these By-Laws and the Declaration, and shall determine and arbitrate any disputes regarding or concerning said rights, privileges and benefits which may exist from time to time between or among any Members of the Association or any class(es) thereof, or between or among any Members or class(es) thereof and the Association; and

(l) shall have the right and authority to sell, give, establish and grant licenses and use rights on yearly, seasonal or other terms and periods as the Board of Directors may determine for the use of the Association's Common Property, facilities and amenities by persons who are not otherwise eligible or qualified to become Members of the Association; and,

(m) shall have the power and authority to do all acts or refrain from any acts necessary, appropriate, incidental or convenient to the accomplishment of the foregoing.

**6.2 Liabilities of the Association** The Association shall not be liable for any injury to person or property caused by the conduct of any Member or such Member's family, tenant, guest, invitee, or licensee, unless as may be otherwise expressly provided for herein. Likewise, the Association shall not be liable for any damages or injury caused to or suffered by any Member or other person to their person or property in the absence of any actual negligence by the Association.

**6.3 Services** The Association may hire, employ, contract for, obtain or pay for the services of any person or entity to manage its affairs; operate, maintain, service, repair, restore, improve, construct or create any Association property, amenities or facilities, or any portion or part thereof, to the extent the Association, acting through its Board of Directors or officers deems advisable; and all such persons or entities as the Board of Directors shall determine to be necessary or desirable for the proper operation of the Association's Common Property or in the performance or discharge of any obligations, duties, responsibilities or agreements of the Association, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal, accounting and other professional services necessary or desirable in connection with the operation of the Common Property, the business of the Association, or the operation and enforcement of the Declaration and these By-Laws. The Association may arrange with others to furnish street lights, water, trash collection, sewer service, utilities and any other common services. The Association may also install, plant, erect or maintain such entryways, signage and landscaping as may be deemed necessary to identify the Association's property or enhance its appearance or identify and enhance the appearance of the communities and subdivisions which the Association serves.

**6.4 Rules, Regulations and Enforcement** The Board of Directors may make reasonable Rules and Regulations as provided otherwise in these By-Laws or the Declaration and enforce such Rules and Regulations in such manner and by such means as are determined by the Board of Directors of the Association or otherwise provided by the Declaration or herein.

**6.5 Failure to Pay Dues or Assessments**

(a) The rights, remedies and options of the Association in regard to or in the event of any refusal or failure of any Class A Permanent Member of the Association to pay any such assessments, dues or charges, or part or portion thereof, as may be provided by the Declaration shall be in accordance with and governed by said Declaration.

(b) In the event any Member holding or having a Class B or C Membership in the Association fails to comply with or conform to the Association's Rules and Regulations, as determined by the Board of Directors in its sole and absolute discretion, or does not maintain his or her Membership in good standing by having failed or refused to timely pay all dues, charges, assessments and fees established or imposed pursuant to these By-Laws within thirty days (30) days of the same first becoming due and owing, shall be subject to suspension of all rights, privileges and benefits of said Member(s) in the Association, including the right to vote and the right to use and enjoy the Association's common property, amenities and facilities.

In the event of suspension or action:

(i) Notice of pending action and suspension shall be mailed to said Member(s) both by certified mail, return receipt requested and first class mail by the Secretary of the Association at least five (5) days prior to the Board's suspension.

(ii) In the event such suspension is not remedied or relieved by the Member(s) by conforming his or her conduct or behavior to the Rules and Regulations; by otherwise remedying his or her violation to the satisfaction of the Board; or by paying all such amounts as may be owed to the Association, together with interest due thereon, as the case may be, within thirty (30) days of such suspension being imposed by the Board of Directors, then

(iii) The Board shall have the authority by majority vote of the Directors to terminate the membership in the Association of that Class B Member (or Members). Provided, however, that prior to the taking or holding of any vote by the Board to terminate any such Membership, the Board of Directors shall provide to any Member(s) a hearing before the Board within seven days of any timely written request for such hearing being received from the affected Member(s) by the Secretary or President of the Association.

(iv) Any Membership terminated as provided in this subsection shall not be reinstated nor be subject to reinstatement unless the Board grants an exception. Any Class B Temporary Member whose Membership has been so terminated shall thereafter only be eligible to hold a Class A Permanent Membership in the Association.

**6.6 Fines** The board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

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

(1) the nature of the violation, the fine to be imposed, the date of the notice, and the date that the fine will take effect;

(2) that the violator may, within seven (7) days of the notice, request a hearing regarding the fine imposed;

(3) the name, address, and telephone number of a person to contact to challenge the fine;

(4) that any statement, evidence, and witnesses may be produced by the violator at the hearing; and

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

(b) Hearing. If a hearing is requested, it shall be held before the Board in Executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine shall be imposed until five days have elapsed after the date of the hearing.

**6.7 Implied Rights** The Association may exercise any other right, authority or privilege given to it expressly by the Declaration or these By-Laws, and every other right or privilege reasonably implied from the existence of any right, privilege or authority or reasonably necessary or convenient to effectuate any such right, privilege, or duty.

## **Article VII**

### **Voting by Members of the Association**

**7.1 Exercise of Voting Rights** Each Member Lot shall have one (1) vote unless a Class C Membership is held in which case each Lot is accorded two votes on issues. Class A and Class B Lot owners holding Class C Recreational Memberships in good standing may not split the two votes each Lot is accorded. If the Co-Owners of any Lot cannot agree as to how the vote(s) of said Lot on a particular issue is (are) to be cast, then no vote for such Lot on that particular issue shall be counted; there shall be no split or apportioned vote. Notwithstanding the foregoing, any Co-Owner of a Lot who purports to cast a vote for such Lot shall be conclusively deemed to be casting such vote on behalf of and with the approval of all other Co-Owners of such Lot unless another Co-Owner objects before the vote which has been taken is tabulated or tallied. Whenever a vote is scheduled on the agenda for an upcoming meeting, the notice of Meeting shall indicate if absentee voting shall be accepted. All votes shall have equal weight regardless of whether vote is in person, by proxy, absentee ballot or written consent. Members may vote on all issues with the exception of votes to approve

proposed amendments to the Declaration, in which case only Class A Permanent Members may vote to approve said amendments.

## **Article VIII**

### **Dues, Assessments and Financial Obligations of Members and the Association**

**8.1 Budget** It shall be the duty of the Board to prepare a budget based on the reasonable forecast of the financial and revenue expenses and needs of the Association, including capital and other reserves, for the upcoming fiscal year in light of the Association's budget and revenues to the Association from any assessments levied against Class A Permanent Members and from other sources. The Board shall submit the budget for the succeeding year to the Membership for approval by a two-thirds (2/3) majority at the March membership meeting; however, if a dues increase or special assessment exceeds the maximum increase allowed in these By-Laws and is necessary to balance the budget, then the Membership must first vote to approve the changes in dues or approve the assessment. Notwithstanding the forgoing, in the event the Membership disapproves a dues increase or assessment, the Board at its discretion may delay the vote on the proposed budget. If the Board fails for any reason to determine the budget for the succeeding year or if there is no resolution between any dues increases and special assessments related to the proposed budget, then and until such time as a budget shall be determined, as provided herein, the dues and budget in effect for the current year shall continue for the succeeding year.

**8.2 Dues of Class A Permanent Members** The Board of Directors shall have the sole authority and power to establish and collect dues, fees, or assessments from the Class A Permanent Members for the purposes of paying the expenses of operating, owning, managing and maintaining the property and facilities and of supporting the committees of the Association. The Annual Dues amount thereof shall be determined by the Board of Directors based upon the proposed budget, and any projected changes in said dues for the upcoming fiscal year shall be discussed at the meeting prior to the vote to approve the proposed budget each year. Any increase in the amount of Annual Dues must be approved by a two-thirds (2/3) majority vote of the total votes represented at the March general Membership meeting or a special meeting called for said purpose and the vote must take place before the vote to approve the budget. The Class A Permanent Member of the Association by signing the Declaration agrees to pay such annual dues, assessments and other amounts or charges as may be set forth in the Declaration or established or determined pursuant thereto. Such amounts and the time(s) for payment thereof shall be determined in accordance with said Declaration.

**8.3 Dues of Class B Temporary Members** The Board of Directors shall have the sole authority and power to collect dues, fees, or assessments from the Class B Temporary Members for the Members for the purposes of paying the expenses of owning, managing and maintaining the property and facilities and supporting the Committees of the Association. Each Class B Temporary Member of the Association shall be jointly and severally liable for payment to the Association of the Annual Dues attributable to each respective Lot which said Member owns. The Annual Dues attributable and charged to each Lot shall be the same for every Lot owned by Class B Members, and the amount thereof shall be determined by the Board of Directors based upon the Board's projected budget. The Annual Dues described herein shall be fixed by the Board of Directors after the Membership approves the proposed budget, and any changes in said dues for the upcoming fiscal year shall be determined no later than November 1 of each year. A written notice of the changed amount thereof, if any, shall be sent to each Class B Member of the Association in the same as other notices given pursuant to Section 3.3 of these By-Laws. Said notice of changes in Annual Dues shall also specify the terms and schedule for payment of said Annual Dues, which terms and schedule shall be determined by the Board of Directors. The Board of Directors may provide in its sole discretion for installment payments of said Annual Dues, with or without reasonable commercial interest. Nothing in these By-Laws shall be interpreted to establish or grant, and no Class B Member of the Association shall have, any right to vote upon, approve or disapprove the amount of the Annual Dues fixed or any assessment levied by the Board of Directors, or as to any schedule established by the Board of Directors for the payment thereof. There shall be no requirement of parity between any Annual Dues charged or fixed hereunder as to Class B Members of the Association and those assessments or other charges or fees paid by Class A Members of the Association.

**8.4 Dues of Class C Recreational Members** Each Class C Member of the Association shall be jointly and severally liable for payment to the Association of the Class C Recreational Annual Dues. The Annual Class C Dues attributable and charged to each Lot shall be the same for every Lot owned by Class A and Class B Members with the

exception of a Class C Recreational dues discount intended for senior citizens and Grandparent Members as designated in the Original By-Laws and which shall be defined and applied at the discretion of the Board. Any increase in the amount of Annual Dues for Class C Members shall be approved at the March meeting or a special meeting called for that purpose by a two-thirds (2/3) majority vote of a quorum of Membership prior to the vote to approve the succeeding year's budget. Whenever Annual Class C Recreational Dues amounts or payment schedules are changed for the upcoming year, a written notice outlining the changes thereof shall be sent in the first week of December of the ending year to each Class A and Class B Member of the Association in the same manner as other notices given pursuant to Section 3.3 of these By-Laws. Said notice of Annual Dues shall also specify the terms and schedule for payment of said Annual Dues, of which terms and schedule shall be determined by the Board of Directors. The Board of Directors may provide in its sole discretion for installment payments of said Annual Dues, with or without reasonable commercial interest. At the Board's discretion, the entire portion of Class C Annual Dues for any fiscal year, and installments thereof, if any, for Class B Temporary Members may be due and payable not later than May 1 of each calendar year unless provision for installment payments has been approved for Members maintaining a record of good standing for at least two (2) consecutive years. There shall be parity of any Class C Annual Dues charged or fixed hereunder between Class A and Class B Members of the Association with the exception of the Board-defined discounts for senior citizens and Grandparent Members.

**8.5 Special Assessments** Assessments may be determined by the Board based upon the Board's reasonable forecast of the financial and revenue expenses and needs of the Association, including capital and other reserves, for the upcoming fiscal year in light of the Association's budget and revenues to the Association from the assessments levied against Class A Permanent Members and from other sources. Assessments shall be the personal obligation of all Class A and B Members. Assessments exceeding fifty dollars (\$50) in any one fiscal year, multiple Assessments in any fiscal year, and Assessments with collection scheduled over three or more years shall be approved by a two-thirds (2/3) majority of a Membership vote constituting a quorum. There shall be parity of Assessment amounts between Class A and Class B Members.

**8.6 Purpose of Assessments and Annual Dues** The Assessments and Annual Dues shall be used exclusively to promote and advance the recreation, health, safety, enjoyment and welfare of the Members of the Association and for support of the Committees of the Association and to the benefit of the Association's Common Property, facilities and amenities; to acquire, purchase, lease or use any real or personal property; to pay the cost of improvement, maintenance, repair, construction, restoration and replacement of any Association Property or Commonly owned Property or amenity or any improvement or structure erected or to be built thereon; to install, erect, maintain, preserve or acquire any landscaping or signage, or any real property or easement related thereto; for the performance or discharge of any obligation or duty of the Association pursuant to the Act, the Articles, the Declaration, these By-Laws or any contract or agreement of the Association; to fund or pay all obligations of a financial nature of the Association, together with any expense for maintenance, operation, improvement or replacement, which may be required pursuant to any obligation or agreement as to any utilities, street lights, roads, infrastructures or other items; for the operation of the Association; for the costs and expense of labor, services, work or management provided to the Association by others; to make such expansions to the Association's Common Property as the Association may deem necessary; to pay taxes; to pay gas, electric and water charges assessed against any Property for which the Association is responsible; to pay insurance premiums as contemplated or required herein; to enforce the Declaration, any Additional Covenants and the Association's By-Laws; for such other related purposes as the Board may determine consistent with these By-Laws; to establish and fund any capital reserve account(s); and to pay debts of the Association. No Association funds shall inure to the benefit of any Member of the Association, except generally or as may be incidental to the purposes set forth herein, and no Member shall have any interest in any Association funds or Property, except as may be otherwise provided under certain circumstances or upon the happening of certain events contemplated by law such as the dissolution of the Association.

**8.7 Preparation of Annual Capital Repair and Replacement Survey** In addition to any other budget(s) and forecasts for the Association, the Board of Directors shall in August or September of each year make and prepare an evaluation and survey of the ongoing and upcoming capital repair and replacement needs of the Association, taking into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost and funds on deposit in the Association's reserve account(s). The results of said evaluation and survey shall be considered by the Board of Directors in regard to the capital needs of the Association and the adequacy or appropriate level(s) of the Association's operating and reserve account(s) in determining the budget(s), dues and assessments for the Association. The evaluation and survey required hereby shall be based upon reasonable, good-faith

forecasts of the future expenses and funding obligations of the Association for the committees, front entrance(s) and median, buildings, pool(s), tennis courts, roads, parking lots, signage, infrastructure and other structures or improvements and shall include reasonable allowances for unforeseen or unanticipated repairs and other expenses or obligations.

**8.8 Certificate of Good Standing** For a reasonable fee not to exceed thirty-five dollars (\$35.00) per certification, the exact fee to be established from time to time by Resolution of the Board of Directors, the Association, acting through its Secretary or Treasurer, shall, upon fourteen (14) days advance written request by any Member, provide written certification to such Member stating whether or not such Member is in good standing with the Association and whether all dues or assessments for which said Member is responsible have been paid current. Such certification shall be in such form as the Board of Directors shall from time to time determine and shall be valid and accurate only as to, upon or up through the date said certification is made or issued by the Association.

**8.9 Fundraising** The Treasurer shall insure that all federal and state tax returns are submitted timely. If the Association does not meet any of the exceptions listed in General Instruction B, and its annual gross receipts are normally more than \$25,000, it must file Form 990 or Form 990-EZ. See the gross receipts discussion in General Instruction B. If the Association's gross receipts during the year are less than \$100,000 and its total assets at the end of the year are less than \$250,000, it may file Form 990-EZ instead of Form 990. Even if the organization meets this test, it may still file Form 990.

## **Article IX Insurance**

**9.1 Type(s) and Scope of Required Insurance** The Board of Directors of the Association or its duly authorized agent shall obtain and maintain fire and extended coverage insurance for all insurable commonly-owned or Association Property, entryways, signage and landscaping in an amount sufficient to cover the full replacement cost of such improvements in the event of damage or destruction from any insured peril, together with all such insurance as may be required to may be required to be maintained or purchased by the Association pursuant to any contract or agreement. Except as to any insurance as required by any specific contract or agreement, unless a higher amount is approved by majority of the Association Membership at a special meeting duly called for such purpose, the deductible amount on such policy shall not exceed one thousand dollars (\$1,000) per occurrence or, if such a deductible is unavailable, the lowest available deductible amount in excess of one thousand dollars (\$1,000) per occurrence. The Board of Directors may also obtain such public liability and property damage insurance in such amounts and in such forms as shall be determined by the Board of Directors of the Association but not in amounts less than five hundred thousand dollars (\$500,000) for injury, including death, to a single person; one million dollars (\$1,000,000) for injury or injuries including death, arising out of a single occurrence; and three hundred thousand dollars (\$300,000) property damage, covering the Association, all agents and employees of the Association, all Members of the Association, and other persons, and, to the extent obtainable, the Board of Directors, its Members and the Officers of the Association. If the Board is unable to obtain a liability policy providing coverage on a "per occurrence" basis, the Board may substitute therefore a liability policy providing an aggregate of five hundred thousand dollars (\$500,000) coverage accompanied by an additional umbrella liability policy in an amount not less than one million dollars (\$1,000,000). The Board of Directors shall obtain and maintain such worker's compensation insurance as may be required by law and such other insurance as the Board may from time to time deem appropriate. Premiums and any deductibles thereunder for all such insurance shall be an expense of the Association. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association or any secured lender to the Association, as appropriate.

**9.2 Other Insurance** No Member of the Association shall be entitled to exercise any right to obtain or maintain any insurance coverage in such a manner as to diminish or affect any recovery or payment which may be realized under any insurance policy carried by the Association.

**9.3 Fidelity Bond** The Association shall obtain, maintain and pay, at its discretion, as an Association expense, the premiums on a blanket fidelity bond for all Officers, Directors, and employees of the Association as it relates to their action and responsibilities to the benefit of the Association.

## **Article X Additional Obligations and Responsibilities of the Association**

**10.1 Liability and Indemnification of Officers and Directors Insurance** The Association shall indemnify every Officer and Director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer or director in connection with any action, suit or other proceeding (including settlement of any such action, suit or proceeding if approved by the then Board of Directors) to which he 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 made by them in good faith on behalf of the Association (except to the extent that such Officers and Directors may also be members of the Association) and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director, or former Officer or Director, may be entitled. The Association shall at its expense, maintain adequate general liability and, if obtainable, Officers' and Directors' liability insurance in such amount as the Board in its discretion deems advisable.

**10.2 Individual Liability of Officers and Directors** The Officers and Directors shall not be individually 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 made by them in good faith on behalf of the Association (except to the extent that such Officers and Directors may also be Members of the Association). No individual Member shall have standing to pursue any Director or Officer individually pursuant to their actions taken as Members of the Board.

## **Article XI Rights of Use of Property**

### **11.1 Use of Facilities and Association Common Property**

(a) All Members of the Association shall be accorded the use of the facilities of the Association subject to rules and regulations promulgated by the Board of Directors, a copy of which rules shall be prominently posted at the facilities or on file with the Secretary of the Association.

(b) Any property of the Association broken or damaged by a Member or his guest shall be promptly paid for by such Member, with reasonable wear and tear accepted. No Person shall take any property or articles belonging to the Association or appropriate them for his own personal use.

(c) The Association assumes no responsibility for, and Members or their guests shall have no claim against the Association for, any accident or injury to any person or damage to their property, except for such injury or damage which is caused solely by the gross negligence or willful misconduct of the Association.

**11.2 Guests** At the invitation of any Member, guests may use the Property of the Association subject to rules and regulations promulgated by the Board of Directors of the Association. Members may not bring as guests Non-Member Summertown and Rockbridge Acres residents who are therefore eligible for Class A, B, and C Memberships as defined in Article 1.3. Non-Member residents may only be guests with the exception of pre-approved parties or functions when said exception is granted by the Board of Directors. Class A and B Members not holding Class C Recreational Membership may not be guests of other Class C Members in the pool, on the pool deck, or the tennis courts with the exception of pre-approved parties or functions when said exception is granted by the Board of Directors.

**11.3 Pool and Tennis Courts** Every Class A and B Member family and their guests shall have a right and easement of enjoyment, subject to Section 6.5 above and to the other rules regarding uses of the Property of the Association as stated in this Article XI, in and to the Common Property of the Association excluding access to the tennis courts and swimming pool. Only Class C Members in good standing shall be entitled to the use of the swimming pool and tennis courts for themselves and their guests.

## **Article XII Miscellaneous**

**12.1. 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 if delivered personally or if sent by registered or certified mail, return receipt requested, or first class postage prepaid:

(a) If to a Member of the Association, at the address which the Member has designated in writing and filed with the Secretary, or if no such address has been designated, to the address of the Lot of such Member; or

(b) If to the Association, the Board of Directors or to its Managing Agent, if any, at the principle office of the Association or the Managing Agent, 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.

**12.2 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.

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

**12.4 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, and vice versa, whenever the context so requires.

**12.5 Fiscal Year** The fiscal year of the Association shall be June 1 to May 31 of each year, unless such other fiscal year is set by Resolution adopted by two-thirds (2/3) of the Members of the Board of Directors or is required by the Declaration.

**12.6 Audit** An accounting review of the books and accounts of the Association shall be made or conducted at least once every two (2) years, or more often as the Board may determine, by a public accountant, certified public accountant, or by the Special Audit Committee which shall report the same to the Board of Directors. A copy of that report shall be furnished to each Member who requests a copy in writing which includes payment of the reasonable costs of mailing and reproducing said report (including labor), not to exceed fifteen dollars (\$15.00). Upon written request of

any institutional holder of a First Mortgage and payment of said reasonable mailing and reproduction costs, such holder shall also be entitled to receive a copy of any such report.

**12.7 Conflicts** In the event of conflicts between the Act, the Articles, the Declaration and these By-Laws, the resolution shall be determined by the Act, the Articles and the control, in that order and priority.

**12.8 Amendment** These By-Laws may be amended at any annual or special meeting of the Association by the affirmative a vote of Members constituting at least two-thirds (2/3) of the total votes of those Lots present at the meeting in person, by proxy, by absentee vote (Section 3.9), and written consent, a quorum being otherwise established. Notice of any annual or special meeting at which an amendment is to be considered shall state that fact, the subject matter of the proposed amendment, and shall include or contain a copy of the text of said proposed amendment(s). See Section 3.5 for quorums. The Articles of Incorporation may be amended by a two-thirds (2/3) vote of the Board of Directors unless amendment is limited by these By-Laws or the Declaration. The Declaration shall be amended by only the votes of eligible Permanent Members as set in the Declaration.

**12.9 Books and Records** All books and records of the Association shall be stored, kept and maintained at the principle or registered office of the Association, or at such other place designated by Resolution of the Board of Directors as the depository of such books and records.

**12.10 Discrimination** No action shall be taken by the Association or the Board of Directors which would unlawfully discriminate against any person on the basis of race, creed, color, national origin, sex, familial status, or handicap.

**12.11 Interpretation** Any question as to meaning or interpretation of any of the provisions of these By-Laws shall be determined by the Board of Directors.