

**BYLAWS OF
OLD TOWN RESIDENTIAL OWNERS ASSOCIATION, INC.
February 11, 2015**

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Article I

Name, Principal Office, and Definitions

1.1 Name.

The name of the corporation is Old Town Residential Owners Association, Inc. (“Association”).

1.2 Principal Office.

The Association’s initial principal office shall be located in Muscogee County, Georgia. The Association may have such other offices, within or outside the State of Georgia, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions.

The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions for Old Town Residential, as it may be amended (“Declaration”) filed by Old Town Residential, Inc., a Georgia corporation (therein and herein referred to as the "Declarant") in Deed Book 11451, Page 24, Muscogee County, Georgia Records, unless the context indicates otherwise. A copy of the Declaration is attached hereto as Exhibit “A” and each provision of the Declaration is hereby incorporated in and made part of these By-Laws by this reference as fully as if set forth herein. The Declaration shall control if there is any conflict between these By-Laws and the Declaration.

Article II

Membership: Meetings, Quorum, Voting, Proxies

2.1 Membership.

The Association shall have three classes of membership, Class “A”, Class “B”, and Class “C” as more fully set forth in the Declaration.

2.2 Place of Meetings.

Meetings of the Association shall be held at the Association’s principal office or at such other suitable place convenient to the Members as may be designated by the Board.

2.3 Annual Meetings.

The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of the Association’s incorporation. The Board shall set subsequent regular meetings so as to occur during the fourth quarter of the Association’s fiscal year on a date and at a time the Board sets.

2.4 Special Meetings.

The President may call special meetings. In addition, it shall be the President’s duty to call a special meeting if so directed by resolution of the Board or upon a petition signed by Class “A” and/or Class “C” Members holding at least twenty (20) percent of the votes outstanding and by the Class “B” Membership if there is such.

2.5 Notice of Meetings.

Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than 10 nor more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the Association’s records, with first class postage prepaid.

2.6 Waiver of Notice.

Waiver of notice of a 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 or the Member's proxy shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted as such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7 Adjournment of Meetings.

If any Association meeting cannot be held because a quorum is not present, Members or their proxies holding a majority of the votes represented at such meeting may adjourn the meeting to a time not less than five or more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members represented at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

2.8 Voting.

Members' voting rights shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated herein by this reference. Each Member's vote shall be weighted in proportion to the "Assessment and Voting Points" attributable to the Member (as such terms are defined in the Declaration).

During the "Class B Control Period" (as defined in the Declaration), the Class "A" Members and Class "C" Members shall have no right to vote on the following: (1) Amendment of the Articles of Incorporation of the Association, (2) Amendment of the By-Laws, (3) merger of the Association, and (4) the selection of directors.

During the Class B Control Period, none of the following actions may be taken without the written approval of the Class "B" Member: (1) sale, lease, exchange, or other disposition of all or substantially all of the Association's property (with or without goodwill) in or other than in the regular and usual course of its activities, and (2) dissolution of the Association.

2.9 Proxies.

At all meetings of Members, each Member may vote in person (if a corporation, partnership, or trust, through any officer, director, partner, or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Georgia law. All proxies shall be in writing specifying the Unit(s) for which it is given, signed by the Member or its duly authorized attorney-in-fact, dated, and filed with the Association's Secretary prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it was given, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

2.10 Majority.

As used in these By-Laws, the term "majority" shall mean the affirmative vote of those Members whose aggregate Assessment and Voting Points (as defined in the Declaration) exceed 50% of the total number of Assessment and Voting Points entitled to be cast on the matter.

2.11 Quorum.

Except as otherwise provided in these By-Laws or in the Declaration, the presence, in person or by proxy, of Members representing 25% of the total Class "A" and Class "C" votes in the Association and the Class "B" Member if there is such shall constitute a quorum at all Association meetings.

2.12 Conduct of Meetings.

The President shall preside over all Association meetings, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13 Action Without a Meeting.

Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if written consent specifically authorizing the proposed action is signed by all Members entitled to vote thereon. Such consent shall be filed with the Association's minutes, and shall have the same force and effect as a vote of the Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give written

notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

Article III
Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1 Governing Body; Composition.

The Association's affairs shall be governed by a Board of Directors. Each director shall have one equal vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Members. In the case of a Member which is not a natural person, any officer, director, partner, employee, or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by the Member; provided, no Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Class "B" Member.

3.2 Number of Directors.

The Board shall consist of three directors during the Class "B" Control Period as provided in Section 3.3 and five directors thereafter as provided in Section 3.5 below. The initial Board shall consist of three directors appointed by the Class "B" Member (who is also the incorporator) at the organizational meeting and will serve until their successors are appointed by the Class "B" Member.

3.3 Directors During Class "B" Control Period.

During the Class "B" Control Period, the directors shall be appointed by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member. Class "A" Members and Class "C" Members shall not be entitled to vote for the election of a director during the Class "B" Control Period within the meaning of OCGA Section 14-3-140 (22). Upon the termination of the Class "B" Control Period, or at such earlier time if the Class "B" Member, in its discretion, so determines, directors shall be elected at a meeting of the Association by the Class "A" Members and Class "C" Members and shall serve terms as set forth in Section 3.5.

3.4 Nomination and Election Procedures for Directors by the Class "A" Members and Class "C" Members.

(a)

Nominations and Declaration of Candidacy. Prior to each election of directors by the Class “A” Members and Class “C” Members, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona-fide interest in serving as a director may file as a candidate for any position to be filled by votes of Class “A” Members and Class “C” Members. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient, and cost-effective manner.

Nominations for election to the Board may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board, and three or more Members or representatives of Members. The Board shall appoint the members of the Nominating Committee, if any, prior to the election and their appointments shall be made known to the membership in the notice of the election.

The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates. Each candidate shall be given a reasonable, uniform opportunity to communicate his or her qualifications to the Members and to solicit votes.

(b) Election Procedures. Each Owner may cast the entire vote assigned to his or her Unit for each position to be filled on the Board. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5 Election and Term of Office upon Termination of the Class “B” Control Period.

Within 30 days of the termination of the Class “B” Control Period, or such earlier time if the Class “B” Member, in its discretion, so determines, the President shall call for an election by which the Class “A” Members and Class “C” Members shall be entitled to elect all of the directors to the Board; the Board shall consist of five directors. The three of the five directors receiving the largest number of votes will be elected for a term or two years, and the remaining two directors will be elected for a term of one year. All subsequent elections shall elect directors for a term of two years. The directors elected by the Class “A” Members and Class “C” Members shall hold office until their respective successors have been elected.

3.6 Removal of Directors and Vacancies.

Any director elected by the Class “A” Members and Class “C” Members may be removed, with or without cause, by Members holding a majority of the votes entitled to be cast for his or her election. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class “A” Members and Class “C” Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class “A” Members and Class “C” Members who has three or more consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent (or is the representative of a Member who is so delinquent) in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director elected by the Class “A” Members and Class “C” Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class “A” Members and Class “C” Members shall elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Class “B” Member or to any director serving as a representative of Declarant. The Class “B” Member shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director appointed by or elected as a representative of the Class “B” Member.

B. Meetings.

3.7 Annual Meetings.

The first meeting of the Board following each annual meeting of the membership shall be held within 10 days thereafter at such time and place as the Board shall fix.

3.8 Special Meetings.

Special meetings of the Board of Directors shall be held when called by written notice signed by the President or Vice President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

3.9 Notice; Waiver of Notice.

(a)

Notice of the time and place of a regular meeting shall be communicated to directors not less than four calendar days prior to the meeting. Notice of the time and place of a special meeting shall be communicated to directors not less than 72 hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, computer, fiber optics or such other communication device. All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the records of the Association. Notices of special Board meetings shall be posted in a prominent place within the Town Center Land. Notices sent by first class mail shall be deposited into a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

(b)

The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10 Telephonic Participation in Meetings.

Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

3.11 Quorum of Board of Directors.

At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration.

A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any Board meeting cannot be held because of a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12 Compensation.

Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total Class "A" votes and Class "C" Votes in the Association and the Class "B" Member (if any) at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

3.13 Conduct of Meetings.

The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.14 Open Meetings.

Subject to the provisions of Section 3.15, all Board meetings shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude Members to discuss matters of a sensitive nature, such as pending or threatened litigation or personnel matters.

3.15 Action Without a Formal Meeting.

Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

3.16 Powers.

The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all right of the Association as set forth in the Articles of Incorporation of the Association, the By-Laws, the Declaration, any Supplemental Declaration, the Design Guidelines, and the Use Restrictions and Rules, and any policy, rule, regulation, standard, procedure, guideline, sanction, and other statement adopted pursuant to the authority of the foregoing (collectively the "Governing Documents") and as provided by law. The Board may do or cause to be done all acts and things as are not directed by the Governing Documents or Georgia law to be done and exercised exclusively by the membership generally.

3.17 Duties.

The Board's duties shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- (f) making and amending use restrictions and rules in accordance with the Declaration;
- (g) opening bank accounts in the Association's behalf and designating

the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By Laws;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate:

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the Association's receipts and expenditures;

(m) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the association, as provided in Section 6.4;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Town Center Land; and

(a) indemnifying a director, officer, or committee member, or former director, officer, or committee member of the Association to the extent such indemnity is required under Georgia law, the Articles of Incorporation, or the Declaration.

3.18 Right of Class "B" Member to Disapprove Actions.

So long as the Class "B" membership exists, if the Class "B" Member has voluntarily terminated the Class "B" Control Period and the Class "A" Members and Class "C"

Members are entitled to elect a majority of the directors to the Board, the Class “B” Member shall have a right to disapprove any action, policy, or program of the Association, the Board, and any committee which, in the reasonable judgment of the Class “B” Member, would tend to impair rights of Declarant under the Declaration or these By-Laws, or interfere with development of or construction on any portion of the Town Center Land, or diminish the level of services being provided by the Association.

(a) The Class “B” Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Association’s Secretary, which notice complies as to the Board meetings with Sections 3.7, 3.8, 3.9, and 3.10, and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class “B” Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Class “B” Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class “B” Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, the Board, or the Association. The Class “B” Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.19 Management.

The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager’s

assigned duties, but shall not delegate policymaking authority. Declarant, or an affiliate of Declarant, may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

3.20 Accounts and Reports.

The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(f) an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report may be prepared on an audited, reviewed, or compiled basis, as the Board determines, by a certified public accountant (who may also provide accounting services to Declarant, the Association manager, and/or other parties in interest).

3.21 Borrowing.

The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain Member approval as provided below if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month, exceeds or would exceed 20% of the budgeted gross expenses of

the Association for that fiscal year. Any borrowing the Board adopts shall become effective 30 days after it sends notice of such borrowing to the Members, unless a majority of the Class "A" Members and Class "C" Members or the Class "B" Member if any, disapprove of the borrowing at a meeting called for that purpose. The Association shall have no obligation to call a meeting for the purpose of considering the borrowing except on petition of at least one Class "A" Member or one Class "C" Member. In the event of any such petition the borrowing shall not become effective unless and until the Members hold a meeting and approve such borrowing.

3.22 Right to Contract.

The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, within and outside the Town Center Land; provided, any common management agreement shall require the consent of a majority of the total number of directors of the Association.

3.23 Enforcement.

In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose reasonable monetary fines that shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote for violation of any duty imposed under the Governing Documents. In addition, the Board may suspend any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, tenant, employee, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall be assessed against the occupant; provided, if the fine is not paid by the occupant within the time period set by the Board, the fine shall be assessed against the Unit and the Owner thereof upon notice from the Association. The Board's failure to enforce any provision of the Governing Documents shall not be deemed a waiver of the Board's right to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder or under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice. If a timely challenge is not made, the sanction

stated in the notice shall be imposed; provided, the Board shall suspend any proposed sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) Hearing. If a hearing is requested within the allotted 10 day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice 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, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative 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.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules) or, following compliance with the dispute resolution procedures set forth in the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry onto a Unit for purposes of exercising this power of self-help shall not be deemed as trespass.

Article IV **Officers**

4.1 Officers.

The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable; such officers will have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 Election and Term of Office.

The Board shall elect the initial officers of the Association at the first Board

meeting following the organizational meeting of the incorporator and shall elect successor officers at the first Board meeting following each annual meeting of the Members, to serve until their successors are elected.

4.3 Removal and Vacancies.

The Board may remove any officer whenever in its judgment the Association's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4 Powers and Duties.

The Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such power and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the Association's chief executive officer. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5 Resignation.

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, and Checks.

All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7 Compensation.

Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12.

**Article V
Committees**

5.1 General.

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms and such resolution.

Article VI
Miscellaneous

6.1 Fiscal Year.

The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules.

Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Association proceedings when not in conflict with Georgia law or the Governing Documents.

6.3 Conflicts.

If there are conflicts among the provisions of Georgia law, the Articles of Incorporation, the Declaration, and these By-Laws, then the provisions of Georgia law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by an holder, insurer, or guarantor's of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, By-Laws, and Articles of Incorporation, any amendments to the foregoing, the Use Restrictions and Rules, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association office or at such other place within the Town Center Land as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the Association's expense.

6.5 Notices.

Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or when sent by United States mail, first class postage prepaid:

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

(b) if to the Association, the Board of Directors, or the managing agent, at the principle office of the Association or the managing agent, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6 Amendment.

(a) By Class "B" Member. The Class "B" Member may amend these By-Laws without the consent of any Class "A" Members and Class "C" Members if (1) such amendment is specifically required to enable any governmental or institutional lender, purchaser, guarantor, or insurer of mortgage loans to make, purchase, insure or guarantee mortgage loans on the Units or (2) the Class "B" Member determines in its sole and absolute discretion that the amendment is necessary or convenient for the good of Old Town Center; provided, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing.

(b) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least 75% of the total Class "A" votes and Class "C" votes in the Association, and the consent of the Class "B" Member, if any. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that

clause.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon Recordation, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of the Class "B" Member if any, or the assignee of such right or privilege.

If a Member consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Member has the authority so to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.

6.7 Liability of Directors and Officers.

No director or officer will have any liability to the Association or Members for monetary damages for any action taken, or any failure to take any action, as a director or officer, except liability:

- (A) For any appropriation, in violation of his or her duties, of any business opportunity of the Association;
- (B) For acts or omissions which involve intentional misconduct or a knowing violation of law;
- (C) For the types of liability set forth in OCGA Sections 14-3-860 through 14-3-864; or
- (D) For any transaction from which the director received an improper personal benefit.

6.8 Indemnification of Directors and Officers.

(a) General. Except as otherwise provided in this section, the Association will indemnify an individual who is a party to a proceeding because the individual is or was a director or officer against liability incurred in the proceeding if:

- (1) He or she conducted himself or herself in good faith; and
- (2) He or she reasonably believed:

(A) In the case of conduct in his or her official capacity, that his or her conduct was in the best interests of the Association;

(B) In all other cases, that his or her conduct was at least not opposed to the best interests of the Association; and

(C) In the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this section.

(b) Limitation. The Association will not indemnify a director or officer:

(1) In connection with a proceeding by or in the right of the Association, except for reasonable expenses incurred in connection with the proceeding if it is determined that the director has met the relevant standard of conduct under OCGA Section 14-3-851; or

(2) In connection with any other proceeding with respect to conduct for which the director or officer was adjudged liable on the basis that personal benefit was improperly received by the director, whether or not involving action in the director's official capacity.

(c) Certain Expenses. The Association shall indemnify a director or officer who was successful, on the merits or otherwise, in the defense of any proceeding to which the director or officer was a party because the director or officer was a director or officer of the Association against reasonable expenses incurred by the director or officer in connection with the proceeding.

(d) Reimbursement. The Association will, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding because the director or officer is a director or officer if the director or officer delivers to the Association:

(1) A written affirmation of the director's or officer's good faith belief that the director or officer has met the relevant standard of conduct described in OCGA Section 14-3-851 or that the proceeding involves conduct for which liability has been eliminated under a provision of the articles of incorporation as authorized by paragraph (4) of subsection (b) of OCGA Section 14-3-202; and

(2) The director's or officer written undertaking to repay any funds advanced if it is ultimately determined that the director or officer is not entitled to indemnification under this part. The undertaking must be an unlimited general obligation of the director or officer but need not be secured and may be accepted without reference to the financial ability of the director to make repayment.

(e) Authorization to Indemnify. Authorizations for indemnification shall be made by the board of directors:

(1) If there are two or more disinterested directors, by a majority vote of all the disinterested directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee of two or more disinterested directors appointed by such a vote; or

(2) If there are fewer than two disinterested directors, by the vote necessary for action by the board in accordance with subsection (c) of OCGA Section 14-3-824, in which authorization directors who do not qualify as disinterested directors may participate.