

**BY-LAWS**  
**OF**  
**HOMEOWNERS' ASSOCIATION, INC**

**ARTICLE I**

**DEFINITIONS**

The following terms as used in these By-laws shall have the following respective meanings

- (a) “Articles” shall mean and refer to the Articles of Incorporation for the “Corporation” (as the term is defined herein), filed with the Georgia Secretary of State.
- (b) “Assessments” shall mean and refer to amounts from time to time assessed against Class A members of the “Association” (as that term is defined herein) by the Association, including both regular and special assessments as set forth in the “Declaration” (as that term is defined herein.)
- (c) “Association” or “Corporation” shall mean and refer to Westchester Lakes Homeowners’ Association, Inc., formed as a Georgia non-profit membership corporation.
- (d) “Board” shall mean and refer to the Board of Directors of the Corporation.
- (e) “Common Area” shall mean and refer to all portions of the “Property” other than (1) the “Lots”, (2) “Dwelling Units” (as those terms are defined herein), and (3) any and all property now or hereafter located within the right-of-way of any public street or road.
- (f) “Declarant” shall mean and refer to Westchester Lakes Limited Partnership, a Georgia limited partnership.
- (g) “Declaration” shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions for Westchester Lakes, dated October 26, 1988, and recorded in Deed Book 436, Page 25, et seq., Rockdale County, Georgia public records, as from time to time amended in accordance therewith, which Declaration is incorporated in these By-laws by reference.
- (h) “Dwelling Unit” shall mean and refer to (a) any permanent, permitted improvement or structure intended for use as a single-family residence which is built upon a Lot and for which a certificate of occupancy has been issued, together with (b) the applicable Lot upon which such residence was built.
- (i) “Lot” shall mean and refer to any plot of land (other than the Common Area and any and all property now or hereafter located within the right-of-way of any public street or road) shown upon the “Plat” (as that term is defined herein) and any subsequent amendment thereto or replacement thereof.
- (j) “Owner” shall mean and refer to the record owner, whether one or more persons, of the fee simple title to any Lot or Dwelling Unit, including Declarant, but excluding those persons having such interest merely as security for the performance of obligation.
- (k) “Plat” shall mean and refer to the subdivision plates of the Property, or a portion or portions thereof, which are heretofore or hereafter recorded in the Rockdale County, Georgia public records.
- (l) “Property” shall mean and refer to that tract of land described on “Exhibit “A” attached to the Declaration, together with such additional portion or portions of property, if any, as are from time to time submitted to the time submitted to the terms and provisions of the Declaration and these By-laws.

## ARTICLE II

### PURPOSE

The Corporation is organized for the purpose of exercising the powers of the Westchester Lakes Homeowners' Association, Inc. in Rockdale County, Georgia. The Corporation is formed exclusively for purposes for which a corporation may be organized under the Georgia Nonprofit Corporation Code and not for pecuniary gain or profit. No part of the assets, income, or profit of the Corporation shall be distributable to, or inure to the benefit of, its directors or officers except to the extent permitted under the Georgia Nonprofit Corporation Code or by virtue of these By-laws.

## ARTICLE III

### OFFICES

Article III of the By-Laws was amended January 25, 2002 and Article III was deleted in its entirety.

## ARTICLE IV

### MEMBERS

Section 1. Membership. All Owners shall be members of the Corporation. An Owner shall automatically become a member of the Corporation upon taking title to a Lot or Dwelling Unit and shall remain a member for the period of ownership. If title to a Lot or Dwelling Unit is held by more than one person, the membership shall be shared in the same proportion as the title, but there shall be only one membership per Lot or Dwelling Unit. Membership shall be appurtenant to the Lot or Dwelling Unit to which it appertains, shall be transferred automatically by conveyance of that Lot or Dwelling Unit and may be transferred only in connection with the conveyance of title of the Lot or Dwelling Unit.

Section 2. Annual Meeting of Members. An annual meeting of the members shall be held upon a date and at a time and place selected but the Board, so long as such annual meeting shall take place within thirteen (13) months of the immediately preceding annual meeting. Notice of the annual meeting shall be given to all members by the Secretary not less than seven (7) and not more than sixty (60) days prior to the annual meeting. At the annual meeting, reports of the affairs and finances of the Corporation and a proposed budget, including a proposed amount of the annual assessments to be assessed against the members during the Corporation's forthcoming fiscal year, shall be presented.

The budget proposed at the annual meeting of the members as the budget for the Corporation's forthcoming fiscal year shall be deemed automatically approved if it is within the limits set forth in Article V, Section 5 of the Declaration, unless it is rejected at the annual meeting by fifty-one percent (51%) of the votes held by all of the members of the Corporation. If the proposed budget is not within the limit set forth in Article V, Section 5 of the Declaration, it shall require the assent of the majority of the votes of each class of members of the Corporation who are voting in person or by proxy at the annual meeting. If the membership disapproves the proposed budget for any reason, then the budget for the preceding year shall remain in effect with the Board having the right to increase assessments for expenditures which it deems necessary.

Section 3. Special Meetings. Special meetings of the members of the Corporation for any purpose may be called at any time upon written notice given not less than seven (7) and not more than sixty (60) days in advance of such meeting to all members, unless otherwise specified in the Declaration. Such special meetings may be called at the instance of the Secretary or the President of the Corporation or upon written request of members representing one-fourth (1/4) of the membership of the Corporation.

Section 4. Notice. Each member shall register his address with the Secretary of the Association. Notice of meetings stating the time, place and purpose of such meetings, or any

other notices required or permitted under these By-laws, shall be deemed duly and properly given if given to the members either personally, or by sending a copy of the notice by ordinary mail, postage prepaid, to such address appearing on the books of the Corporation, or, if no address has been so designated, at the address of such member's Lot or Dwelling Unit.

Section 5. Waiver of Notice. Any and all requirements for call and notice of meetings, regular or special, may be waived by the members wither by presence at the meeting in question, unless objection to absence of notice is raised at the commencement of the meeting, either before or after it is held.

Section 6. Quorum; Adjourned Meetings. Unless otherwise provided in the Declaration, the Articles, in these by-laws or by law, at any meeting of the Corporation's membership, the presence at such meeting of the members, either in person or by proxy, casting thirty percent (30%) of the total votes, shall constitute a quorum for the transaction of business. Any action may be taken by a majority vote of the members present, unless otherwise required by the Declaration, the Articles, these By-laws, or by law. If any meeting cannot be organized because a quorum has not attended, the members present in person or by proxy may adjourn the meeting to any date which is at least three (3) days after the date of said adjourned meeting. At any subsequent meeting of the members of the Corporation resulting from an adjourned meeting of said members, the number of members present, either in person or by proxy, and necessary to constitute a quorum shall be one-half (1/2) of the number of members required to be present at the immediately preceding adjourned meeting.

Section 7. Voting. Voting on all matters shall be by voice or by show of hands unless any qualified voter, prior to the voting on any matter, demands cote by ballot, in which case each ballot shall state the name of the member voting and the number of votes voted by him, and if such ballot be cast by proxy, it shall also state the name of such proxy. During any period in which a member shall be in default in the payment of any amount due and owing to the Corporation, the vote which is allocated to such member's Lot or Dwelling Unit shall not be counted.

Section 8. Owner More Than One Person. If an Owner consists of more than one person and only one of those persons is present at a meeting, that person shall be entitled to cast the cotes appertaining to the Lot or Dwelling Unit owned by said Owner; provided, however, if more than one of those persons is present, the cote appertaining to such Lot or Dwelling Unit shall be cast only in accordance with their unanimous agreement, and such consent shall be conclusively presumed if any one of them purports to cast the cotes appertaining to that Lot or Dwelling Unit without protest being made forthwith by any of the others to the person presiding over the meeting. In the event of disagreement among such persons and an attempt by two or more persons to cast such vote, such persons shall not be recognized, and none of such attempted votes shall be counted. In no event shall more than one (1) vote be cast with the respect to any lot or Dwelling Unit.

Section 9. Proxies. The votes appertaining to any Lot or Dwelling Unit may (and shall, in the case of any Owner not a natural person or persons) be cast pursuant to a proxy duly executed by or on behalf of the Owner, or in cases where the Owner is more than one person, by or on behalf of all such persons. Proxies may be given to any person and may extend for any period provided in the proxy or for twelve (12) months if not otherwise provided; provided however, that every proxy shall automatically cease at such time as the person granting the proxy ceases to be a member of the Corporation or upon notice of revocation being delivered to the Secretary of the Corporation.

Section 10. Presiding Officer. The President, or in his absence, the Vice-President, shall serve as chairman of every meeting of the members unless some other person is elected to serve as chairman by a majority vote of the votes represented at the meeting. The chairman shall appoint such persons as he deems required to assist with the meeting.

Section 11. Action of Owners Without a Meeting. Any action which may be taken at a meeting if the Owners may be taken may be taken without a meeting is a written approval and consent, setting forth the action authorized, shall be signed by each of the Owners entitles to vote on the date on which the last such Owner sign such approval and consent with the officer of the

Corporation having custody of its books and records. Such approval and consent so filed shall have the same effect as a unanimous vote of the Owners at a special meeting.

Section 12. Parliamentary Rules. Robert's Rules of Order, Newly Revised (or any such current and latest revision) shall govern the conduct of the meetings of the Owners when not in conflict with the Declaration, the Articles or these By-laws.

Section 13. Annual and Special Assessments. The Board shall have power to levy, assess and collect from the members of the Corporation, and provide for the collection of annual and special assessments as may be necessary for the purposes of the Corporation. The amount of the annual assessments to be assessed against each member of the Corporation shall be determined by the Board and presented to said members at the annual meeting as set forth in Section 2 of this Article IV. The time and method of payment of such annual assessments shall be determined by the Board.

## ARTICLE V

### BOARD OF DIRECTORS

1.

Article V of the By-Laws was amended January 25, 2002 by deleting Sections 1 and Section 2. in their entirety and replacing them with the following:

Section 1. Composition

- (a) The affairs of the Association shall be governed by a Board of Directors. The Board shall be composed of not less than three (3) and not more than seven (7) persons, the number to be determined annually by the Board of Directors. The directors shall be either: (a) Owners of Lots which are subject to this Declaration for Westchester Lakes, either pursuant to the original Declaration or having been brought in as Additional Property by the Declarant or the Association, (b) Owners of Lots within Rockdale Villages subdivision who have agreed to submit their Lot to the terms of the Westchester Lakes Declaration in the future upon a sale of the Lot to a third party, and who are also Affiliated Owner-Members as defined in the Declaration, or (c) spouses of such Owners as outlined above; provided, however, no Owner and his or her spouse may serve on the Board at the same time, and no co-owners may serve on the Board at the same time.
- (b) Any Rockdale Villages Owner who submits his or her property to the terms of this Declaration by signing a Written Consent which is filed as an Amendment to this Declaration with the Rockdale County records shall be eligible to serve on the Board of Directors in the same manner as any Westchester Lakes Owner immediately upon the recordation of said Amendment.
- (c) During the first two (2) years after which any Lot Owner within the Rockdale Villages subdivision either (a) submits his or her property to the terms of this Declaration, or (b) agrees, by signing a Written Consent, to submit his or her Lot to the control and terms of the Declaration of Covenants, Conditions and Restrictions for Westchester Lakes upon the sale of his or her property in the future, with a valid Amendment to that effect being made to the Declaration and being filed in the Rockdale County records, the Board of Directors shall include and shall reserve two (2) positions on the Board to be filled by such Owners of Lots within Rockdale Villages who shall be appointed by the Board of Directors. Said appointed Directors shall be allowed to serve a one-year term on the Westchester Lakes Board of Directors, with a maximum of three (3) years to be served by any one Owner, provided that there is one or more such Owners who are willing to serve.

Note: The above two year provision expired on January 24 2004.

Section 2. Term of Office. Those directors serving on the date that these amended By-Laws are recorded in the Rockdale County, Georgia land records shall remain in office until the terms for which they were elected expire. Successor directors shall be elected by the vote of those members who are either present or represented by proxy, at the annual or other meeting of the membership of the Association at which a quorum is obtained. Those persons receiving the most votes shall be elected for (3) year terms and shall hold office until their successors are elected. In the event that the number of directors shall be increased, or that the unexpired term of a director

needs to be filled, then the terms of directors shall be fixed in the discretion of the Board in such a way that no more than three (3) directors shall have their terms of office expire in the same year.

Note: Section 3. became Null and Void pursuant to a "Statement of Termination of Class "B" Membership By Declarant dated the 10<sup>th</sup> day of March, 2003 and file for record on the 12<sup>th</sup> day of March 2003 in the clerks office of the Superior Court of Rockdale County.

Section 4 Compensation. The directors and officers may receive compensation for their services on behalf of the Corporation, as such compensation is established by the Board, in addition to any reimbursement for their out-of-pocket expenses incurred for the benefit of the Corporation; provided, however, that any directors, or officers appointed by directors, which have been appointed by the Declaration prior to the time control of the Corporation is turned over by the Declaration pursuant to the Declaration and Section 3 of Article V of these By-Laws, shall not be entitled to any compensation or remuneration, except reimbursement for their out-of-pocket expenses incurred for the benefit of the Corporation. This Section shall not be construed to preclude any director from serving the Corporation in any other capacity and receiving reasonable compensation thereof.

Section 5. Annual Meeting. The annual meeting of the Board will be held on the day of and immediately after the annual meeting of members or any special meeting of the members at which a full Board is elected.

Section 6. Special Meetings. Special meetings of the Board may be held at any time and place within the metropolitan area of Atlanta, Georgia when called by the President or by any member of the Board.

Section 7. Notice and Procedures. A notice of the time, place and purpose of every special meeting of the Board shall be given by the Secretary or an Assistant Secretary of an officer or director calling a meeting by mailing the same to each director at his residence or business address not less than three (3) days before such meeting, provided that such notice may be waived by the directors through presence at the meeting, unless objection to absence of notice is raised at the commencement of the meeting, or if those not present shall at any time waive or have waived notice thereof. To the extent the same is not inconsistent with these By-laws or the Declaration, Robert's Rules of Order, Newly Revised, shall govern the procedures and conduct of all meetings of the Board, as such rules are modified by the Board at such meeting.

Section 8. Quorum. A quorum at any meeting of the directors shall consist of fifty percent (50%) of the entire membership of the Board. A majority of the Directors present, if a quorum is present, shall decide any question that may come before the meeting, except as otherwise provided by law, by the Declaration, by the Articles, or by these By-Laws.

Section 9. Rules and Regulations. The Board shall have the power to adopt and publish rules and regulations governing the use by the members of any properties or facilities owned or controlled by the Corporation or intended for use by the members, and the personal conduct of the members and their guests thereon; and may fix penalties for violation of such rules and regulations and enforce the same. The Board may but, except as provided in the Declaration, shall not be obligated to permit persons who are not Owners to use the facilities located on the common Area, and the Board may fix and establish a user's fee for such non-resident users, in accordance with the Declaration

The Board shall cause any rules and regulations adopted or modified to be distributed to all Owners promptly after the adoption or modification. An Owner may obtain a copy of the rules and regulations in effect at any time by written request to the Secretary.

Section 10. Records. It shall be the duty of the Board to cause to be kept a complete record of all its acts and of the corporate affairs.

Section 11. Vacancies. In the event of a vacancy occurring by reason of the resignation, removal from office as provided in Section 12 of this Article V, death or otherwise, of a director, such vacancy may be filled by the affirmative vote of a majority of the remaining directors even if there exists less than a quorum of the Board, or by the sole remaining director, as the case may be, or if the vacancy is not so filled, or if no director remains, by the members of the Corporation, or, on the application of any member, by the Superior Court of Rockdale County, Georgia.

Section 12. Removal of Directors. At such time as Declarant is no longer authorized to appoint and remove directors, as provided in Section 3 of Article V, any director may be removed from office, with or without cause, by the vote or written consent of a majority of the members.

Section 13. Committees; Architectural Control Committee and Modifications Committee. The Board may, by resolution passed by a majority of the Board, designate one or more committees, each consisting of two (2) or more members appointed by the Board, which

committee may act by a majority of said members. Each committee shall have such powers of the Board and otherwise as provided in the resolution establishing such committee. The rules promulgated by these By-laws with respect to meetings of directors, notice, quorums, voting, and other procedures at such meetings shall be applicable to meetings of any committee established by the Board.

The Board shall establish immediately an Architectural Control Committee. Said committee shall have the duties and powers authorized and described for said Architectural Control Committee in the Declaration, and any other duties and powers necessary to carry out said described duties and powers. The Board shall also establish, as and when appropriate, a Modifications Committee. Said committee shall have the duties and powers authorized and described for said Modifications Committee in the Declaration, and any other duties and powers necessary to carry out said described duties and powers.

Section 14. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board or any committee established by the Board may be taken without a meeting, if written consent setting forth the action so taken shall be signed by all the directors on the Board or by all the members of such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board of the committee, as the case may be.

Section 15. Liability. In the absence of fraud or gross negligence or willful misconduct, the directors shall not be personally liable for the debts, obligations or liabilities of the Corporation.

## ARTICLE VI

### OFFICERS

Section 1. Officers. The officers of the Corporation shall be a President, one or more Vice-Presidents and assistant officers, if the Board so designates, a Secretary and a Treasurer. Declarant shall be authorized to appoint and remove any officer or officers until the occurrence of the earlier of the following events: (i) \_\_\_\_\_, 199\_\_, or (ii) when, subsequent to the addition of all the Additional Property (other than such portion of the Additional Property, if any, which Declarant has elected in a writing recorded in the real estate records of Rockdale County, Georgia, never to subject to the Declaration) to the Property submitted to the terms and conditions of the Declaration an, seventy-five percent (75%), or less if set forth in a written declaration by Declarant and recorded in the real estate records of Rockdale County, Georgia, of the total votes of the Association are held by Owners other than Declarant, or (iii) when Declarant in its sole discretion terminates the Class B Membership by a written instrument recorded in the public records of Rockdale County, Georgia. At such time as Declarant is no longer authorized to appoint and remove officers, the officers shall be elected by the Board at its annual meeting or at a special meeting of the Board called for the purpose if for any reason officers should not be elected at said annual meeting. Such officers shall hold office until the next annual meeting of the Board or until such director shall die, resign, or be removed from office. Any two or more of said officers may be held by one person at the same time, except that the President shall not also be the Secretary.

Section 2. President. The President shall be the chief executive officer of the Corporation, and when present shall preside at all meetings of the members and at the meetings of the Board; shall have general supervision of the affairs of the Corporation; shall sign or countersign all certificates, contracts and other instruments of the Corporation as authorized by the Board; shall make reports to the directors and member of the Corporation; and shall have all such other duties and powers as are incident to his office or properly prescribed by the Board.

Section 3. Vice-President. The Vice President, if there is one, or if there is more than one Vice-President, the Vice-President designated by the Board, shall exercise all the functions and perform all the duties of the President in his absence, except as specially limited by the Board. The Vice-President or Vice-Presidents, if any, shall perform such other duties as may be properly required by the Board.

Section 4. Secretary. The Secretary shall keep detailed minutes of all meetings of the members of the Corporation, the Board, and committees of the Board shall have custody of the seal and the corporate minute book, shall sign with the President such instruments as require such signature, shall record in a book kept for the purpose the names of all members of the Corporation, together with their addresses as registered by such members, and shall make such reports and perform such other duties as are incident to this office or properly required of him by the Board. The Secretary shall affix the seal of the Corporation to all certificates, contracts, and other instruments of the Corporation as authorized by the Board and shall send all notices

required or permitted under the By-laws or the Declaration. The Assistant Secretary, or if there is more than one Assistant Secretary, the Assistant Secretary, a secretary pro tempore, shall exercise all the functions and duties of the Secretary in his absence, except as specially limited by the Board.

Section 5. Treasurer. The Treasurer shall keep detailed and accurate financial records, including itemized records of all receipts and expenditures, shall have the custody of all monies of the Corporation and shall keep regular books of account and balance the same each month. He shall prepare comprehensive reports of the affairs, finances and budget projections of the Corporation and shall report on the same to the members at their Annual Meeting. He shall sign or countersign such instruments as require his signature, and shall perform such other duties as are incident to his office or properly required of him by the Board.

Section 6. Substitution. Any officer of the Corporation may be expressly authorized by the Board to perform any function which is usually performed by any other officer.

Section 7. Removal From Office. At such time as Declarant is no longer authorized to appoint and remove officers as provided herein, any officer may be removed from office with or without cause by a majority vote of the Board at any lawful meeting; and any vacancy in any of the offices described in this Article, however caused, may be filled by the Board at any lawful meeting.

## **ARTICLE VII**

### **INDEMNIFICATION**

- (a) The Corporation shall indemnify those persons whom it is entitled to indemnify under Sections 14-2-156 (a) through (i) and 14-3-110 of the Official Code of Georgia Annotated (the "Code") for those amounts authorized under said statutory provisions; provided, however, indemnification shall only be made upon compliance with the requirements of such statutory provisions and only in those circumstances in which indemnification is authorized under those provisions; provided further, however, the members may approve additional indemnifications pursuant to Section 14-2-156 (f) of the Code. The Corporation may also provide, if approved by action of its directors or members, additional indemnification pursuant to Sections 14-2-156 (d) and (i) of the Code.
- (b) The Corporation may purchase and maintain insurance on behalf of those persons for whom it is entitled to purchase and maintain insurance under Section 14-2-156(g) of the Code against any liability asserted against such persons and incurred by such persons in any capacity as described in said statutory provision, or arising out of such persons' status as described in said statutory provision, whether or not the Corporation would have the power to indemnify such persons against such liability under the laws of the State of Georgia.
- (c) If any expenses or other amounts are paid by way of indemnification, otherwise than by court order, action by the members or by an insurance carrier pursuant to insurance maintained by the Corporation, the Corporation shall provide notice of such payment in accordance with Section 14-2-156(h) of the Code and in the manner specified in Section 14-2-113 of the Code.
- (d) The indemnification and advancement of expenses provided by or granted pursuant to Section 14-2-156 of the Code shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee, or agent and shall insure to the benefit of the heirs, executors, and administrators of such a person. The provisions of this Article VII shall be applicable to any of those proceedings described in Section 14-2-156 of the Codes commenced or continuing after the adoption of this Article VII whether arising from acts or omissions occurring before or after such adoption.
- (e) Any advance or advances provided for hereunder shall be advanced within twenty (20) days after the receipt by the Corporation of a statement or statements from the person requesting such advance or advances from time to time, whether prior to or after final disposition of those proceedings described in Section 14-2-156 of the Code, with such statement or statements reasonably evidencing the expenses incurred by such person and including the undertaking described in Section 14-156(e) of the Code. To obtain indemnification under this Article VII, such person shall submit to the Secretary of the Corporation a written request, including such documentation and information reasonably necessary available to such person and reasonably necessary

to determine whether and to what extent such person is entitled to indemnification. The determination of such person's entitlement to indemnification shall be made within a reasonable time after receipt by the Corporation of the written request for indemnification together with the supporting documentation for same. The Secretary of the Corporation shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that such person has requested indemnification.

## **ARTICLE VIII**

### **NOTICE AND HEARING PROCEDURE**

**Section 1. Suspension of Privileges.** In the event of an alleged violation of the Declaration, these By-laws or any other such rules and regulations of the Corporation, and after written notice of such alleged failure is delivered (in the manner prescribed in Section 4 of Article IV herein) to the Owner or any agent of the Owner (the "Respondent") alleged to be in default, the Board shall have the right, after affording the Respondent an opportunity for an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of all directors, to take any one or more of the following actions: (1) levy a special assessment as provided in the Declaration; (2) suspend or condition the right of said Owner to use any facilities owned, operated or maintained by the Corporation; (3) suspend said Owner's voting privileges in the Corporation as an Owner, as further provided in the Declaration; or (4) record a notice of noncompliance encumbering the Lot or Dwelling Unit of the Respondent. Any such suspension shall be for a period of not more than sixty (60) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) may be imposed for so long as the violation continues. No action against a Respondent shall take effect prior to the expiration of (a) ten (10) days after mailing to said Respondent the complaint, and (b) five (5) days after the hearing required herein. The failure of the Board to enforce any rules and regulations of the Corporation, these By-laws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by these By-laws shall be cumulative and none shall be exclusive.

**Section 2. Enforcement.** The Board shall have the right and power to impose and assess reasonable fines and to suspend an Owner's right to use the Common Area for any violation of the Declaration or these By-laws in accordance with the following procedure:

- (a) **Demand.** Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation, and (iii) a time period, of not less than ten (10) days, during which the violation may be abated without further sanction or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing.
- (b) **Notice.** If the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board shall serve the violator with written notice of a hearing to be held by the Board in session. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; and (iii) an invitation to attend the hearing and produce any statement, evidence and witnesses on his or her behalf.
- (c) **Hearing.** The hearing shall be held pursuant to this notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

## **ARTICLE IX**

### **BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of account. In addition, the Corporation shall maintain, or cause to be maintained, minutes of the proceedings of its Board,

the committees of the Board, and the members and shall keep at the registered or principal office true and correct copies of its articles and By-laws and all amendments thereto as well as a record giving the names of and addresses of the members. All books and records of the Corporation may be inspected by any member, mortgagee, agent or attorney of any member for any proper purpose during normal business hours.

## **ARTICLE X**

### **FISCAL YEAR**

The fiscal year of the Corporation shall be such period as the Board shall determine, but unless otherwise so determined, shall begin on the first day of January of each year.

## **ARTICLE XI**

### **CORPORATE SEAL**

The seal of the Corporation shall consist of an impression bearing the name of the Corporation around the perimeter, to the extent space permits, and the word "Seal" and the year of incorporation in the center thereof.

## **ARTICLE XII**

### **AMENDMENTS**

Article XII was amended January 25, 2002 by deleting Article XII in its entirety and replacing it in its entirety with the following:

These By-laws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent, of at least one-third (1/3) the entire membership of the Association voting in favor of such amendment. Notice of a meeting, if any, at which a proposed amendment will be considered shall state the subject matter of the proposed amendment. No amendment shall be effective until certified by the President and Secretary of the Association and filed in the Rockdale County, Georgia land records.

## **ARTICLE XIII**

### **CONFLICTS**

In case of any conflict between these By-Laws and the Declaration, the Declaration shall control.

## **ARTICLE XIV**

### **VIOLATIONS**

The violation of (i) any rule or regulation adopted pursuant to these By-laws; (ii) any By-law contained herein; or (iii) any provision of the declaration shall give the Board, acting on behalf of the Corporation, the right, in addition to any other rights set forth in these By-laws:

- (a) to enter or to cause its agents to enter the Lot or the exterior of the Dwelling Unit in which such violation exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty of any manner of trespass; or
- (b) to enjoin, abate, or remedy such condition by appropriate legal or equitable proceedings; or
- (c) to levy reasonable fines, after giving notice and an opportunity to be heard pursuant to the provisions of these By-laws.

Any expense incurred by the Corporation in Remediating the Default, damage incurred by the Corporation or Owners, or fines so levied shall be assessed against the offending Lot or Dwelling unit and enforced as provided in these By-laws. In addition, any aggrieved Owner may bring an action to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

## ARTICLE XV

### INSURANCE

Section 1. Types of Coverage. In addition to the insurance, if any, which the Corporation carries pursuant to Article VII hereof, the Corporation shall maintain in effect at all times as a common Expense the types of insurance coverage required by the Declaration, any worker's compensation or other insurance required by law, and such other insurances as the Board may from time to time deem appropriate, including, but not limited to, a fidelity bond for the officers and directors of the Corporation.

Section 2. Casualty Insurance. The casualty insurance policy affording fire and extended coverage insurance as required by the Declaration shall be written in the name of the Corporation and any person having an interest in the Common Area, as their interests may appear. The Board shall review or cause to be reviewed at least every two (2) years the amount of insurance in effect, taking into account the value and replacement cost of the improvements, and the Board may engage appraisers, cost estimators or others it deems appropriate in connection therewith.

Section 3. Policy Provisions. The Board shall endeavor to obtain casualty insurance on the following terms and conditions if the Board considers them advisable:

- (a) The insurer shall waive its right of subrogation against the Corporation, the Board, any directors or officers of the Corporation, any managing agent or other agents or employees of the Corporation, and all Owners
- (b) The policy shall not be canceled, invalidated, or suspended on account of the conduct of any person listed in item (a) above without a prior demand in writing delivered to the Corporation and the allowance of a reasonable time thereafter within which to cure the defect.
- (c) The policy shall include a waiver of any co-insurance provisions and a waiver of any defense based on invalidity arising from the acts of the insured.
- (d) The policy shall include an agreed value endorsement.
- (e) The insurer shall be financially sound and responsible and qualified to do business in Georgia.
- (f) The policy shall provide that, despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Corporation.
- (g) The policy shall provide that coverage will not be prejudiced by (i) act or neglect of the Owners when said act or neglect is not within the control of the corporation or (ii) any failure of the Corporation to comply with any warranty or condition regarding any portion of the premises over which the corporation has not control.