

**BYLAWS**

**OF**

**THE BAY COLONY COMMUNITY ASSOCIATION, INC.**

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BY-LAWS  
OF  
THE BAY COLONY COMMUNITY ASSOCIATION, INC.

ARTICLE I  
NAME AND LOCATION

Section 1. Name. The name of the corporation is The Bay Colony Community Association, Inc., hereinafter referred to as the "Association".

Section 2. Location. The principal office of the Association shall be in Forsyth County, Georgia. Meeting of members and directors may be held at such places within the State of Georgia as may be designated by the Board of Directors.

ARTICLE II  
DEFINITIONS

Section 1. Definitions. The terms used in these By-Laws, unless otherwise specified or unless the context otherwise requires, shall have the same meanings as defined in the Declaration of Covenants, Conditions and Restriction for The Bay Colony recorded or to be recorded in the Office of the Clerk of the Superior Court of Forsyth County, Georgia (the "Declaration").

## ARTICLE III

### MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The membership of the Association shall consist of (a) every record owner, whether it be one or more persons, of fee simple title to any real property situated within the Properties excluding, however, the Association and those persons having such interest merely as security for the performance of an obligation, and (b) the Declarant subject to the following provisions of this Article III. Membership shall be appurtenant to and may not be separated from ownership of such real property, which ownership shall be the sole qualification for membership.

Section 2. Voting Rights. Subject to the following provisions of this Section 2, the Association shall have two classes of voting membership: Class "A" and Class "B".

CLASS "A": Class "A" members shall be all owners of Lots with the exception of the Declarant (except as set forth under Class "B" membership provisions below). A Class "A" member shall be entitled to one vote for each Lot which he owns.

CLASS "B": The Class "B" member shall be the Declarant. The Class "B" member shall be entitled to three votes for each Lot which it owns. The Class "B" membership shall cease and be converted to Class "A" membership upon the first of the following events to occur: (a) when the total votes outstanding in the Class "A" membership equal the total votes

outstanding in the Class "B" membership unless (i) the Declarant at that time has the right to annex additional property pursuant to Article II, Section 2(a), of the Declaration sufficient in quantity so that, if annexed, the votes of the Class "B" member would exceed those of the Class "A" members, and (ii) the Declarant evidences its intent to exercise such right within a reasonable time thereafter by filing an affidavit to that effect with the Association and, provided that approval by the Veterans Administration of the Properties and legal documents relative thereto is then in effect, the Veterans Administration, (b) abolishment by the Declarant of its Class "B" membership evidenced by written notice thereof delivered to the Association, or (c) December 31, 1988.

When any property entitling the owner to membership as a Class "A" member of the Association is owned of record by other than a single natural person, the person entitled to cast the vote for such property shall be designated by a certificate signed by the record owner or owners of such property and filed with the secretary of the Association. Each such certificate shall be valid until revoked, superseded by a subsequent certificate or a change occurs in the ownership of such property.

The votes of the members shall be cast under such rules and procedures as may be prescribed in the Declaration or in these By-laws, as amended from time to time, or by law.

Section 3. Suspension of Membership Rights. During the period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of any Association recreational facilities of such member may be suspended by the Board of Directors until such violation has been cured. Such rights of a member may also be suspended by the Board of Directors, for a period not to exceed 60 days, for violation of any published rules and regulations established by the Board of Directors governing the use of the Association Properties and facilities.

#### ARTICLE IV

##### PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Members and Others. Each member shall be entitled to the use and enjoyment of the Association Properties as provided in the Declaration. The Association Properties are intended for and shall be devoted to the common use and enjoyment of the members, their families, guests of the members, persons occupying residential accommodations of members on a guest or tenant basis, and visiting members of the general public (to the extent permitted by the Board of Directors); subject, however, to the published rules and regulations adopted by the Board of Directors. The rights and privileges of a member's family, guests and tenants are subject to suspension to the same extent as those of the member.

ARTICLE V  
ASSESSMENTS

Section 1. Obligation to Pay Assessments. Each member shall be obligated to pay to the Association annual and special assessments pursuant to and in accordance with the provisions of Article V of the Declaration, as the same may be amended from time to time, which provisions are, by reference, incorporated herein and made a part hereof as fully and completely as though each and every such provision were herein fully set forth.

ARTICLE VI  
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. From and after the first annual meeting of members, the affairs of the Association shall be managed by not less than three nor more than nine directors as determined from time to time by the members. Before such time, three directors appointed by the Declarant shall manage the affairs of the Association. Directors need not be members of the Association.

Section 2. Term. The term of each director's service shall commence on the date of his election or appointment, as the case may be, and extend until the next annual meeting of members at which his successor is duly elected, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.



Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association entitled to vote thereon. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.



Section 4. Compensation. No director shall receive compensation for any service he may render to the Association unless approved by a majority vote of the members of the Association entitled to vote thereon. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE VII

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Commencing with the month in which the first annual meeting of the members takes place, regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the A-sociation, or by any two directors, after not less than three days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

## ARTICLE VIII

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. The first Board of Directors to be elected by the members shall be elected at the first annual meeting of members and nominations therefor shall be made only from the floor. Thereafter, nominations for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be

appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the minimum number of directors required by Article VI, Section 1, hereof.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot cast at the annual meeting. At such election the members or their proxies may cast, with respect to each director to be elected, as many votes as they are entitled to exercise under the provisions of Article III, Section 2, hereof. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE IX

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power:

(a) To adopt and publish rules and regulations governing the use of the Association Properties and facilities and the personal conduct of the members and others thereon, and to establish penalties for the infraction thereof;

(b) To exercise for the Association all powers, duties and authority vested in or delegated to the Association not reserved to the membership by other provisions of these by-laws or the Declaration;

(c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors; and

(d) To enter into management agreements with third parties in order to facilitate efficient operation of the development.

**Section 2. Duties.** It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all its acts and business affairs and to present a statement thereof to the members at the annual meeting of the members or, after the first annual meeting of members, at any special meeting, when such statement is requested in writing by members who are entitled to cast at least one-fourth (1/4) of all votes of members.

(b) To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration;

(1) to fix the amount of the annual assessment against all property subject to the Declaration at least 30 days in advance of each annual assessment period, and

(2) to send written notice of each annual assessment to every member subject thereto at least 30 days in advance of each annual assessment period;

(d) To issue, or to cause an appropriate officer to issue, upon demand by a member at any time a certificate setting forth whether the assessments on such member's property have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence, against all but the owner, of payment of any assessment therein stated to have been paid.

(e) To procure and maintain adequate public liability and casualty insurance as required by the Declaration and such other insurance as it may deem appropriate.

(f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) To cause the Properties to be maintained as required by the Declaration.

ARTICLE X  
COMMITTEES

Section 1. Appointment. The Association's Board of Directors shall appoint a Nominating Committee as provided in these By-laws. In addition, the Board of Directors may appoint other committees as it may deem appropriate in carrying out its purposes.

Section 2. Action on Complaints. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XI  
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of members shall be called by the Declarant and shall be held no later than 15 days following the date on which the Class "B" membership ceases. Each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock P.M., unless otherwise provided by the members at any previous meeting. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or, after the first annual meeting of members, upon written request of the members who are entitled to vote at least one-fourth (1/4) of the votes of either class of membership.

Section 3. Notice of Meetings. Except as otherwise provided in the Declaration, written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, (a) by personal service at least 15 days before such meeting, or (b) by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. A copy of each such notice shall also be mailed to each mortgagee of property subject to the jurisdiction of the Association whose name and address have theretofore been furnished to the Association together with a written request for such notices, in which case each such mortgagee may designate a representative to attend all such meetings without voice or vote.

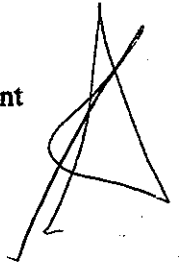
Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, at least one-fourth (1/4) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by a member of his property.

## ARTICE XII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, a treasurer and such other officers as the Board may from time to time by resolution create.





**Section 2. Election of Officers.** From and after the first annual meeting of members, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members. Before such time, the election of officers shall take place at such special meeting or meetings of the Board of Directors as may be called for such purpose.

**Section 3 Term.** The officers of the Association shall be elected annually by the Board and each shall hold office for one year, or until his successor is duly elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 4. Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of 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.

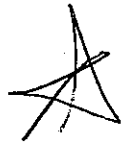
Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article XII.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the members and of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments regarding the Association Properties and facilities and, subject to the terms of any management agreement then in effect, shall co-sign all checks and promissory notes, if any.



Vice-President

(b) The vice-president shall act in the place and instead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as may be required of him by the board.



Treasurer

(d) The treasurer, subject to the term of any management agreement then in effect, shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes, if any, of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; cause a copy of each such annual audit to be mailed or delivered, free of charge and within 30 days following its receipt by the Association, to each mortgagee of property subject to the jurisdiction of the Association whose name and address have theretofore been furnished to the Association together with a written request for such audit; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy to each of the members.



## ARTICLE XIII

### INDEMNIFICATION

**Section 1. Indemnification.** No officer or director of the Association shall be liable to any member for injury or damage caused by such officer or director in the performance of his duties unless due to the willful misfeasance or malfeasance of such officer or director. Each officer or director of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been such an officer or director, or any settlement thereof, whether or not he is such an officer or director at the time such expenses and liabilities are incurred, except in such cases wherein the officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association.

## ARTICLE XIV

### BOOKS AND RECORDS

**Section 1. Inspection.** The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member or mortgagee of property subject to the jurisdiction of the Association. Copies of the Declaration, the Articles of Incorporation and the By-Laws of the Association and any other rules concerning the Properties, as amended from time to time, shall be available for inspection by any member or mortgagee at the principal office of the Association.

## ARTICLE XV

### CORPORATE SEAL

Section 1. Description. The Association shall have a seal in circular form having within its circumference the words: The Bay Colony Community Association, Inc.

## ARTICLE XVI

### AMENDMENTS

Section 1. Procedure. These by-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of each class of members present in person or by proxy; provided, however, that the notice of such meeting shall describe the substance of any such proposed amendment; and, provided further, that the Veterans Administration shall have the right to veto any such amendment during the existence of the Class "B" membership if approval by the Veterans Administration of the Properties and legal documents relative thereto is then in effect.

Section 2. Conflicts. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

## ARTICLE XVII

### MISCELLANIOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the 1<sup>st</sup> day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation.