

EXHIBIT "C"

BY-LAWS
OF
SANDPIPER CONDOMINIUM ASSOCIATION, INC.

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BY-LAWS

OF

SANDPIPER CONDOMINIUM ASSOCIATION, INC.

Article I
General

Section 1. Applicability. These By-Laws provide for the self-government of Sandpiper Condominium in accordance with the Articles of Incorporation for Sandpiper Condominium Association, Inc., and the Declaration of Condominium for Sandpiper Condominium recorded in the Cobb County, Georgia Records.

Section 2. Name. The name of the corporation is Sandpiper Condominium Association, Inc., (hereinafter referred to as the "Association").

Section 3. Membership. As provided in the Act, an owner of a unit shall automatically become a member of the Association upon taking title to the unit and shall remain a member for the entire period of ownership. As may be more fully provided below, the spouse of a member may exercise the powers and privileges of the member. If title to a 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 (1) membership and one (1) vote per unit. Membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the owner's membership. Membership shall be appurtenant to the unit to which it appertains and shall be transferred automatically by conveyance of that unit and may be transferred only in connection with the transfer of title.

Section 4. Voting. Each unit shall be entitled to one (1) vote which may be cast in accordance with the terms herein. A vote may be cast by the owner, the owner's spouse, or by a lawful proxy, as provided herein. When more than one person owns a unit, the vote for such unit shall be exercised as they between or among themselves determine, but in no event shall more than one (1) vote be cast with respect to any unit. In the event of disagreement among such persons and an attempt by two or more of them to cast such vote or votes, such persons shall not be recognized and such vote or votes shall not be counted. The Board may prohibit any owner from voting, either in person or by proxy, or being elected to the Board of Directors if such owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association or is found to be

in violation of any provision of the Declaration, these By-Laws, or any rule by the Board of Directors.

Section 5. Majority. As used in these By-Laws, the term "majority" shall mean those votes totalling more than fifty (50%) percent of the total eligible votes of owners, directors, or other groups, as the context may indicate. Unless otherwise specifically stated, the words "majority vote" shall mean more than fifty (50%) percent of the eligible votes cast in person or by proxy in the case of a membership vote and more than fifty (50%) percent of the votes cast in the case of a Board vote. Unless otherwise provided in the Declaration, Articles of Incorporation, or these By-Laws, all decisions shall be by majority vote.

Section 6. Purpose. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the contributions to the common expenses, arranging for the management of the Condominium, and performing all of the other acts that may be required to be performed by the Association by the Georgia Condominium Act and the Declaration. Except as to those matters which either the Georgia Condominium Act, the Declaration, or the Georgia Nonprofit Corporation Code specifically require to be performed by the vote of the Association, the administration of the foregoing responsibilities shall be performed by the Board of Directors, as is more particularly set forth below.

Article II Definitions

Unless the context otherwise requires, the terms as used in these By-Laws, the Declaration, and the Articles of Incorporation shall be defined in the Act. In addition, as used in the Declaration, the Articles of Incorporation, and the By-Laws, the following terms shall have the meanings ascribed to them below, all of such definitions being cumulative of those set forth in the Act:

Section 1. Act shall mean the Georgia Condominium Act, O.C.G.A. Section 44-3-70, et seq. (Michie 1982), as such Act may be amended.

Section 2. Articles of Incorporation shall mean the Articles of Incorporation of the Association, as they now exist or as may be amended.

Section 3. Association shall mean Sandpiper Condominium Association, Inc., and its successors, a Georgia

nonprofit membership corporation formed for the purpose of exercising the powers of the Association under the Declaration, the Articles of Incorporation, the By-Laws, the Act, and the Georgia Nonprofit Corporation Code.

Section 4. Board of Directors or Board shall mean the Board of Directors of the Association, the members of which shall be appointed and elected from time to time as provided in the Declaration, the Articles of Incorporation, the By-Laws, and the Act. The Board of Directors shall be the governing body of the Association.

Section 5. By-Laws shall mean these By-Laws of Sandpiper Condominium Association, Inc., as they now exist or may be amended.

Section 6. Common elements or common areas shall mean that area and property submitted to be part of the Condominium but not intended for individual ownership and use as further defined in the Declaration.

Section 7. Condominium shall mean all that property submitted to the Act, as described in the Declaration.

Section 8. Condominium instruments shall mean the Declaration and all exhibits thereto, including these By-Laws, the plats and plans recorded pursuant to the Act, and such other instruments as may become condominium instruments pursuant to the Act.

Section 9. Declaration shall mean that document filed of record in the Office of the Clerk of the Superior Court of Cobb County, Georgia, for the purpose of submitting the Condominium to the Act, as such document may be amended from time to time.

Section 10. Eligible votes shall mean those votes available to be cast under the Declaration, the By-Laws, the Act, or the Georgia Nonprofit Corporation Code.

Section 11. Limited common elements shall mean a portion of the common elements reserved for the exclusive use of those entitled to the use of one or more, but less than all, of the units.

Section 12. Mortgage shall refer to any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation, including, but not limited to, a transfer or conveyance for such purpose of fee title.

Section 13. Mortgagee or mortgage holder shall mean the holder of any mortgage.

Section 14. Officer shall mean those individuals who are elected by the Board to serve as President, Vice President, Secretary, or Treasurer, or such other subordinate offices as the Board may determine necessary.

Section 15. Owner or member shall mean the record title holder of a unit within the Condominium, but shall not mean a mortgage holder.

Section 16. Person shall mean any individual, corporation, firm, association, partnership, or other legal entity.

Section 17. Plats and plans shall collectively mean those plats and plans of the property in the Condominium, which plats and plans have been recorded in the Cobb County, Georgia, records.

Section 18. Unit, dwelling, or residence shall mean that portion of the Condominium intended for individual ownership and use, as further described in the Declaration.

Other terms shall have their natural meanings or the meanings given in the Declaration, the Act, or the Georgia Nonprofit Corporation Code.

Article III Meetings of Members

Section 1. Annual Meetings. The regular annual meetings of the members shall be held during the month of April of each year with the date, hour, and place to be set by the Board, unless otherwise provided by the Board.

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, the Secretary, or Treasurer, and shall be called by the request of any two or more members of the Board of Directors or upon written request of the members who have a right to vote one-fourth (1/4) of the total votes of the entire membership.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the unit owners a notice of each annual or special meeting of the Association at least twenty-one (21) days prior to each annual

meeting and at least seven (7) days prior to each special meeting. The notice shall state the purpose of any special meeting, as well as the time and place where the meeting is to be held. Notices shall be delivered personally or mailed to each owner of record at his unit; if any owner wishes notice to be given at an address other than his unit, the owner shall designate by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 4. Waiver of Notice. Waiver of notice of a meeting of the owners shall be deemed the equivalent of proper notice. Any owner may, in writing, waive notice of any meeting of the owners, either before or after such meeting. Attendance at a meeting by an owner, whether in person or by proxy, shall be deemed waiver by such owner of notice of the time, date, and place thereof, unless such owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat, unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 5. Quorum. Except as may be provided elsewhere, the presence, in person or by proxy, of owners entitled to cast twenty-five (25%) percent of the eligible votes of the Association shall constitute a quorum.

Section 6. Adjournment. Any meeting of the owners may be adjourned from time to time by vote of the owners holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

Section 7. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used and must be dated. No proxy shall be revocable except by written notice delivered to the Association. A proxy shall be automatically revoked if the member who has given such proxy is in attendance at a meeting.

Section 8. Consents. Any action which may be taken by a vote of the owners may also be taken by written consent signed by all owners.

Section 9. Conduct of Business. Unless waived by a majority of votes present at a meeting, Roberts Rules of Order (latest edition) shall govern the conduct of the meeting, when not in conflict with the Declaration, Articles of Incorporation, these By-Laws.

Article IV
Board of Directors

A. Composition and Selection.

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors. The Board shall be composed of five (5) persons. The directors shall be owners of units or spouses of such owners; provided, however, no owner and his spouse may serve on the Board at the same time.

Section 2. Election and Term of Office. Those directors presently serving shall remain in office until the terms for which they were elected expire and their successors are elected. Successor directors shall be elected at the end of their predecessors' terms by the vote of those members present, in person or by proxy, at the annual or other meeting of the membership of the Association, a quorum being present. Those persons receiving the most votes shall be elected to the number of positions to be filled. All successor directors shall be elected for terms of two (2) years per term or until their successors are elected.

Section 3. Removal of Members of the Board of Directors. At any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed, with or without cause, by a majority of the total Association vote and a successor may then be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any member of the Board of Directors who has been absent without being excused by the Board from three (3) consecutive Board meetings may be removed from the Board by a majority of the Board members present at a Board meeting, a quorum being had.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason, including the addition of a new director or directors, but excluding the removal of a director by a vote of the Association, shall be filled by a vote of the

majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each person so selected shall serve through completion of the remainder of the term for which the vacancy exists.

Section 5. Compensation. Directors shall not be compensated unless and to the extent the members of the Association authorize at any meeting duly called for that purpose. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director; provided that the director's interest is known and the contract is approved by a majority of the Board of Directors, excluding the director with whom the contract is made.

B. Meetings.

Section 6. Organizational Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such time and place as may be determined by the directors.

Section 7. Regular Meetings. Meetings of the Board of Directors shall be held regularly without notice at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every three (3) months.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on two (2) days' notice to each director given by mail, in person or by telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the Vice President, Secretary, or Treasurer in like manner and on like notice on the written request of at least two (2) directors.

Section 9. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall also constitute a waiver of notice by him of the time and place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 10. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order (latest edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Act, the Declaration, the Articles of Incorporation, or these By-Laws. A majority of directors shall constitute a quorum for the transaction of business. A decision of the Board of Directors shall be by a majority of those directors present at a duly called meeting. The President may vote.

Section 11. Action Without A Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board of Directors.

C. Powers and Duties.

Section 12. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Condominium and may do all such acts and things as are not by the Declaration, Articles of Incorporation, or these By-Laws directed to be done and exercised exclusively by the members. The Board shall have the power to adopt, modify, and repeal such reasonable rules and regulations as it deems necessary and appropriate for the governance of the Condominium or the administration of the affairs of the Association and to impose sanctions for violations thereof, including, without limitation, monetary fines. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the due dates and installments, if any, for payments of the annual assessment.

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making, or contracting for the making of, repairs, additions, and improvements to, or alterations of the Condominium in accordance with the other provisions of the Declaration and these By-Laws, after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) acting in a representative capacity in relation to matters involving the common elements or more than one unit, on behalf of the unit owners, as their interests may appear;

(k) obtaining and carrying insurance against casualties and liabilities, as provided in Article VI of these By-Laws, and paying the premium cost thereof;

(l) paying the costs of all services rendered to the Association or its members and not chargeable to Owners; and

(m) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys during general business hours

on working days at the times and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Owners. All books and records shall be kept in accordance with reasonable accounting and business practices.

Section 13. Management Agent. The Board of Directors may employ for the Condominium a professional management agent or agents, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. Any management contract shall contain a termination clause permitting termination, with or without cause and without penalty, upon no more than sixty (60) days written notice. No management contract shall have a term in excess of one (1) year.

Section 14. Borrowing and Expenditures. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Area of Common Responsibility without the approval of the members of the Association; provided, however, if the proposed borrowing is for the purpose of modifying, improving, or adding amenities to the Condominium and the total amount of such borrowing, including any interest to be paid, exceeds or would exceed Ten Thousand (\$10,000.00) Dollars outstanding debt at any one time, then such borrowing shall be approved by the affirmative vote of two-thirds (2/3) of those members present, in person or by proxy, at a meeting duly called for that purpose.

D. Committees.

Section 15. Architectural Standards. The Board may establish an Architectural Standards Committee for the purpose of establishing and maintaining architectural standards on Condominium property, as hereinafter provided.

Section 16. Additional Committees. The Board may establish a Board Advisory Committee consisting of one or more persons whose terms as Board members have expired, and such other committees as it deems desirable, to exist and to operate for such periods and under such conditions as the Board determines to be appropriate.

Section 17. Service on Committees. Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the members of the committee shall be appointed by the Board and shall serve at the pleasure of the Board. Any committee member may be removed with or without cause at any time and with or without a successor being named.

Article V
Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Secretary, and the Treasurer, all of which shall be elected from the Board of Directors. The Board of Directors may appoint one or more Vice Presidents, Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgment may be necessary. Such subordinate officers shall not be required to be members of the Board of Directors. Except for the offices of Secretary and Treasurer, which may be held by the same person, no person may hold more than one (1) office.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board of Directors and until a successor is elected by the Board.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including, but not limited to, the power to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting. If no Vice President is appointed, the Secretary shall act in the President's absence, and shall have all the powers, duties, and responsibilities of the President when so acting.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Georgia law.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the preparation of the budget, as provided below.

Section 8. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article VI Association Responsibilities

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer or director in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he may be made a party by reason of being or having been an officer or director, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance or malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and, if obtainable, officers' and directors' liability insurance to fund this obligation, and the insurance shall be written as provided in Section 2 of this Article VI.

Section 2. Insurance. The Association shall obtain and maintain at all times, as a common expense, insurance as required by Section 44-3-107 of the Act and as required herein, including a casualty insurance policy or policies affording fire and extended coverage (and coverage against such further risks, if any, as the Board may determine to be reasonably available at reasonable cost), for and in an amount consonant with the full replacement value of all structures within the Condominium and a liability insurance policy or policies in amounts not less than Five Hundred Thousand (\$500,000.00) Dollars for injury, including death, to a single person; One Million (\$1,000,000.00) Dollars per injury or injuries, including death, arising out of a single occurrence; and Fifty Thousand (\$50,000.00) Dollars property damage, covering the Association, the Board of Directors, officers, and all agents and employees of the Association, and all unit owners and other persons entitled to occupy any unit or other portion of the Condominium property.

All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the owners, and the mortgagees of owners, if any. It shall be the duty of the Board of Directors at least annually to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Association and to satisfy the requirements of Section 44-3-107 of the Act. Such responsibility may be performed, and shall be deemed reasonably performed, by the Board requesting the Association's insurance agent to verify that the insurance policies in existence meet the needs of the Association and satisfy the requirements of Section 44-3-107 of the Act. Such insurance shall run to the benefit of the Association, the respective unit owners, and their respective mortgagees, as their interests may appear. Individual unit owners shall be responsible for obtaining insurance coverage for any improvements or betterments made unless such coverage is obtained by the Board of Directors and the Board informs the unit owner it has obtained such coverage. In any event, each owner shall have the right to obtain additional coverage for such improvements, betterments, or personal property at his own expense. The policies may contain reasonable deductibles, and the amount thereof shall be added to the face amount of the policies in determining whether the insurance equals at least full replacement cost.

(a) The Board of Directors shall utilize every reasonable effort to secure policies, if available at reasonable cost, that will provide the following:

(i) that the insurer waives its rights of subrogation of any claims against directors, officers, the

managing agent, the individual owners, and their respective household members;

(ii) that the policies cannot be cancelled, invalidated, or suspended on account of the conduct of any owner, director, officer, or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all mortgagees of units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(iii) that any "no other insurance" clause contained in the Association's policy shall expressly exclude individual unit owners' policies from its operation;

(iv) that the policies may not be jeopardized, cancelled, or substantially modified without at least thirty (30) days' prior notice in writing to the Board of Directors and all mortgagees of units; and

(v) an agreed value endorsement and an inflation guard endorsement.

(b) All policies of insurance shall be written with a company permitted to do business in the State of Georgia and holding a rating of IX or higher in the Financial Category and B or better Overall, as established by A. M. Best Company, Inc., if available, or, if not available, the most comparable rating available. The company shall provide insurance certificates to each owner and each mortgagee.

(c) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual unit owners or their mortgagees.

Each unit owner shall notify the Board of Directors of all structural improvements made by the unit owner to the unit.

The Board may require that any unit owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such owner at his expense, and personal property belonging to such owner, file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. If a copy is filed with the Board, such owner shall promptly notify, in writing, the Board of Directors in the event such policy is cancelled.

(d) In addition to the insurance required hereinabove, the Board shall obtain as a common expense:

(i) worker's compensation insurance, if and to the extent necessary to meet the requirements of law;

(ii) public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than One Million (\$1,000,000.00) Dollars per occurrence. Such insurance shall contain a cross liability endorsement;

(iii) fidelity bonds covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds. Such bonds shall be in an amount equal to three (3) months' operating expenses plus the reserve on hand as of the beginning of the fiscal year and shall contain waivers of any defense based upon the exclusion of persons serving without compensation; and

(iv) such other insurance as the Board of Directors may determine to be necessary.

(e) Insurance carried by the Association as a common expense shall not include any part of a unit neither depicted on the original plats and plans, as amended, nor included in the original mortgage, nor shall the Association include public liability insurance for individual owners for liability arising within the unit.

Section 3. Board Authority - Insurance Coverage.

(a) The Board of Directors, upon resolution, shall have the authority to require all or any unit owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the unit owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but not be limited to, requiring all owners to turn off cut-off valves which may now or hereafter be installed during winter months for outside water spigots; requiring owners to sufficiently insulate pipes or take other preventive measures to prevent freezing of water pipes; requiring owners to install smoke detectors; and such other measures as the Board may reasonably require.

(b) In addition to, and not in limitation of, any other rights the Association may have, if any unit owner does not comply with any reasonable requirement made by the Board of Directors pursuant to Section 3(a), above, the Association,

upon ten (10) days' written notice (during which period the unit owner may perform the required act or work without further liability), may perform such required act or work at the unit owner's sole cost and expense. Said cost shall be added to and become a part of the assessment obligation of such unit owner and shall become a lien against the unit and shall be collected as provided in Article VII of these By-Laws. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to Section 3(a), above, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the owner or occupant of the unit, except that access may be had at any time without notice in an emergency situation.

Section 4. Repair and Reconstruction. In the event of damage to or destruction of all or any part of the Condominium as a result of fire or other casualty, unless the owner(s) of all affected units and members holding at least eighty (80%) percent of the total vote of the Association elect not to proceed with the reconstruction and repair of the structure, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure in accordance with the original plats and plans.

The procedure for repair and reconstruction shall be:

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium, the Association shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair, as determined by the Board of Directors, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, or additional expense is required in order to meet current Building Code requirements and is not covered by insurance proceeds, assessments for such amounts as are necessary shall be made against all of the unit owners. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be common funds of the Association to be used as directed by the Board of Directors.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed.

(d) Encroachments. Encroachments upon or in favor of units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the unit owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

(e) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against unit owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section.

(f) Method of Disbursement. The construction fund shall be paid by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

Section 5. Architectural Standards. The Board of Directors, subject to this Section 5, may allow such encroachments onto the common elements as it deems acceptable. No owner, occupant, lessee or lessor, or any other person may make any encroachment onto the common elements, or make any exterior change, alteration, or construction (including planting), nor erect, place, or post any sign, object, light, or thing on the exterior of the buildings or any other common element or on any place or thing in the Condominium visible from the outside of a unit, without first obtaining the written approval of the Board or its delegate.

Application shall be in writing and shall provide such information as the Board may reasonably require. To expedite the approval process, the Board or its delegate may publish advance written architectural standards for certain exterior and common element alterations or additions, and any request in strict compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing units and the location in

relation to surrounding structures and topography of the vicinity. In the event that the Board or its delegate fails to approve or to disapprove such application within sixty (60) days after it shall have been properly submitted, its approval will not be required and this Section 5 will be deemed complied with; provided, however, even if the requirements of this Section are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, these By-Laws, or the rules and regulations.

As a condition of approval for a requested architectural change, modification, addition, or alteration, an owner, on behalf of him or herself and his successors-in-interest, shall assume all responsibilities for maintenance, repair, and replacement and insurance to and on such change, modification, addition, or alteration. The Owner may be required by the Board to execute and deliver to the Board a written instrument verifying same, binding upon the Owner and his successors-in-interest, in a form recordable in the Cobb County, Georgia land records.

Section 6. Maintenance Responsibility.

(a) By the Owner. Each owner shall have the obligation to maintain and keep in good repair all portions of his unit, except those portions for which the Association is specifically assigned maintenance and repair responsibility in subsection (b) of this Section. The owner's maintenance and repair responsibility specifically includes, but is not limited to, maintenance and repair of all glass surfaces, all doors, doorways, door and window frames (except for painting or staining of doors and window frames), and all hardware that is part of the entry system of the unit, all screens, the hot water heater, and the heating and air conditioning system and components serving the unit. All pipes, lines, conduits, or other apparatus which serve only the unit, whether located within or without a unit's boundaries (including all water, gas, electricity, sewer, or air conditioning pipes, lines, ducts, conduits, or other apparatus) are the maintenance and repair responsibility of the owner. Patios, decks, storage areas, balconies, or porches adjoining a unit shall be maintained, repaired, and kept in a neat and clean condition by the unit owner. Any architectural change, modification, alteration, or addition shall be the maintenance and repair responsibility of the unit owner making the change, modification, alteration, or addition and his or her successors-in-title to the unit.

(b) By the Association. The Association shall maintain and keep in good repair as a common expense the "Area

of Common Responsibility," which includes all common elements, roof surfaces (shingles), patio fences, gutters, downspouts, and, with the exception of hardware and glass, all exterior building surfaces except those items listed as the owner's responsibility in subsection (a) of this Section. The Associations maintenance responsibility shall include all pipes, lines, ducts, conduits, wiring or other apparatus which serve more than one unit. Except to the extent that insurance required to be maintained or maintained by the Association covers any damage or loss and except as otherwise provided herein, the Association shall not be responsible for any maintenance or repair to any unit or to any limited common element.

(c) Failure to Maintain. If the Board of Directors determines that (i) any owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible hereunder; or (ii) that the need for maintenance, repair, or replacement which is in the Area of Common Responsibility is caused through the willful or negligent act of any owner, his or her family, guests, lessees, or invitees, and it is not covered or paid by insurance, in whole or in part, then, except in an emergency situation, the Association shall give the owner written notice of the Association's intent to provide necessary maintenance, repair, or replacement at owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors. In the case of (i) above where the owner has not discharged his or her responsibility, unless the Board of Directors determines that an emergency exists, the owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that an emergency exists, that an owner does not comply with the demand given by the Association as herein provided, or that the need for maintenance or repair is in the Area of Common Responsibility as in (ii) above, then the Association may, without the liability to itself, its officers, directors, agents, or employees, provide any such maintenance, repair, or replacement at the owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such owner is subject and shall become and be a lien against the unit, as hereinafter provided.

(d) Insurance Deductibles. If maintenance is required as a result of an insured loss, the amount of the deductible shall be considered a maintenance expense to be paid

by the person or persons (including the Association) who would be responsible for the cost of such repair in the absence of insurance, as specified in subsections (a), (b) and (c) above. If the loss affects more than one unit or a unit and the common elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in accordance with the total cost of repair.

(e) Owner's Obligation To Insure. Except and to the extent not insured by the policies maintained by the Association, every unit owner shall be obligated to obtain and maintain at all times insurance covering all items of real property which pertain exclusively to the unit, or are the maintenance responsibility of such unit owner, including, but not limited to, the structural portions of his unit.

Article VII Assessments

Section 1. Purpose of Assessment. The assessments for common expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the owners and occupants of units in the Condominium as may be more specifically authorized from time to time by the Board. Assessments may be used to compensate officers and directors, only if approved by a majority vote of the Association.

Section 2. Creation of the Lien and Personal Obligation For Assessments. Each owner of any unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges; (b) special assessments, to be established and collected as hereinafter provided; and (c) specific assessments against any particular unit which are established pursuant to the terms of these By-Laws. All such assessments, together with late charges, interest, costs, and reasonable attorney's fees, as provided in the Declaration and in the maximum amount permitted by the Act, shall be a charge on the unit and shall be a continuing lien upon the unit against which each assessment is made. Such amounts shall also be the personal obligation of the person who was the owner of such unit at the time when the assessment fell due. Each owner shall be liable for his portion of each assessment coming due while he is the owner of a unit, and his grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board

of Directors; unless otherwise provided, the annual assessments shall be paid in monthly installments due on the first day of each calendar month.

Section 3. Acceleration. If a unit owner shall be in default in payment of any assessment, including, but not limited to, any monthly installments based on the annual budget, the Board of Directors may accelerate the remaining assessments, including monthly installments based on the annual budget, special assessments, and specific assessments, upon ten (10) days written notice to such unit owner, whereupon the entire unpaid balance for the remainder of the current year shall become due and payable upon the date stated in such notice.

Section 4. Computation of Operating Budget and Assessment. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Condominium including the Capital Reserve contribution, during the coming fiscal year. The Board shall cause the budget and the assessments to be levied therefrom against each unit for the coming fiscal year to be delivered to each member at least thirty (30) days prior to the end of the current fiscal year. The budget and the assessment established therefrom shall become effective unless disapproved at an annual or special meeting by two-thirds (2/3) of the total Association vote. Notwithstanding the foregoing, however, in the event that the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the current year shall continue for the succeeding year, and the Board may propose a new budget at any time during the year or by causing the proposed budget and assessment to be delivered to the members at least thirty (30) days prior to the proposed effective date thereof. Unless requested by the members, as provided for special meetings, the budget and assessment may take effect without a meeting of the members.

Section 5. Special Assessments. If the assessment proves inadequate for any year, the Board may at any time levy a special assessment against all owners; provided, however, prior to becoming effective, any special assessment shall be approved by the affirmative vote of at least two-thirds (2/3) of those present, in person or by proxy, at a meeting duly called for that purpose.

Section 6. Lien for Assessments. The Association shall have full and complete lien rights as provided or permitted by Section 44-3-109 of the Act, and the lien shall

specifically include the maximum costs, charges, fees, and rents set out in the Declaration and in Section 44-3-109(b) of the Act.

Section 7. Statement of Account. Any owner, mortgagee, or a person having executed a contract for the purchase of a unit or a lender considering a loan to be secured by a unit shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against a unit. The Association shall respond in writing within five (5) days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, not exceeding Ten (\$10.00) Dollars, as a prerequisite to the issuance of such a statement.

Section 8. Capital Budget and Contribution.

(a) The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by equal annual assessments over the period of the capital budget. The capital reserve contribution required shall be fixed by the Board and included within the budget and assessment as provided in Section 4 of this Article VII. A copy of the capital budget shall be available to any member who requests such copy.

(b) The capital reserve funds shall be kept in an interest-bearing account guaranteed by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC). The capital reserves shall be used only for capital repairs and improvements specified in the capital reserve budget adopted by the Board, except under the following conditions:

(i) the Board may spend up to the lesser of Ten Thousand (\$10,000.00) Dollars or twenty (20%) percent of the reserve funds, in any fiscal year, to defray operating expenses or other non-capital reserve purposes, provided that the Board includes in the next annual budget proposal an amount sufficient to replace such expenditure, in addition to the regular capital reserve contributions being proposed for that year; or

(ii) in an emergency situation, the Board may spend an amount in excess of the limit established in subsection 8(b)(i) above without seeking approval of the Association membership, but the Board shall then notify the owners within thirty (30) days of such expenditure and shall, within thirty (30) days of such notice, institute a schedule for replacement of such excess expenditures; or

(iii) upon the approval of two-thirds (2/3) of those members voting in person or by proxy at a meeting of homeowners duly called for such purpose, the Board may spend from capital reserves, or may elect not to replace capital reserves previously spent, in the amount so approved by the homeowner members.

Article VIII Use Restrictions and Rule Making

Section 1. Authority and Enforcement. The Condominium shall be used only for those uses and purposes set out in the Declaration. The Board of Directors shall have the authority to make, modify, repeal, and to enforce reasonable rules and regulations governing the conduct, use, and enjoyment of units and the common elements, so long as copies of all such rules and regulations are furnished to all owners; provided, however, any rule or regulation may be repealed by the affirmative vote or written consent of a majority of the total Association vote at an annual or special meeting. The Board's powers shall include, but are not limited to, the reservation or regulation of the use of recreational facilities during certain hours or certain days for use by a private group involving at least one or more owners, as well as non-owners, and to charge reservation fees and use fees therefor.

The Board shall have the power to impose reasonable fines against owners or occupants which shall constitute a lien upon the property and to suspend an owner's or occupant's right to use the common elements and to suspend an owner's right to vote for any violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted pursuant thereto. In the event that any occupant of a unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against such occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the unit owner shall pay the fine upon notice from the Association.

The failure of the Board to enforce any provision of the Act or of the Declaration, By-Laws, or any rule or

regulation, shall not be deemed a waiver of the right of the Board to do so thereafter.

Section 2. Fining Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(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, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a fine, if the violation is not continuing. The Board or its designee may demand immediate abatement in such circumstances which, in the Board's determination, pose a danger to safety or property.

(b) Notice. Within twelve (12) months of such demand and during the existence of a continuing violation or subsequent recurrence of a noncontinuing violation, 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 which shall contain: (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a statement that the violator may challenge the fact of the occurrence of a violation, the proposed sanction, or both; (iv) the name, address, and telephone number of a person to contact to challenge the proposed action; and (v) a statement that the proposed sanction shall be imposed as contained in the notice unless a written request for a hearing is delivered to the Board within ten (10) days of receipt of the notice. If a written request for hearing is not timely made, the sanction shall be imposed ten (10) days from the date of the notice.

(c) Hearing. If the alleged violator timely challenges the proposed action, a hearing before the Board shall be held in executive session affording the member a reasonable opportunity to be heard. The hearing shall be set and notice of the time, date (which shall be not less than ten (10) days from the giving of notice), and place of the hearing and an invitation to attend the hearing and produce any statements, evidence, and witnesses shall be sent to the alleged violator. Prior to the effectiveness of any sanction hereunder, proof of 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 or director who delivered

such notice. The notice requirement shall be deemed satisfied if a 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.

Section 3. Additional Enforcement Rights.

Notwithstanding anything to the contrary herein contained, the Association, acting through its Board of Directors, may elect to enforce any provision of the Act, the Declaration, these By-Laws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth in Section 2 of this Article. In any such action, to the maximum extent permissible, the owner or occupant responsible for the violation for which abatement is sought shall pay all expenses and costs, including reasonable attorney's fees actually incurred by the Association in pursuing enforcement against such violation, if those expenses and costs exceed \$200.00.

Section 4. Parking Rules and Enforcement. All parking on the common elements shall be governed by this Section, and by any Rules and Regulations adopted by the Board pursuant to this Section.

(a) **Designation.** Parking shall be only within designated parking spaces on the common elements. No more than two (2) passenger automobiles per unit shall be allowed to be parked on the common elements at any time. The Board of Directors may by rule further define, limit, or regulate parking.

(b) **Prohibited Vehicles.** Abandoned, disabled, unauthorized, and stored vehicles are strictly prohibited from being parked on the common elements. The following shall not be authorized to be parked, stored, or to remain on the common elements except in an area, if any, designated by the Board of Directors for such purpose: motorcycles, boats, boat trailers, campers, trailers of any kind, recreational vehicles, trucks, vehicles primarily used for commercial purposes, and vehicles with commercial writings on their exteriors. Notwithstanding the above, trucks and commercial vehicles shall be allowed temporarily on the common elements during normal business hours for the purpose of serving any unit or the common elements; provided that no such vehicle shall be authorized to remain on the common elements overnight or for any purpose except serving a unit or the common elements.

Any abandoned, disabled, unauthorized, or stored vehicle on the common elements is subject to being towed by the Association without further notice.

(c) Definitions. For the purposes of this Section, the terms used herein are defined as follows:

(i) An "abandoned vehicle" shall mean a vehicle that is both obviously inoperable or does not have a current operating license and remains parked for fourteen (14) days.

(ii) A "disabled vehicle" shall mean any vehicle either not in current operating condition or without a current operating license.

(iii) A "stored vehicle" shall mean any vehicle other than an abandoned vehicle which remains parked in the same spot for fourteen (14) days without the prior approval of the Board of Directors or which is put on blocks and remains on blocks overnight.

(d) Liability. If a vehicle is towed due to violation of this Section, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of cost, damage, or loss, as a result of the towing activity.

Article IX Miscellaneous

Section 1. Notices. Unless otherwise provided in these By-Laws, all notices demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a unit owner, at the address which the unit owner 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 owner; or

(b) if to the Association, the Board of Directors, or the managing agent, if any, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by the Board.

Section 2. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of the Declaration or these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of the Declaration or these By-Laws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in the Declaration or these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Fiscal Year. The fiscal year shall be set by resolution of the Board of Directors. In the absence of a resolution by the Board, the fiscal year shall be the calendar year.

Section 6. Financial Review. A financial review of the accounts of the Association shall be made annually in the manner provided by the Board. However, after having received the Board's financial review at the annual meeting, the owners may, by a majority of the total Association vote, require that the accounts of the Association be audited as a common expense by an independent accountant or a Certified Public Accountant.

Section 7. Conflicts. In the event of conflicts between the Act, the Declaration, the Articles of Incorporation, and these By-Laws, the Act, the Declaration, and Articles of Incorporation, shall control, in that order.

Section 8. Condemnation. In the event of a taking by condemnation or by eminent domain, the provisions of the Act shall prevail and govern.

Section 9. Amendment. These By-Laws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members holding at least two-thirds (2/3) of the total vote of the Association. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. No amendment shall become effective until it is recorded in the records of Cobb County, Georgia.

Section 10. Books and Records. All members of the Association and all mortgagees shall, upon written request, be entitled to inspect all books and records of the Association during normal business hours at the office of the Association or other place designated reasonably by the Board of Directors as the depository of such books and records.

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