



Bylaws

**BYLAWS OF
R-RANCH IN THE MOUNTAINS® RANCH OWNERS' ASSOCIATION, INC.
A Georgia Not-for-Profit Corporation**

ARTICLE I

Name, Purpose, Definitions

Section 1.1 NAME. The name of the corporation is R-Ranch in the Mountains Ranch Owner's Association, Inc. (hereinafter referred to as the "Association").

Section 1.2 PURPOSE. The Association is organized for the purpose of being the Association of owners of Unit Interests of a recreational community to be constructed on certain real property located in Lumpkin County, Georgia and more particularly known as R Ranch in the Mountains. Accordingly, these Bylaws are established pursuant and subject to the Georgia Nonprofit Corporation Code (hereinafter referred to as the "Code"), the Articles of Incorporation for R-Ranch in the Mountains Ranch Owners' Association, Inc., and the Declaration of Covenants, Conditions and Restrictions for R-Ranch in the Mountains.

Section 1.3 DEFINITIONS. As used herein, the following terms shall have the meanings set forth in this Section 1.3:

1.3.1 "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as the same may be amended from time to time.

1.3.2 "Association" shall mean R Ranch in the Mountains Ranch Owners' Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

1.3.3 "Board of Directors" shall mean the Board of Directors of the Association.

1.3.4 "Bylaws" shall mean these Bylaws of the Association, as the same may be amended from time to time.

1.3.5 "Declarant" shall mean R-Ranch One, Ltd., a Georgia limited partnership or any successor-in-title, who comes to stand in the same relation to the Ranch under the terms and conditions of the Declaration.

1.3.6 "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for R Ranch in the Mountains dated March 31, 1983 and recorded in Deed Book K.4, Page 766, Lumpkin County, Georgia records, as the same may be extended, amended or renewed from time to time.

1.3.7 "Owner" shall mean the person, including Declarant, who owns fee simple title to any Unit Interest in the Ranch.

1.3.8 "Ranch" shall mean the real property described in the Declaration, together with all improvements now or hereafter located thereon and all appurtenances thereunto belonging.

1.3.9 "Unit Interest" shall mean an undivided one-two thousand four hundredth (1/1200th) interest in the Ranch.

ARTICLE II

Membership, Meetings, Voting

Section 2.1 MEMBERSHIP. The Association shall have two classes of membership.

2.1.1 MEMBERS. The members of the Association shall be composed of each Owner, including Declarant, who shall automatically become a member upon acquiring fee simple title to a Unit Interest in the Ranch; provided, however, that, after the Initial transfer of a Unit Interest by Declarant, the Association shall have the right to charge a

transfer fee of not exceeding \$50.00 in order to transfer the membership on the books and records of the Association. The period of membership shall correspond to and be coincident with the period of ownership of such Unit Interest in the Ranch by such Owner and shall automatically terminate upon a conveyance of title by such Owner. Each Unit Interest in the Ranch is allocated one membership only, which shall be appurtenant to that certain Unit Interest. Membership in the Association is transferable only in connection with the conveyance of the Unit Interest to which such membership is appurtenant, and any other transfer or assignment of membership shall be null and void. A mortgagee or other person who holds an interest in a Unit Interest merely as security for the performance of an obligation shall not be a member or share in a membership. A Unit Interest held by a husband and wife in any form of joint ownership shall qualify the Owners for one membership only. Ownership of more than one Unit Interest in the Ranch shall entitle the Owner to all rights and privileges of membership that are attendant to the ownership of each Unit Interest separately and shall subject such Owner to all liabilities and duties thereof that are attendant to the ownership of each Unit Interest separately; provided, however, that the Owner of more than one Unit Interest in the Ranch shall be considered as a single member for purposes of notices and of determination of associate membership.

2.1.2 ASSOCIATE MEMBERS. The following persons shall be eligible to become associate members of the Association:

- a) The children of a member, if they are under the age of 26 and also reside in the same residence as a member;
- b) The spouse of a member, if not a joint Owner;
- c) A person of the opposite sex sharing living quarters with a member.

Each person qualifying as an associate member shall be entitled to only a single associate membership. Associate members shall have no right to vote at meetings of the Association, no right to notice of any meetings of the Association, and no right to attend any such meeting. Associate members shall have no obligation to pay any assessments to the Association (other than fees charged by food service establishments and concessions operated by the Association and fees charged by the Association for the use of certain facilities within the Ranch in accordance with rules and regulations promulgated by the Association), but shall be entitled to enjoy all other privileges of members, subject to their compliance with all policies and guidelines governing the conduct of members which may be promulgated from time to time by the Association. Associate membership shall cease automatically and without further action upon termination of the relationship to a member which entitles a person to such associate membership.

2.1.3 MEMBERSHIP CARDS. The Association may from, time to time issue membership cards to members and/or associate members if the Board of Directors deems such action necessary to assure proper control and identification.

Section 2.2 ANNUAL MEETINGS. A regular annual meeting of the members of the Association shall be held each year at such time and on such date as shall be set by the Board of Directors; provided, however, that the first annual meeting of the members of the Association shall be held upon the sale of fifty- one percent (51%) of the Unit Interests in the Ranch or within one (1) year after the date upon which the first Unit Interest is sold by Declarant, whichever occurs first. At the annual meeting, comprehensive reports of the affairs, finances and budget projections of the Association shall be made to the Owners.

Section 2.2.1 DATE OF SEMI-ANNUAL MEETING. Date of semiannual Owners' Meeting will be the fourth Saturday of October and the fourth Saturday of April.

Section 2.3 SPECIAL MEETINGS. Special meetings of the members of the Association may be called: at any time, and from time to time, by the President, Secretary, any two or more members of the Board of Directors, or upon a petition presented to the Secretary signed by Owners having a total of fifteen percent (15%) or more of all of the votes in the Association.

Section 2.4 PLACE OF MEETINGS. Meetings of the members of the Association shall be held at the Ranch, or at any place within reasonable proximity to the Ranch, as may be designated by the Board of Directors and specified in the notice or, when applicable, in the waiver of notice of such meetings.

Section 2.5 NOTICE OF MEETINGS. Notice of each meeting of the members of the Association shall be given to each Owner at least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting, which notice shall state the time, place and purpose of such meeting. Such notice shall be delivered personally or sent by United States mail, postage prepaid, to each Owner of record at such address as each of them may have designated. A recitation in the minutes of any meeting of the members of the Association that proper notice of such meeting was given shall be prima facie evidence that such notice was given.

Section 2.6 WAIVER OF NOTICE. The provisions of Section 2.5, above, notwithstanding, any Owner may waive notice of a meeting of the members of the Association by signing a waiver of notice, in person or by proxy, either before or after such meeting. Attendance of an Owner at a meeting, either in person or by proxy, shall of itself constitute waiver of notice of the time, place and purpose of the meeting, and the manner in which it has been called or convened, unless such Owner specifically objects to the lack of proper notice of the time, place and purpose of the meeting, or to the lack of proper notice of the purpose of the meeting before the business, of which lack of proper notice is claimed, is put to vote.

Section 2.7 QUORUM. No business of the Association may be transacted at a meeting of the members unless a quorum is present. A quorum shall be deemed present throughout any meeting of the members of the Association until adjourned if persons entitled to cast more than twenty-five percent (25%) of the votes are present at the beginning of such meeting.

Section 2.8 ALLOCATION OF VOTES. Each Unit Interest in the Ranch shall be allocated one vote, which shall be of equal voting power with the vote allocated to each other Unit Interest in the Ranch. Each Owner shall be entitled to cast the vote appertaining to that Unit Interest in the Ranch. To the extent permitted by the Declaration, if a Unit Interest in the Ranch is owned by more than one person and only one of those persons is present at a meeting of the Association, that person shall be entitled to cast the vote appertaining to that Unit Interest in the Ranch; however, if an Owner consist of more than one person, and if more than one of those persons is present, the vote appertaining to that Unit shall be cast only by the person designated in writing by the joint Owners to the Association as the member. In the event that any joint Owners have failed to designate in writing to the Association one individual who shall be deemed to be the member of the Association, or if there is dispute concerning the identity of such individual which is brought to the attention of the person presiding over the meeting at the beginning of such meeting, none of such attempted votes shall be counted for any purpose until a proper designation has been made or any dispute has been resolved to the satisfaction of the person presiding over the meeting. During any period in which an Owner is in default in the payment of any amount due and owing the Association, the vote appertaining to that Unit Interest shall not be counted for any purpose.

Section 2.9 VOTING. Voting on all matters shall be by voice or by show of hands unless, prior to voting on any matter, any Owner demands vote by written ballot in which

case each ballot shall state the name of the Owner or, if such ballot is cast by proxy, it shall also state the name of the proxy. The affirmative vote of more than fifty percent (50%) of the Owners entitled to vote represented at a meeting of the members of the Association at which a quorum shall be present (hereinafter referred to as a "Majority Vote of the Association") shall be the act of the Association unless a greater percentage of votes for certain action is required by law or by the Declaration, the Articles of Incorporation or these Bylaws, in which case such greater percentage shall be required to constitute the act of the Association.

Section 2.10 PROXY. (Changed Sept. 05, 1998) The vote appertaining to any Unit Interest may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner, or in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by written notice delivered to the Association by the Owner or by any of such persons. Any proxy shall be void if it is not dated, signed or if it purports to be revocable without notice as aforesaid. A proxy for the purposes of this section shall be restricted in accordance with the Unit Owner's direction. Owners of a Unit Interest meeting the requirements to cast a vote may designate by proxy how that vote is to be cast. The proxy assigned to cast such votes shall then be obligated to vote in accordance with the restrictions. No person or persons may be designated by the Association to vote unassigned proxies. Any proxy received by the Association that is unassigned or un-voted will be counted toward the establishment of a quorum only. **Section 2.11 CONDUCT OF MEETINGS.** Meetings of the members of the Association shall be conducted pursuant to the then current edition of *Robert's Rules of Order* except to the extent that such shall conflict with any provision of the Declaration, the Articles of Incorporation, or these Bylaws, which provision shall control. The President, or in his absence, the Vice President of the Association, shall preside over every meeting of the members of the Association unless both are absent, in which case some other person shall be elected to serve as chairman by a Majority Vote of the Association.

Section 2.12 ADJOURNMENT. Any meeting of the members of the Association, whether or not a quorum is present, may be adjourned from time to time by the vote of more than fifty percent (50%) of the Owners entitled to Vote represented at the meeting. It shall not be necessary to give any notice of the reconvened meeting, if the time, place and purpose of such meeting are announced at the time of adjournment.

Section 2.13 ACTION WITHOUT A MEETING. Any action of the Association may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all of the Owners entitled to vote on the date on which the last such Unit Owner signs such consent. Such consent shall have the same force and effect as a unanimous vote of the Owners and shall be so reflected in the books and records of the Association. Any such action shall be effective upon the filing of such consent with the Secretary of the Association.

ARTICLE III

Board of Directors

Section 3.1 GENERAL POWERS AND DUTIES. The business and affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall have all powers and duties necessary to administer the business and affairs of the Association, which are not by law or the terms of the Declaration, the Articles of Incorporation or these Bylaws required to be exercised by the members of the Association, including, without limitation, those powers and duties specifically assigned to the Board of Directors by law or In the Declaration, the Articles of Incorporation or these Bylaws.

Section 3.1.1 CODE OF ETHICS. Board Members are required to sign and abide by the Code of Ethics. All Board Members shall be subject to the enforcement of the ethics code by the Governance Committee of the Board of Directors as set forth in Section 9 of said code.

Section 3.2 NUMBER, ELECTION AND TERM OF OFFICE. The Board of Directors shall be composed of nine (9) persons, (hereinafter referred to individually as a "Director" and collectively-as the "Directors"). Nomination for election to the Board of Directors shall be made by a nominating committee which shall consist of three (3) or more members appointed by the President of the Association to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The nominating committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and shall be included with the notice of the annual meeting. Nominations shall also be allowed from the floor at the meeting. Failure to comply with this Section 3.2 shall in no way invalidate any election of Directors. Each Unit Owner shall have one vote for each vacancy on a cumulative basis. Except as set forth In Sections 3.4, and 3.7, below, Directors shall be elected by Majority Vote of the Association. (The three nominees with the most votes will be elected.) Except in the case of removal, resignation, or death, each Director shall serve a three (3) year term commencing with his or her election at one annual meeting and terminating at the annual meeting three (3) years hence and thereafter until his or her successor shall have been elected and qualified. A Director may not serve consecutive terms, but a person who has previously served as a Director may be nominated provided one (1) year (annual meeting to annual meeting) has passed since the individual served as a Director

Section 3.3 QUALIFICATIONS. (Changed Sept. 5, 1998) Directors must be Unit Owners in good standing at all times during their service as Directors, and any Director who ceases to be a Unit Owner in good standing shall be deemed to have disqualified him/herself from continuing in office.

Section 3.4 INITIAL BOARD OF DIRECTORS. Anything in these Bylaws to the contrary notwithstanding, the initial Board of Directors shall be appointed by Declarant pursuant to the provisions of the Declaration. Thereafter, Declarant shall have the sole right to appoint and remove any member or members of the Board of Directors until Declarant's authority so to appoint and remove shall expire or be terminated as, provided in the Declaration. Declarant may appoint any person whomsoever as a member of the Board of Directors.

Section 3.5 COMMITTEES OF THE BOARD OF DIRECTORS (Changed April 27, 1996)

(a) The Board of Directors shall have the sole authority, by resolution, to create standing and special committees. Standing committees shall be created by two thirds (2/3) majority and special committees by majority vote of the Board of Directors as defined in Section 3.15 below.

(b) Except as prohibited by law, the Covenants or these Bylaws, such committees shall have the authority to act in behalf of the Board of Directors within the guidelines and directives as set forth in the resolution establishing said committee.

(c) The Board of Directors shall provide each committee with a written statement of its mission, duties, responsibilities and authority to act.

Section 3.5.1 SUBCOMMITTEES OF THE BOARD.

(a) The Board of Directors may, by majority vote, designate from among its members an executive committee and one or more other committees, each consisting of three (3) or more Directors.

(b) Subcommittees of the Board whose members constitute a majority may not approve or initiate any action that has not had the prior approval nor been presented for approval to the Board at a regular meeting of all its members.

Section 3.5.2 STRUCTURE.

(a) Each standing committee shall consist of not less than three (3) nor more than seven (7) members, including the chairperson and other officers.

(b) Special committees shall consist of one or more members.

Section 3.5.3 TERM OF THE COMMITTEE.

(a) Standing committees shall be perpetual unless sooner dissolved by two thirds (2/3) majority of the members of the Board of Directors.

(b) Special committees shall have a term of from the date of the Board resolution creating it to the close of the succeeding annual meeting, unless sooner dissolved by a majority vote of said Board.

Section 3.5.4 COMMITTEE OFFICERS.

(a) The officers of the committee shall consist of a chairperson, a recording secretary and any other officers as required by the Board resolution or deemed necessary by the committee.

(b) The office of chairperson and recording secretary may be combined under the authority of the same person.

(c) The chairperson shall be appointed by the Board.

(d) Other officers of the committee shall be elected by majority vote of the committee.

Section 3.5.5 QUALIFICATIONS OF MEMBERS.

Any owner in good standing shall be qualified to serve. Committee members shall be selected from volunteers, with the first available volunteer taken from a waiting list to be kept by the committee chairperson and then on a first-come, first served basis. It shall be the responsibility of the chairperson to recruit committee members to fill any vacancies.

Section 3.5.6 QUORUM. (Changed April 26, 1997)

The Quorum for meetings of standing committees shall be the attendance of a majority of all its appointed members.

Section 3.5.7 MEMBER'S TERM OF OFFICE.

Each committee member's term of office shall be from the date of their appointment to the close of the succeeding annual meeting.

Section 3.5.8 VOTING.

(a) Unless otherwise directed by law, the Covenants, these Bylaws or by resolution of the Board, all matters before the committee shall be resolved by majority vote of its members in attendance at a meeting where there is a quorum present.

(b) The chairperson shall not have the right to vote on any issue except to break a tie.

Section 3.5.9 REPORTING.

Committee chairpersons shall report to the Board of Directors at their regularly scheduled meetings.

Section 3.5.10 MEETINGS.

(a) Unless otherwise required by the Board, the committee meeting dates, times and places shall be established according to their needs by majority vote of its members.

(b) Unless otherwise required by law, the Covenants or these Bylaws, all meetings shall be open for attendance by the owners.

(c) Unless required by Board resolution, committees shall not be required to give prior notice of meeting time, date or place.

Section 3.5.11 REMOVAL FROM OFFICE.

The Board of Directors shall have sole authority to remove any committee chairperson or member from office for due cause by a two-thirds (2/3) majority vote of its members.

Section 3.6 REMOVAL. From and after the expiration or termination of Declarant's right to appoint and remove Directors as provided in the Declaration, any Director may be removed from office with or without cause by Majority Vote of the Association, and a successor may then and there be elected by the Owners to complete the unexpired portion of the removed Director's term as provided in these Bylaws. Removal action may be taken at any regular or special meeting of the members of the Association with respect to which notice shall have been given that consideration of such removal is a purpose of the meeting. Any Director whose removal has been proposed, shall be given an opportunity, if present, to be heard prior to the vote at the meeting.

Section 3.7 VACANCIES. From and after the expiration or termination of Declarant's right to appoint and remove Directors as set forth in the Declaration, vacancies in the Board of Directors, caused by any reason other than the removal of a Director by a Majority Vote of the Association shall be filled by the affirmative vote of greater than fifty percent (50%) of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall hold office until the successor is elected at the next annual meeting of the Association, unless sooner removed. The successor's term will be for the unexpired portion of the original term to which the vacant Director was elected.

Section 3.8 COMPENSATION. Directors shall not receive compensation for their services as Directors unless the Owners shall by Majority Vote of the Association grant and establish a fixed compensation for such services. The Directors shall be entitled in all events, however, to reimbursement for reasonable expenses incurred by them in the performance of their duties.

Section 3.9 REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held within one (1) month after the annual meeting of the Association, and thereafter at regular intervals of not more than three (3) months apart, as the Board of Directors shall designate by resolution.

Section 3.10 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President, or in his absence by the Secretary of the Association, or by any two Directors.

Section 3.11 PLACE OF MEETINGS. Meetings of the Board of Directors, regular or special, may be held either within or without the State of Georgia, as designated by resolution with respect to regular meetings and as set forth in the notice or, where applicable, in the waiver of notice with respect to a special meeting. All meetings shall be open to all members but only those members who are on the Board of Directors are entitled to participate in any deliberation or discussion unless so authorized by a majority vote of the Board. The Board may, by majority vote, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved and other business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 3.12 NOTICE OF MEETINGS. No notice shall be required for any regular meeting of the Board of Directors. Written notice of the time, place, and purpose of special meetings of the Board of Directors shall be given to each Director either by personal delivery, telephone, telegram, or cablegram at least three (3) days before the meeting or by mailing such notice at least five (5) days before the meeting. A recitation in the minutes of any meeting of the Board of Directors that proper notice of such meeting was given shall be prima facie evidence that such notice was given. Notice of the time and place of any meeting shall be posted at a prominent place within the Ranch.

Section 3.13 WAIVER OF NOTICE. Any Director may waive notice of a meeting of the Board of Directors by signing a waiver of notice, in person or by proxy, either before or

after the meeting. Attendance of a Director at a meeting either in person or by proxy, shall of itself constitute waiver of notice of the time, place and purpose of the meeting, or the manner in which it has been called or convened, unless such Director specifically objects to the lack of proper notice of the time or place of the meeting, or the manner in which it has been called or convened at the beginning of the meeting or to the lack of proper notice of the purpose of the meeting before the business, of which the lack of proper notice is claimed, is put to vote.

Section 3.14 QUORUM. No business of the Board of Directors may be transacted at a meeting unless a quorum is present. A quorum shall be deemed present only at such times as persons entitled to cast more than fifty percent (50%) of the votes in that body are present. Members of the Board of Directors may participate in a meeting by means of conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other, and participating in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 3.15 VOTING. Each Director shall have one vote. The affirmative vote of more than fifty percent (50%) of the Directors present at a meeting of the Board of Directors at which a quorum shall be present shall be the act of the Board of Directors (hereinafter referred to as a "Majority Vote of the Board of Directors").

Section 3.16 CONDUCT OF MEETINGS. Meetings of the members of the Board of Directors shall be conducted pursuant to the then current edition of *Robert's Rules of Order*, except to the extent that such shall conflict with any provision of the Declaration, the Articles of Incorporation or these Bylaws, which provision shall control. The President of the Association shall preside over all meetings of the Board of Directors.

The Secretary of the Association shall keep a minute book recording all business transacted and resolutions adopted at all meetings of the Board of Directors.

Section 3.17 ADJOURNMENT. Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned from time to time by the vote of more than fifty percent (50%) of the Directors present at the meeting. It shall not be necessary to give any notice of the reconvened meeting, if the time, place and purpose of such meeting are announced at the time of adjournment.

Section 3.18 ACTION WITHOUT A MEETING. Any action of the Board of Directors may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all of the Directors entitled to vote on the date on which the last such Director signs such consent. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors and shall be so reflected in the books and records of the Board of Directors. Any such action shall be effective upon the filing of such consent with the Secretary of the Association. An explanation of any action taken by consent as herein provided shall be posted at a prominent place on the Ranch within ten (10) days after such consent is effective.

ARTICLE IV

Officers

Section 4.1 GENERAL POWERS AND DUTIES. The business and affairs of the Association shall be administered by the Officers of the Association. The Board of Directors shall from time to time create and establish the powers and duties of such Officers in addition to those powers and duties specifically assigned to the Officers by law or in the Declaration, the Articles of Incorporation or these Bylaws.

Section 4.2 NUMBER, ELECTION AND TERM OF OFFICE. The Officers of the Association shall consist of a President, Vice President, Secretary, Treasurer and such other Officers as may be designated by resolution of the Board of Directors from time to time (hereinafter referred to individually as an "Officer" and collectively as the "Officers").

Any two or more offices may be held by the same person, except the offices of President and Secretary. Officers shall be elected by a Majority Vote of the Board of Directors and shall serve at the will of the Board of Directors until their successors have been elected and have qualified or until their earlier death, resignation, removal or disqualification. The President, Secretary and Treasurer must be elected from among the members of the Board of Directors.

Section 4.3 CONTROL BY DECLARANT. Anything in these Bylaws to the contrary, notwithstanding, the Initial Officers shall be appointed by Declarant pursuant to the provisions of the Declaration. Thereafter, Declarant shall have the sole right to appoint and remove any Officer or Officers until Declarant's authority so to appoint and remove shall expire or be terminated as provided in the Declaration.

Section 4.4 REMOVAL. From and after the expiration or termination of Declarant's right to appoint and remove Officers as provided in the Declaration, any Officer may be removed from office, with or without cause by Majority Vote of the Board of Directors, and a successor may then and there be elected as provided in Section 4.2, above. Removal action may be taken at any meeting of the Board of Directors with respect to which notice shall have been given that consideration of such removal is a purpose of the meeting. Any Officer whose removal has been proposed, shall be given an opportunity, if present, to be heard prior to the vote at the meeting.

Section 4.5 COMPENSATION. Officers shall not receive compensation for their services as Officers unless the Board of Directors shall grant and establish a fixed compensation for such services, subject to the approval of the Owners by a Majority Vote of the Association. The Officers shall be entitled in all events, however, to reimbursement for reasonable expenses Incurred by them in the performance of their duties.

Section 4.6 PRESIDENT. The President shall be chief executive officer of the Association, and, when present, shall preside at all meetings of the members of the Association and of the Board of Directors. The President shall, in general, manage, supervise and control all of the business and affairs of the Association and shall perform such other duties as may from time to time be delegated to him by the Board of Directors. The President shall have all of the powers and duties that are incident to the office of the president of a corporation organized under the Code and as may be assigned by the Board of Directors from time to time.

Section 4.7 VICE PRESIDENT. The Vice President shall, in the absence or disability of the President or at the direction of the President, perform the duties and exercise the powers of the President. In the absence or disability of the President and the Vice-President, the Board of Directors shall appoint one of their members to act in place of the President on an interim basis. The Vice President shall perform such other duties and have such other powers as shall from time to time be assigned to him by the Board of Directors.

Section 4.8 SECRETARY. The Secretary shall:

- i. attend all meetings of the members of the Association and of the Board of Directors and shall keep the minutes thereof,
- ii. be responsible for the preparation and giving of all notices which are required to be given by the Declaration or these Bylaws,
- iii. be custodian of the corporate books, records, contracts and other documents of the Association,
- iv. keep a register of the addresses of each member of the Association and any first mortgagee of a Unit Interest of each such member as shall be furnished to the Secretary-by such member, and
- v. perform whatever additional duties and have such powers as are incident to the office of the secretary of a corporation organized under the Code and as may be assigned by the Board of Directors from time to time.

Section 4.9 TREASURER. The Treasurer shall:

- i. have charge and custody of all funds and securities belonging to the Association and shall receive, deposit and disburse the same under the direction of the Board of Directors, keep full and true accounts of all receipts and disbursements of the Association,
- ii. prepare such financial data and make such reports, including without limitation an annual financial statement of the Association, as the Board of Directors may request, and
- iii. perform all duties as are incident to the office of treasurer of a corporation organized under the Code and as may be assigned by the Board of Directors from time to time.

The duties of the Treasurer may be delegated to a property manager, accountant, attorney or other agent employed by the Association, however, the Treasurer shall remain responsible for supervising any such agent.

Section 4.10 EXECUTION OF CONTRACTS. The Board of Directors, except as may otherwise be provided in these Bylaws, may, by specific or general resolution, authorize any Officer or Officers, agent or agents, to enter into any contract or to execute any instrument or document in the name of and on behalf of the Association. Unless otherwise specifically resolved by the Board of Directors or otherwise required by law, formal contracts, promissory notes and other evidences of indebtedness, deeds to secure debt, deeds of trust, mortgages and other corporate instruments or documents requiring the corporate seal, shall be executed signed or endorsed by the President or any Vice President and shall be attested by the Secretary or any Assistant Secretary.

Section 4.11 LIMITATION OF POWERS.

(a) The Officers of the Association shall not incur any debt in excess of \$10,000.00 without the prior written authorization of the Board of Directors. The Association shall not incur any debt in excess of \$10,000.00 for the purchase of real or personal property, the issuance of bonds or debentures, nor acquire real or personal property by purchase, nor lease, convey, sell, assign transfer, mortgage or otherwise encumber, nor dedicate for public use any real or personal property owned by the Association except in compliance with the Declaration. All checks drawn on the account of the Association in excess of \$500.00 shall be signed by two officers of the Association.

(b) The Officers of the Association shall not terminate the employment or materially reduce the compensation of the Executive Director of the Ranch without advance discussion with the Board of Directors and only following a majority vote of the Board of Directors at a duly called meeting, unless there is a determination by a majority of the Officers of the Association of the necessity to terminate the Executive Director for cause.

Section 4.12 INDEMNIFICATION OF DIRECTORS. The Association shall indemnify its Directors from liability and/or expenses incurred as a result of a legal claim filed or asserted against any Director as a result of a legal claim filed or asserted against any Director as a result of or in connection with such Director's service as a director of the Association, subject to such indemnified Director's compliance with O.C.G.A. § 14-3-851, § 14-3-853, and § 14-3-858. Such indemnification may include advancing funds to pay for or reimbursing expenses incurred in connection with such claim.

ARTICLE V

Rights of Mortgagees

Section 5.1 GENERAL. All mortgagees of a Unit Interest shall have the rights set forth in these Bylaws in addition to any and all rights set forth in the Declaration, the Articles of Incorporation, or any other applicable law.

Section 5.2 CERTAIN NOTICES. Any first mortgagee shall, upon request, be entitled to receive from the Association:

- i. an annual financial statement of the Association, certified by the person preparing it, within ninety (90) days following the end of the fiscal year of the Association,
- ii. written notice of all regular and special meetings of the members of the Association, such notice to be given by the Secretary no later than the date upon which notice of any such meeting is required to be given to the members of the Association under these Bylaws,
- iii. timely written notice of the occurrence of any substantial damage or destruction of the Ranch,
- iv. timely written notice of any proceedings or other action with respect to the taking any substantial portion of the Ranch in condemnation, eminent domain or other proceedings or actions involving any government entity or any other person having the power of eminent domain, and
- v. written notification of any default in the performance by any Owner, on whose Unit Interest such first mortgagee shall hold a first mortgage, of any obligation under the Declaration or these Bylaws that is not cured by such Unit Owner within sixty (60) days from the date of such default.

Section 5.3 CONSENT TO AMENDMENT. The rights of mortgagees in this Article V shall not be amended without the prior written approval of two-thirds (2/3) of the first mortgagees of Unit Interest in the Ranch, based on one vote for each first mortgage.

ARTICLE VI

Common Expenses

In addition to the common expenses of the Association set forth In the Declaration or incurred pursuant to the provisions thereof as established by resolution of the Board of Directors, the following items shall be common expenses of the Association:

Section 6.1 INSURANCE. The Association shall maintain in effect at all times, at the common expense of the Association, the types of insurance coverage required by the Declaration and such other Insurance as may be required by other law or deemed appropriate by the Board of Directors from time to time.

Section 6.2 FIDELITY BONDS. The Board of Directors may by resolution require any or all of the Officers, agents or employees of the Association to obtain fidelity bonds, in such amounts as may be determined by the Board of Directors favor of the Association conditioned on the faithful performance of the duties of their respective offices or positions. The cost of any such bond shall be a common expense of the Association.

Section 6.3 FINANCIAL STATEMENTS. The Board of Directors shall prepare, or cause to be prepared as a common expense of the Association, an annual financial statement of the Association, which shall be certified by the person preparing it. The Board of Directors may, from time to time, cause the annual financial statement of the Association to be audited by a certified public accountant, the cost of which shall also be a common expense of the Association's said financial statement shall be distributed to all Owners within at least ninety (90) days after the close of each fiscal year. The fiscal year of the Association shall be fixed from time to time by the Board of Directors. A copy of the annual financial statement, as well as all accounts, books and records of the Association, shall be open to inspection by the Owners, mortgagee, and prospective purchasers of a Unit Interest subject to such reasonable policies and guidelines not in conflict with applicable law as the Board of Directors may impose.

ARTICLE VII

General Policies and Guidelines

Section 7.1 ADOPTION AND AMENDMENT. The Board of Directors shall have the right from time to time to promulgate general policies and guidelines governing the use of the facilities of the Ranch, to amend any existing policies and guidelines governing such use, to enforce any such policies and guidelines, and to establish penalties for the violation of any such policies and guidelines. The Board of Directors shall deliver to each Owner a copy of all policies and guidelines (or amendments thereto) adopted from time to time by the Board of Directors at least ten (10) days prior to the effective date thereof, except in Instances where the Board of Directors adopts a policy or guideline designed to deal with an emergency situation, in which case no advance written notice shall be necessary.

ARTICLE VIII

Discipline

Section 8.1 SUSPENSION OF MEMBERSHIP PRIVILEGES. All members recognize that by the very nature of the Ranch, a close cooperation among members is necessary for everyone to benefit from the use and enjoyment of the Ranch. In order to insure such cooperation, all members agree that the rights of Owners relating to the Ranch and the Association shall be subject to suspension in accordance with the provisions of this Article VIII.

8.1.1 SUSPENSION FOR NON-PAYMENT During such time as an Owner is in default in the payment of any sums due and owing the Association, all of such Owner's rights relating to the Ranch and the Association, including, without limitation, such Owner's right to vote in meetings of the members of the Association and such Owner's right to use the facilities of the Ranch, shall be automatically suspended and shall remain suspended until all sums due and owing by that Owner to the Association have been paid in full.

8.1.2 SUSPENSION FOR VIOLATION OF GENERAL POLICIES. All of an Owner's rights relating to the Ranch and the Association, including, without limitation, such Owner's right to vote in meetings of the members of the Association and such Owner's right to use the facilities of the Ranch, may be suspended by Majority Vote of the Board of Directors (as such term is defined in Section 3.15 hereof) in the event that such Owner, or any associate member of the Association who is eligible for such associate membership because of his relationship to such Owner, or any guest of such Owner shall fail to comply with the policies and guidelines promulgated from time to time by the Board of Directors. No suspension of an Owner's rights under this section shall become effective until the Owner involved has been provided at least ten (10) days prior written notice of such recommended action by certified mail, return receipt requested, addressed to such Owner at his address as shown on the books and records of the Association. Such written notice shall contain the date, time and place of such meeting of the Board of Directors at which such suspension shall be considered, the reason that the suspension has been recommended, and shall state that such Owner has the right to be heard in opposition to such suspension either in writing or orally at such meeting of the Board of Directors. The meeting at which such suspension shall be considered shall be held no sooner than fifteen (15) days after of such notice.

Section 8.2 SUSPENSION OF ASSOCIATE MEMBERSHIP PRIVILEGES. In the event that the rights of any Owner are suspended pursuant to this Article VIII, the rights and privileges of all associate members who are eligible for such membership because of the

existence of a relationship with such Owner shall be suspended for the same period that such Owner's rights are suspended.

Section 8.3 ADDITIONAL REMEDIES.

Arbitration. If by a Majority of the Vote of the Board of Directors, the Board determines that a member has proved to be so unruly or uncooperative that the Association as a whole is being adversely affected and such member's attitude or actions are adversely affecting other members' rights to the quiet use and enjoyment of the Ranch, then the Board can submit the matter to arbitration. Arbitration shall be held pursuant to Official Code of Georgia 9-9-30. The determination of the arbitrators shall be binding. If the arbitrators order the Owner to sell his Unit Interest to an uninvolved third party and the Owner refuses or fails to do so in a reasonable time, then the arbitrators shall have the power to order that the value of the Owner's Unit Interest be appraised and the Association shall pay said value to the Owner for his Interest less reasonable expenses incurred, including attorney's fees and arbitrators' fees.

ARTICLE IX

Miscellaneous

Section 9.1 AMENDMENTS. The Articles and these Bylaws may be amended at a regular or special meeting of the members of the Association duly called and held for such purpose, pursuant to a resolution adopted by the Board of Directors recommending a proposed amendment. Such amendment shall become effective upon the affirmative vote of at least two-thirds (2/3) of the Owners entitled to vote represented at a meeting at which a quorum shall be present; provided, however, that during the period in which Declarant shall have the right to appoint and remove members of the Board of Directors and Officers of the Association pursuant to the Declaration, no amendment to the Articles or these Bylaws shall be effective unless the same is consented to in writing by the Declarant.

Section 9.2 ANNUAL BUDGET. No less than 45 days prior to the commencement of each fiscal year of the Association, the Board of Directors shall prepare an annual budget for the succeeding fiscal year, which shall include a statement of the annual assessments to be levied against each Unit Interest for the coming year, as set forth in the Declaration. If the budget and the assessments (exclusive of that portion of the budget and assessments attributable to ad valorem real property taxes) exceed by more than twenty percent (20%) the budget and the annual assessments for the immediately preceding year, the budget and the assessments shall become effective only upon the approval of more than fifty percent (50%) of the Owners, other than Declarant, entitled to vote at a general meeting called for the purpose of considering said budget. If any budget requiring the approval of the Owners, other than Declarant, is not approved at such meeting, the budget for the preceding year shall remain in effect until a new budget is prepared in accordance with the Declaration, subject to the right of the Board of Directors to increase assessments for expenditures that it deems necessary in order to comply with the duties and obligations imposed on the Board of Directors by these Bylaws, the Articles of Incorporation, the Declaration or the Code.

Section 9.3 ANNUAL ACCOUNTING. An annual financial report and account of the Association, including a statement of income and expenses, shall be sent to the members not later than ninety (90) days after the close of each fiscal year of the Association.

Section 9.4 CORPORATE SEAL. The corporate seal shall be in such form as the Board of Directors may determine from time to time.

Section 9.5 CONFLICTS. In the event of any conflict or inconsistency between the provisions of the Code or the Declaration and these Bylaws, the provisions of the Code and the Declaration, in that order, shall control.

Section 9.6 NOTICE OF TRANSFER OF INTEREST. Any Unit Owner who shall sell or grant a first mortgage on any Unit Interest in which he has a fee interest shall promptly give the Secretary written notice of such sale or grant, which notice shall set forth the name and address of such purchaser or holder of a first mortgage. The address so furnished for such purchaser or holder of a first mortgage shall be the address to which the Secretary shall send any notices to be sent to such purchaser or holder of a first mortgage, until such purchaser or holder of a first mortgage shall furnish the Secretary with another address for such purpose. In addition, by granting a first mortgage on any Unit Interest, such Owner shall be send to such holder of a first mortgage such information as such holder of a first mortgage shall request in regard to any default by such Owner in the performance of his duties and responsibilities under the Declaration and these Bylaws and in regard to any other matter specifically relating, to such Unit Interest of the Ranch.

Section 9.7 RECORD DATE. The Board of Directors may fix a time in the future as a record date for the determination of the members entitled to notice of and to vote at any meeting of members. The record date so fixed shall not be more than thirty (30) days prior to the date of the meeting. When a record date is fixed, only members of record on that date shall be entitled to notice of and vote at the meeting, notwithstanding any transfer of an undivided interest after the record date.

Section 9.7.1 PERMANENT DATE OF RECORD. The permanent date of record shall be the Monday prior to the date of the Owners' Meeting.

Section 9.8 INSPECTION OF RECORDS. A list of record of members, the accounting records and minutes of proceedings of the members, and the Board of Directors and the Executive Committee and all other committees, If any, shall be open to inspection and copying upon the written demand of any member not under suspension or default on his assessments, or his duly appointed representative, at any reasonable time, at the office of the Association and for the purpose reasonably related to his interests as a member. A member desiring inspection shall give written notice at least forty-eight (48) hours in advance. The custodian shall make the records available during normal business days from 10:00 a.m. to noon and 2:00 p.m. to 4:00 p.m. Photocopying charges shall be set by the Board at a reasonable rate but not less than \$.20 per copy which shall be paid in cash. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical proper- ties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

Section 9.9 INSPECTION OF THE BYLAWS. The original or a certified copy of the Bylaws, as certified by the Secretary, together with any and all amendments thereto, shall be kept at the office of the Association and shall be open for Inspection by the member's at all reasonable times.

Section 9.10 LEASE SITE FOR BOARD MEMBERS. Board members are guaranteed a site for lease at the prevailing rate. If a board member has less than one year remaining in their term, that board member is guaranteed a lease, pro-rated to the end of their term.

BYLAWS

Last Revision Date – 02/06/2018