



NOTICE REGARDING COVENANTS AND/OR RESTRICTIONS

The following Covenants and/or Restrictions are added as a courtesy only and are NOT WARRANTED by the property owner, their broker or agent as to completeness, accuracy, currency, or enforceability. Any interested buyer prospect is urged as part of their due diligence to contact the relevant Community Association or developer to determine for themselves what covenants and/or restrictions currently apply, how long they may remain in force, and if any changes or amendments may be currently under consideration. Additionally, or alternatively, one may wish to consider hiring an attorney to conduct this search for them and provide advice as needed.

BY-LAWS

OF

**COOSAWATTEE RIVER RESORT
ASSOCIATION, INC.**

WEISSMAN, NOWACK, CURRY, & ZALEON, P.C.

ATTORNEYS

**SECOND FLOOR
181 14TH STREET, N.E.
ATLANTA, GA 30309
(404) 885-9215**

- TABLE OF CONTENTS -

	<u>Page</u>
I. DEFINITIONS	
1. General	1
II. GENERAL	
1. Applicability	2
2. Objectives and Purposes	2
3. Name	2
4. Membership	2
5. Entity Members	2
6. Voting	3
7. Majority	3
8. Owner's Rights of Use and Enjoyment	3
III. MEETINGS OF MEMBERS	
1. Annual Meetings	4
2. Special Meetings	4
3. Notice of Meetings	4
4. Waiver of Notice	4
5. Quorum	5
6. Adjournment	5
7. Proxy	5
8. Action Without a Meeting	5
9. Order of Business	5
IV. BOARD OF DIRECTORS	
A. <u>Composition and Selection.</u>	
1. Composition	6
2. Term of Office	6
3. Removal of Members of the Board of Directors	7
4. Vacancies	7
5. Compensation	7
6. Director Conflicts of Interest	7
7. Nomination	7
8. Elections	8
B. <u>Meetings.</u>	
9. Regular Meetings	8
10. Special Meetings	8
11. Waiver of Notice	8
12. Conduct of Meetings	8
13. Open Meetings	8
14. Action Without a Meeting	8
C. <u>Powers and Duties.</u>	
15. Powers and Duties	8
16. Management Agent	10
17. Borrowing	10
18. Liability and Indemnification of Officers and Directors	10

	<u>Page</u>
D. <u>Committees.</u>	
19. Nominating Committee.....	10
20. Architectural Review Committee.....	10
21. Executive Committee.....	11
22. Compliance Committee.....	11
23. Other Committees.....	11
24. Service on Committees.....	11
V. OFFICERS	
1. Designation.....	11
2. Election of Officers.....	11
3. Removal of Officers.....	11
4. Vacancies.....	11
5. President.....	11
6. Vice President.....	11
7. Secretary.....	11
8. Treasurer.....	11
9. Other Officers.....	12
10. Executive Committee.....	12
11. Agreements, Contracts, Deeds, Leases, Etc.....	12
VI. RULE MAKING AND ENFORCEMENT	
1. Authority and Enforcement.....	12
2. Fining and Suspension Procedure.....	13
3. Additional Enforcement Rights.....	14
VII. ASSESSMENTS	
1. Purpose of Assessments.....	14
2. Creation of the Lien and Personal Obligation for Assessments.....	14
3. Computation of Operating Budget and Assessments.....	15
4. Special Assessments.....	15
5. Specific Assessments.....	15
6. Delinquent Assessments.....	15
7. Capital Budget and Contribution.....	16
8. Statement of Account.....	16
9. Surplus Funds.....	16
VIII. INSURANCE	
1. Association Insurance.....	16
2. Individual Insurance.....	18
IX. REPAIR AND RECONSTRUCTION	
1. General.....	18
X. ARCHITECTURAL CONTROLS	
1. Architectural Standards.....	19
XI. USE RESTRICTIONS	

XII. MISCELLANEOUS

1.	Notices.....	21
2.	Severability.....	21
3.	Captions.....	22
4.	Gender and Grammar.....	22
5.	Fiscal Year.....	22
6.	Financial Review.....	22
7.	Conflicts.....	22
8.	Amendment.....	22
9.	Books and Records.....	23

BY-LAWS

OF

COOSAWATTEE RIVER RESORT ASSOCIATION, INC.

Article I
Definitions

Section 1. General. The words used in these By-Laws shall have their normal, generally accepted meanings or the meanings given in the Georgia Nonprofit Corporation Code. Unless the context otherwise requires, certain terms used in these By-Laws shall be defined as follows:

- (a) Act shall mean the Georgia Nonprofit Corporation Code, O.C.G.A. Sections 14-3-1, et seq. (Michie, 1982), as such code may be amended from time to time.
- (b) Area of Common Responsibility shall mean the Common Area and such other property as the Association may, by contract, covenant or agreement, be obligated to maintain.
- (c) Articles shall mean the Articles of Incorporation of Coosawatee River Resort Association, Inc., which have been filed and duly approved by the Secretary of State of the State of Georgia, as amended from time to time.
- (d) Association shall mean Coosawatee River Resort Association, Inc., a Georgia nonprofit corporation, its successors or assigns.
- (e) Board or Board of Directors shall mean the elected body responsible for management and operation of the Association.
- (f) Common Area shall mean any and all real property and personal property which is owned by the Association from time to time and available for the common use of owners and occupants of property within the Community.
- (g) Common Expenses shall mean the expenses incurred by the Association in operating, managing, and maintaining the Area of Common Responsibility, and otherwise for the common benefit of the Owners and Occupants of property within the Community.
- (h) Community shall mean any and all real property over which the Association now has or may obtain in the future, by merger, recording in the land records, or otherwise, the right to enforce covenants applicable to such real property, including, without limitation, the right to collect assessments from the owners of Lots within such real property.
- (i) Member shall mean a Person entitled to membership in the Association, as provided herein.
- (j) Member in Good Standing shall mean a member whose voting rights have not been suspended in accordance with the terms of these By-Laws.
- (k) 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 of fee title for such purpose.
- (l) Mortgagee or Mortgage holder shall mean the holder of any Mortgage.
- (m) Officer shall mean those individuals who are elected by the Board to serve as President, Vice President, Secretary, Treasurer, or such other subordinate officers as the Board may determine necessary.

(n) Occupant shall mean any Person who is entitled to occupy any portion of the Community, whether pursuant to a lease, a timeshare agreement or otherwise with permission of the Owner thereof.

(o) Owner shall mean the record title holder of any Lot in the Community but shall not include a Mortgage holder.

(p) Person shall mean any individual, corporation, firm, association, partnership, or other legal entity.

(q) Lot shall mean a portion of the Community intended for individual ownership and use as more particularly described on a plat of survey recorded in the Gilmer County, Georgia land records, and shall include, without limitation, subdivided lots and units within any condominium. The term "Lot" shall also refer to timeshare interests, timeshare intervals, and timeshare estates in property located within the Community.

Article II General

Section 1. Applicability. These By-Laws provide for the self-government of Coosawattee River Resort Association, Inc., in accordance with the Articles of Incorporation filed with the Secretary of State and the Declaration of Reservations and Restrictions for Beaver Bend, Declaration of Reservations and Restrictions of Beaver Lake Estates, Declaration of Restrictions of Beaver Forest, Declaration of Covenants, Conditions and Restrictions for Eagles Mountain Resort, Inc., and the Declaration of Covenants, Conditions and Restrictions for Beaver Forest Chalet Villas, recorded in the Gilmer County, Georgia land records ("Declarations").

Section 2. Objectives and Purposes. The Association shall have the responsibility of administering the Community, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Community and performing all of the other acts that may be required to be performed by the Association pursuant to the Georgia Nonprofit Corporation Code and the Declarations. Except as to those matters which the Declarations or the Georgia Nonprofit Corporation Code specifically require to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

Section 3. Name. The name of the corporation is Coosawattee River Resort Association, Inc., ("Association").

Section 4. Membership. An Owner of a Lot shall automatically become a member of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership. As may be more fully provided below, a spouse of a member may exercise the powers and privileges of the member. If title to a Lot is held by more than one (1) 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 Lot. 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 Lot and shall be transferred automatically by conveyance of that Lot and may be transferred only in connection with the transfer of title.

Section 5. Entity Members. In the event an Owner is a corporation, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary or other designated

agent of such trust, or manager of such other legal entity shall be eligible to represent such entity or entities in the affairs of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity or entities which are the Owner, and termination of the person's relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy will be filled in accordance with these By-Laws.

Section 6. Voting. Each Lot shall be entitled to one equally weighted vote, which vote may be cast by the Owner, the Owner's spouse, or by a lawful proxy as provided below. When more than one (1) Person owns a Lot, the vote for such Lot shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot. If only one (1) co-owner attempts to cast the vote for a Lot, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for such Lot. In the event of disagreement between or among co-owners and an attempt by two (2) 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. No Owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, if that 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 if the Owner has had its voting rights suspended for the infraction of any provision of the Declarations, these By-Laws, or any rule/regulation of the Association. If the voting rights of an Owner have been suspended, that Owner shall not be counted as an eligible vote for purposes of establishing a majority or a quorum or for purposes of amending these By-Laws.

Section 7. Majority. As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totalling more than fifty (50%) percent of the total number of eligible votes, Owners, or other group, respectively. Unless otherwise specifically stated, the words "majority vote" mean more than fifty (50%) percent of those voting in person or by proxy. Except as otherwise specifically provided in the Declarations or these By-Laws, all decisions shall be by majority vote.

Section 8. Owner's Rights of Use and Enjoyment. Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Area and Area of Common Responsibility which shall be appurtenant to and shall pass with the title to his or her Lot, subject to the following provisions:

(i) the right of the Association to charge reasonable admission and other fees for the use of any portion of the Common Area or Area of Common Responsibility, to limit the number of guests of Lot Owners and tenants who may use the Common Area, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, his or her family, tenants, guests, and invitees;

(ii) the right of the Association to suspend the voting rights of an Owner and the right of an Owner to use the recreational facilities in the Community for any period during which any assessment against his or her Lot which is provided for herein remains unpaid and for a reasonable period of time for an infraction of the Declarations, By-Laws, or rules and regulations;

(iii) the right of the Association to borrow money as may be set forth in the By-Laws; provided, however, the lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any right, interests, options, easements and privileges herein reserved or established for any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, encumbering any Lot or other property located within the Community;

(iv) the right of the Association to dedicate or transfer all or any portion of the Common Area subject to such conditions as may be agreed to by the Members of the Association; and

(v) any Lot Owner may delegate his or her right of use and enjoyment in and to the Common Area, Area of Common Responsibilities and facilities located thereon to the members of his or her family living with the Lot Owner, his or her tenants and guests and shall be deemed to have made a delegation of all such rights to the Occupants of his or her Lot, if leased.

If a Lot Owner uses the Common Area, Area of Common Responsibility or facilities while the Lot is leased, the Association may impose a user fee for the term of the tenancy. If the tenant fails to pay the user fee, the Owner shall be responsible for the fee and such fee shall become a lien against the Lot to be collected as an assessment as more particularly provided in Article VII herein.

Article III Meetings of Members

Section 1. Annual Meetings. The regular annual meeting of the Members shall be held during May or June of each year, unless otherwise provided by the Board of Directors, with the date, hour, and place to be set by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called for any purpose at any time by the President, the Secretary, or by request of any three (3) or more members of the Board of Directors, or upon written petition of twenty-five (25%) percent of the Lot Owners. Any such written petition by the Members must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of Members have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition, and the Secretary shall send notice of the meeting in accordance with these By-Laws.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver to each Owner of Lots of record or to the Lots 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 it is to be held. In the case of a special meeting, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. The notice of an annual meeting shall state the time and place of the meeting. If any Owner wishes notice to be given at an address other than his or her Lot, the Owner shall have designated 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 proper service of notice.

Section 4. Waiver of Notice. Waiver of notice of 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 represented 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 at such meeting 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 at the beginning of the meeting, of Members entitled to cast twenty percent (20%) of the eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Members whose voting rights have been suspended pursuant to these By-Laws shall not be counted as eligible votes toward the quorum requirement.

Section 6. Adjournment. Any meeting of the Association may be adjourned from time to time for periods not less than five (5) nor more than thirty (30) days from the time the original meeting was called by vote of the Members 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 a reconvened session provided a quorum is present. If a time and place for reconvening the meeting is not fixed at the original meeting or for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to the Members in the same manner prescribed for regular meetings.

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 signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board by personal delivery, U.S. mail or telefax transmission to the Secretary of the Board of Directors. Proxies may be revoked only by written notice delivered to the Association, except that the presence in person by the giver of a proxy at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy. No person may vote more than his or her own vote and the vote of one hundred (100) proxies; however, the Association or Board members may vote any number of proxies.

Section 8. Action Without a Meeting. Any action that may be taken at any annual, regular, or special meeting of Members, including, but not limited to the election of directors, may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter.

(a) A written ballot shall: (1) set forth each proposed action; and (2) provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of directors; and (3) specify the time by which a ballot must be received by the corporation in order to be counted.

(d) A written ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

Section 9. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these By-Laws or the Articles of Incorporation.

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.

(a) The initial Board of Directors shall be composed of three persons as identified in the Articles of Incorporation.

(b) Upon merger of the Association with the Appalachian Community Association, Inc., those persons serving on the Board of Directors (18 directors) of the Appalachian Community Association, Inc. shall automatically become members of the Board of Directors of the Association and shall serve until the first annual meeting of the Association after these By-Laws are adopted.

(c) At the first annual meeting after these By-Laws are adopted, the Board of Directors shall consist of eighteen (18) persons who shall be Owners of Lots or spouses of Owners; provided no owner and his or her spouse may serve on the Board at the same time and no co-owners may serve on the Board at the same time.

Section 2. Term of Office.

(a) At the first annual meeting of the Association after these By-Laws are adopted, eighteen (18) directors shall be elected and their terms shall be staggered on a one (1), two (2) year and three (3) year basis as follows:

(i) Three (3) Lot Owners from the area known as Beaver Lake Estates shall be elected by the Lot Owners in Beaver Lake Estates. The person receiving the greatest number of votes shall serve a three (3) year term, the person receiving the next greatest number of votes shall serve a two (2) year term, and the person receiving the next greatest number of votes shall serve a one (1) year term.

(ii) Three (3) Lot Owners from the area known as Beaver Bend shall be elected by the Lot Owners in Beaver Bend. The terms of the Directors shall be determined as in (a)(i) above.

(iii) Three (3) Lot Owners from the area known as Beaver Forest shall be elected by the Lot Owners in Beaver Forest. The terms of the Directors shall be determined as in (a)(i) above.

(iv) Three (3) Lot Owners from the area known as Eagle's Mountain Resort shall be elected by the Lot Owners in Eagle's Mountain Resort. The terms of the Directors shall be determined as in (a)(i) above.

(v) Three (3) Lot Owners from the area known as Eagle's Mountain Camping Lots shall be elected by the Lot Owners in Eagle's Mountain Camping Lots. The terms of the Directors shall be determined as in (a)(i) above.

(vi) Three (3) Lot Owners from the Beaver Forest Chalet Villas Owners Association shall be elected by Lot Owners in Beaver Forest Chalet Villas at the annual meeting of Beaver Forest Chalet Villas Owners Association, Inc. The terms of the Directors shall be determined as in (a)(i) above.

(b) The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association. Successor directors shall be elected by ballot as provided in Article III, Section 8 or by the vote of those members present or represented by proxy, at the annual or other meeting of the membership of the Association, a quorum being present.

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 Members of the Association from that portion of the Community represented by the director whose removal has been proposed and a successor may then and there be elected by the Members of the Association from that portion of the Community to fill the vacancy thus created. Moreover, any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings or is more than sixty (60) days past due in the payment of any assessment may be removed by the vote of a majority of the other directors. Any director whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting. For the purpose of this Section, no Member may vote more than his or her own vote and the vote of one hundred (100) proxies; however, the Association or the Board Members may vote any number of proxies.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason, except the removal of a director by vote of the membership, 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. The successor so selected shall be from the same portion of the Community as the director whose position is vacant and shall hold office for the remainder of the term of the director being replaced.

Section 5. Compensation. Directors shall not be compensated for services as such unless and only to the extent that compensation is authorized by a majority vote of the Members. 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.

Section 6. Director Conflicts of Interest. 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 disclosed to the Board and the contract is approved by a majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the Board. The interested director shall be entitled to be present at any meeting at which the proposed contract is discussed and to discuss the proposed contract, unless requested by any other director to leave the room during the discussion.

Section 7. Nomination. Nomination for election to the Board shall be made by a Nominating Committee which shall be appointed by the Board of Directors and shall consist of at least one (1) member of the Board of Directors and at least two (2) other Members of the Association who are not Board members, at least fourteen (14) days prior to the annual meeting to serve a term of one (1) year. The members of the Nominating Committee shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but not less than the number of directors to be elected. The nominations shall be made at least fourteen (14) days prior to the annual meeting. If the election is not conducted by ballot pursuant to Article III, Section 8, nominations shall also be allowed from the floor at the meeting. Each candidate shall be given a reasonable opportunity to communicate his or her qualifications to the membership prior to the election. No member shall be nominated for election to the Board of Directors, nor permitted to run for election, if more than thirty (30) days past due in the payment of any assessment. Failure to comply with this Section shall in no way invalidate the election of directors who were not nominated in accordance with the provisions hereof.

Section 8. Elections. All Members of the Association eligible to vote shall be entitled to cast their entire vote for each directorship(s) to be filled from the area in which they live. There shall be no cumulative voting. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes. Voting for election of Board members shall be by secret written ballot.

B. Meetings.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held 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. The Board shall meet within ten (10) days after each annual meeting of the membership.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director given by mail, in person, by telephone, or by facsimile transmission, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President, Vice President, Secretary, or Treasurer in like manner and on like notice on the written request of at least two (2) directors.

Section 11. 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 or her 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 12. 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. The presence of directors entitled to cast one-half of the votes of the Board shall constitute a quorum for the transaction of business. One or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 13. Open Meetings. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, contracts, litigation in which the Association is or may become involved, and other sensitive matters or orders of 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 14. 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 a majority of the directors consent in writing to such action. Such written consents must describe the action taken and be signed by no fewer than a majority of the directors and such written consent or consents shall be filed with the minutes of the Board of Directors.

C. Powers and Duties.

Section 15. 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 Community and may do all such acts and things as are

not by the Declaration, the Articles of Incorporation, or these By-Laws directed to be done and exercised exclusively by the Members. 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 shall 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 Member to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period after which all unpaid assessments shall be declared delinquent. (Unless otherwise determined by the Board of Directors, the annual assessment for each Lot's proportionate share of the Common Expenses shall be due on May 1 of each year and shall be late if received after May 31 of any year.);

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility as defined in these By-Laws;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Common Area, Association 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 financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth in O.C.G.A. § 14-3-302, and using the proceeds to administer the Association;

(f) making and amending rules and regulations and imposing sanctions for violation thereof, including, without limitation, monetary fines;

(g) opening of bank or other financial 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 Common Area 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 Declarations, 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) obtaining and carrying insurance against casualties and liabilities and paying the premium cost thereof;

(k) paying the costs of all services rendered to the Association or its Members and not directly chargeable to specific Owners;

(l) 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; and

(m) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominium associations, or other associations or corporations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

Notwithstanding anything to the contrary contained herein, the Association, upon the majority vote of its Board of Directors, shall have the right to enter into easements and agreements to share costs or similar arrangements whereby the Association assumes maintenance responsibility for property which it does not own, or grants easements to Persons who are not Owners in consideration for payment by the Owner of such property or such nonmembers of all or a portion of the costs associated with such maintenance or use.

Section 16. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Board shall use reasonable efforts in any management contract to provide for termination of such contract with or without cause and without penalty, upon no more than thirty (30) days written notice, and for a term not in excess of one (1) year.

Section 17. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of operation, maintenance, repair, restoration or improvement of the Common Area, areas of common responsibility and facilities without the approval of the Members of the Association; the Board shall also be authorized to borrow money for other purposes; provided, however, the Board shall obtain membership approval in the same manner as provided in Article VII, Section 4 of the By-Laws for special assessments if the proposed borrowing would exceed Five Hundred Thousand (\$500,000.00) Dollars outstanding debt at any one time.

Section 18. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director against any and all expenses, including attorney's 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 or she 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, or for injury or damage caused by any such officer or director in the performance of his or her duties, except for his or her 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 the Declaration.

D. Committees.

Section 19. Nominating Committee. Pursuant to Section 7 of this Article, there shall be a Nominating Committee composed of at least three (3) members appointed in the manner and to perform the functions specified in Article IV, Section 7 of these By-Laws.

Section 20. Architectural Review Committee. The Board may establish an Architectural Review Committee for the purpose of establishing and maintaining architectural standards in the Community as provided in the Declarations.

Section 21. Executive Committee. The Board may establish an Executive Committee as more particularly provided in Article V, Section 10 of these By-laws.

Section 22. Compliance Committee. The Board may establish a Compliance Committee for the purpose of reviewing alleged violations of the Declarations, these By-Laws and the rules and regulations.

Section 23. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 24. Service on Committees. Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President and shall serve at the pleasure of the Board of Directors. All committee members must be in good standing. Any committee member may be removed by the Board of Directors, 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 Vice President, the Secretary, and the Treasurer. The President, Vice President, and Secretary shall be elected by and from the Board of Directors. The Treasurer shall be elected by the Board of Directors, but need not be a Board member. The Board of Directors may appoint one or more Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgment may be necessary. Any assistant or 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.

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 with or without cause, and a successor may be elected.

Section 4. Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. 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 or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 6. 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.

Section 7. 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 under Georgia law.

Section 8. 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 in the Declaration. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Section 9. Other Officers. Other offices may be created by the Board, and the Board members which hold such offices shall have such titles and duties as are defined by the Board.

Section 10. Executive Committee. Unless the Articles of Incorporation or By-Laws provide otherwise, the Board of Directors may by majority vote designate an executive committee.

(a) Unless otherwise directed by the Board of Directors, the executive committee of the Board of Directors shall be comprised of the President, the Vice-President, the Treasurer and the Secretary. The executive committee shall act by vote of a simple majority of the executive committee on any matter. The executive committee shall make due report of its actions to the Board of Directors whenever so required. The President shall serve as the chairperson of the executive committee.

(b) The executive committee shall have and exercise all of the authority of the Board of Directors including all actions specified in these By-Laws as actions to be taken by the Board of Directors between meetings of the Board of Directors except that the executive committee shall not have the authority to: (1) amend, alter or repeal these By-Laws, (2) elect, appoint or remove any Director or officer of the Board, (3) adopt a resolution proposing an amendment to the Articles of Incorporation; (4) adopt a plan of merger or consolidation with another corporation, (5) acquire or authorize a sale, lease, exchange or mortgage of any real property of the Association, (6) authorize the sale, lease, exchange or mortgage of all or substantially all of the personal property and assets of the Association, (7) authorize or institute proceedings for the voluntary dissolution of the Association, or (8) amend, alter or repeal any resolution of the Board of Directors.

Section 11. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, checks, 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 Rule Making and Enforcement

Section 1. Authority and Enforcement. The Community shall be used only for those uses and purposes set out in the Declarations and these By-Laws. The Board of Directors shall have the authority to make, modify, repeal and enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Lots, the Common Area and the Area of Common Responsibility; provided, copies of all such rules and regulations shall be given to all Owners and Occupants. 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 of the membership. Every Owner and Occupant shall comply with the applicable Declarations, Bylaws and rules and regulations of the Association, and any lack

of compliance therewith shall entitle the Association and, in an appropriate case, one or more aggrieved Owners, to take action to enforce the terms of the Declarations, Bylaws or rules and regulations.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot, and to suspend an Owner's right to vote or to use the Common Area or the Area of Common Responsibility for violation of any duty imposed under the Declarations, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any Occupant of a Lot or guest violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, notice of such violation shall be sent to the Owner and the Occupant, and 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 Lot Owner shall pay the fine upon notice from the Association, and the fine shall be an assessment and a lien against the Lot until paid. The failure of the Board to enforce any provision 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 and Suspension Procedure. The Board shall not suspend the right to vote or to use the Common Area or Area of Common Responsibility (unless an 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 in which case such suspensions shall be automatic), or impose a fine unless and until notice of the violation is given as provided in subsection 2(a) below. Any such fine or fines may be effective or commence upon the sending of such notice or such later date as may be set forth in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge such fine under subsection 2(b) below.

(a) Notice. If any provision of the Declarations or By-Laws or any rule or regulation of the Association is violated, the Board or its designee shall serve the violator with written notice sent certified mail, return receipt requested, which shall state: (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, by written challenge and written request for a hearing before the Compliance Committee, if any, or the Board, which request must be received by the Compliance Committee, if any, or the Board within ten (10) days of the date of the notice; (iv) the name, address, and telephone number of a person to contact to challenge the proposed action. If a timely challenge is made and the violation is cured within ten (10) days of the date of the notice, the Board, in its discretion, may, but is not obligated to, waive any sanction or portion thereof. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator.

(b) Hearing. If the alleged violator timely challenges the proposed action, the hearing of Directors shall be held in executive session affording the violator a reasonable opportunity to be heard. The hearing shall be set at a reasonable time and date by the Compliance Committee, if any, or the Board, and notice of the time, date (which shall be not less than ten (10) days from the giving of notice without the consent of the violator), 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. Proof of such 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 the 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. This Section shall be deemed

complied with if a hearing is held and the violator attends and is provided an opportunity to be heard, notwithstanding the fact that the notice requirements contained herein are not technically followed.

(c) Appeal. If the hearing is held before a Compliance Committee, the violator shall have the right to appeal the decision of the Compliance Committee to the Board. To perfect this right, a written notice of appeal must be received by the general manager, President, or Secretary of the Association within thirty (30) days after the hearing date. The Board of Directors shall set a hearing time and date which shall be not less than ten (10) days from the date of the notice of appeal.

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 Declarations, the 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 costs, including reasonable attorney's fees actually incurred.

The Association or its duly authorized agent shall have the power to enter a Lot or upon any portion of the Common Area to abate, repair or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declarations, the By-Laws, or the rules and regulations. All costs of self-help, including reasonable attorney's fees, shall be assessed against the violating Lot Owner and shall be collected as provided herein for the collection of assessments.

Article VII Assessments

Section 1. Purpose of Assessments. The Association shall have the power to levy assessments as provided in the Declarations and herein. 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 Lots in the Community as may be more specifically authorized from time to time by the Board. Except as otherwise provided, the amount of all Common Expenses shall be assessed equally against all Lots that are obligated to pay assessments.

Section 2. Creation of the Lien and Personal Obligation for Assessments. In accordance with the Declarations, each Owner of any Lot, 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: (i) annual assessments or charges; (ii) special assessments, such assessments to be established and collected as hereinafter provided; and (iii) specific assessments against any particular Lot which are established pursuant to the terms of these By-Laws, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of these By-Laws.

All such assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred, in the maximum amount permitted under the Declarations, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each assessment is made. Such amounts shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. Each Owner and his or her grantee shall be jointly and severally liable for all assessments and charges due and payable at the time of any 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 on the first day of the fiscal year. No Owner may exempt himself or herself from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Area or Area of Common Responsibility, the Association's failure to provide services or perform its obligations required hereunder, or inconvenience or discomfort arising from the Association's performance of its duties.

Section 3. Computation of Operating Budget and Assessment. It shall be the duty of the Board at least forty-five (45) days prior to the beginning of the Association's fiscal year to prepare a budget covering the estimated costs of operating the Community during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Lot for the following year to be delivered to each member at least thirty (30) days prior to the beginning of the Association's fiscal year. The budget and the assessment shall become effective unless disapproved at a duly called and constituted meeting of the Association by a vote of a majority of the total Association membership; provided, however, if a quorum is not obtained at the meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at this meeting.

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 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 a special meeting is requested by the Members, as provided in the By-Laws for special meetings, the new budget and assessment shall take effect without a meeting of the Members.

Section 4. Special Assessments. In addition to the annual assessment provided for in Section 2 above, the Board may at any time levy a special assessment against all Members, notice of which shall be sent to all Members; provided, however, prior to becoming effective, any special assessment which would cause the total of special assessments levied against any Member in one calendar year to exceed Three Hundred (\$300.00) Dollars (except as provided in Article VIII herein, regarding repair or reconstruction of casualty damage to or destruction of all or part of the Community) first shall be approved by the affirmative vote of at least two-thirds (2/3) of Members present or represented by proxy at a special or annual meeting of the Members, notice of which shall specify that purpose.

Section 5. Specific Assessments. The Board shall have the authority to levy specific assessments against any owner to reimburse the Association for costs incurred in bringing an Owner and his Lot into compliance with the provisions of the Articles, these By-Laws, the Association rules, or any covenants affecting such Owner's Lot and for costs incurred in repairing damage to the Area of Common Responsibility or Common Area caused by such Owner or Occupant, which specific assessment may be levied upon the vote of the Board after notice to the Owner and an opportunity for a hearing.

Section 6. Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent and the Owner shall be in default.

(a) If the annual assessment is not paid in full within thirty (30) days of the due date or if any other charge is not paid within ten (10) days of the due date, a late charge equal to ten (10%) percent of the amount not paid may be imposed without further notice or warning to the delinquent Owner and interest

at the highest rate specified by the applicable Declaration shall accrue from the due date until paid. In addition, an Owner's right to vote and use the Common Area and Area of Common Responsibility shall automatically be suspended during the period that any assessments or other charges remain unpaid. The suspension of the right to use the Common Area and Area of Common Responsibility shall include the Owner, Occupants and any guests of the Owner and/or Occupant.

(b) If part payment of assessments and related charges is made, the amount received shall be applied first to costs and attorney's fees, then to late charges, then to interest, then to delinquent assessments, and then to current assessments.

(c) If assessments and other charges or any part thereof remain unpaid more than sixty (60) days after the assessment payments first become delinquent, the Association, acting through the Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of the Declarations, the By-Laws, and Georgia law.

Section 7. Capital Budget and Contribution. 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 budget. The capital contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

Section 8. Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, 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 Lot. The Association shall respond in writing within five (5) working 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. Such written statement shall be binding on the Association as to the amount of assessments due on the Lot as of the date specified therein.

Section 9. Surplus Funds. Revenues from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such revenues to the payment of Common Expenses shall, at the option of the Board of Directors, either be distributed equally to the Owners or added to the Association's reserve account.

Article VIII Insurance

Section 1. Association Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area and Area of Common Responsibility. This insurance shall include fire and extended coverage, including coverage for vandalism and malicious mischief and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

(a) The Board shall obtain a public liability policy applicable to the Common Area and Area of Common Responsibility covering the Association and its

Members for all damage or injury caused by the negligence of the Association or any of its Members or agents in their capacities as such, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least Five Million (\$5,000,000.00) Dollars.

(b) All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as trustee, for the respective benefitted parties, as further identified in subparagraph (ii), below. Such insurance shall be governed by the provisions hereinafter set forth:

(i) All policies shall be written with a company licensed to do business in Georgia.

(ii) All policies on the Common Area and Area of Common Responsibility shall be for the benefit of the Association and its Members.

(iii) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee may be prohibited from participating in the settlement negotiations, if any, related thereto.

(iv) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.

(v) All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be reviewed annually by one or more qualified persons.

(vi) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(A) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners and their respective tenants, servants, agents, and guests;

(B) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(C) a provision that no policy may be canceled, invalidated, suspended or subjected to nonrenewal on account of any one or more individual Owners;

(D) a provision that no policy may be canceled, invalidated, suspended, or subjected to nonrenewal on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or Mortgagee;

(E) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(F) that no policy may be canceled or substantially modified or subjected to nonrenewal without at least thirty (30) days' prior written notice to the Association.

(c) In addition to the other insurance required by this Section, the Board shall obtain workmen's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but if reasonably available, shall not be less than three (3) months assessments plus a reasonable amount to cover all or a reasonable portion of reserve funds in the custody of the Association at any time during the term of the bond; provided, however, fidelity coverage herein required may be reduced based on financial controls which take one or more of the following forms: (a) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (b) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (c) two members of the Board of Directors must sign any checks written on the reserve account. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, substantially modified, or subjected to nonrenewal without at least thirty (30) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, steam boiler coverage, and flood insurance, if and to the extent necessary to satisfy the requirements of The Mortgage Corporation or the Federal National Mortgage Association.

Section 2. Individual Insurance. Each Owner of a Lot on which a permanent structure has been erected shall carry blanket all-risk casualty insurance, if reasonably available, or if not reasonably available, fire and extended coverage, on his or her Lot and structures constructed thereon. Each Owner further covenants and agrees that in the event of damage and destruction of structures on his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IX of these By-Laws, unless a determination not to rebuild is made in accordance with Article IX. The Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the Community-Wide Standard of Common Area.

Article IX Repair and Reconstruction

Section 1. General. In the event of damage to or destruction of all or any part of the Community as a result of fire or other casualty, unless eighty (80%) percent of the Lot Owners, vote 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.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to all or any part of the Common Area or Area of Common Responsibility covered by insurance written in the name of the Association, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. 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 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, a special assessment shall be made against all of the Lot Owners without the necessity of a vote of the Members or compliance with Article VII, Section 4 above. 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 Community was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Board of Directors.

(d) Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Lot 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 Article to be disbursed 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.

Article X Architectural Controls

Section 1. Architectural Standards. Except as provided herein, no Owner, Occupant, or any other person may make any encroachment onto the Common Area, or make any exterior change, alteration, or construction (including painting) without first obtaining the written approval of the Architectural Review Committee ("Committee"). The word "construction" shall include within its meaning staking, clearing, excavation, grading and other improvements. The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings, Lots and structures, the location in relation to surrounding Lots and structures, and the surrounding topography.

The primary purpose of these architectural controls is to protect and preserve property values in the Community by maintaining architectural and aesthetic harmony and compatibility among the Lots and the structures on the Lots in the Community. The architectural controls and standards may be designed and applied to reflect that Lots within the Community are of varying sizes, topographies and locations, and that improvements and modifications suitable for one Lot may be inappropriate for another Lot. Therefore, the Architectural Review Committee is authorized to apply or adopt different standards for different Lots to reflect the varying sizes and layouts of Lots within the Community. Specifically, the Architectural Review Committee may, for example, allow an improvement, modification or change which cannot be seen from any street or other Lot within the Community at any time during the year, including winter, but prohibit the same change if it can be seen from any street or other Lot within the Community.

Applications for approval of any such architectural modification shall be in writing and shall provide such information as the Committee may reasonably require. The Committee or its designated representative shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. Additionally, the Architectural Review Committee may provide partial or conditional approval of

plans subject to the Owner or applicant meeting further conditions as set forth and determined by the Architectural Review Committee.

The Board or the Committee may publish written architectural standards for exterior and Common Area alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing buildings and Lots and the location in relation to surrounding structures and topography of the vicinity.

The Architectural Review Committee or the Board of Directors, subject to this subparagraph, may allow such encroachments on the Common Area as it deems acceptable.

In the event that the Committee or its designated representative fails to approve or to disapprove such application within forty-five (45) days after the application and such information as the Committee may reasonably require shall have been submitted, its approval will not be required and this subparagraph (a) will be deemed complied with; provided, however, even if the requirements of this subparagraph are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration, the By-Laws, or the rules and regulations.

(b) Architectural Review Committee. The Architectural Review Committee shall constitute a standing committee of the Association. The Committee shall consist of the Board of Directors unless the Board delegates to other Lot Owners the authority to serve on the Committee. The Board may delegate such authority to individual Lot Owners by resolution, or the Board may call for a special election by the Association to select the Lot Owners to whom the authority shall be delegated. At all times, however, the chairperson of the Committee shall be a member of the Board of Directors.

(c) Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance to and on such change, modification, addition, or alteration. In the discretion of the Board or the Committee, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

(d) Appeal. In the event that the Architectural Review Committee disapproves any application or part thereof the applicant shall have the right to request an appeal of the Architectural Review Committee's decision to the full Board of Directors. The Owner or the applicant shall give notice to the Board of Directors of its request to appeal of the Architectural Review Committee's decision within ten (10) days of receipt of the notice of disapproval. The Board of Directors shall take action to review the decision of the Architectural Control Committee within thirty (30) days of the date of receipt of the Owner's or applicant's notice of its intent to appeal. The decision of the Board of Directors shall be final.

(e) Limitation of Liability. Review and approval of any application pursuant to this Article may be made on any basis, including solely the basis of aesthetic considerations, and neither the Board of Directors nor the Architectural Review Committee shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Association, the Board of Directors, the Architectural Review Committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction or modifications to any Lot.

(f) No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board of Directors and the Architectural Review Committee will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. The approval of either the Board of Directors or the Architectural Review Committee of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors or the Architectural Review Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

(g) Enforcement. Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorney's fees, may be assessed against the benefitted Lot and collected as an assessment pursuant to this Declaration.

Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the architectural standards may be excluded by the Board from the Community, subject to the notice and hearing procedures contained in the By-Laws of the Association. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this Article.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this Article and its decisions or those of the Architectural Review Committee.

If any Owner or Occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Area in violation of this Article, he or she does so at his or her sole risk and expense. The Board may require that the change, alteration or construction remain on the Common Area without reimbursement to the Owner or Occupant for any expense he or she may have incurred in making the change, alteration or construction.

Article XI Use Restrictions

Each Owner of a Lot shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of the Declarations, the By-Laws and the rules and regulations of the Association. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or Occupants, the Association may take action against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or Occupants.

Article XII 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, postage prepaid:

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

(b) If to an Occupant, at the address of the Lot occupied; or

(c) If to the Association, the Board of Directors or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary.

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 these By-Laws or the Declaration.

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 these By-Laws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in 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 of the Association may be set by resolution of the Board of Directors. In the absence of such resolution by the Board of Directors, the fiscal year shall be May 1 - April 30.

Section 6. Financial Review. A financial review of the accounts of the Association shall be performed 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 Association vote, require that the accounts of the Association be audited as a Common Expense by an independent accountant.

Section 7. Conflicts. The duties and powers of the Association shall be those set forth in the Georgia Nonprofit Corporation Code, the Declarations, these By-Laws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the Georgia Nonprofit Corporation Code, the Declarations, these By-Laws, or the Articles of Incorporation, then the provisions of the Georgia Nonprofit Corporation Code, as may be applicable, the Declarations, the Articles of Incorporation and these By-Laws, in that order, shall prevail, and each Owner of a Lot, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

Section 8. Amendment. In accordance with O.C.G.A. § 14-3-1022 these By-Laws may be amended by the Members by two-thirds (2/3) of the votes cast or a majority of the eligible voting power, whichever is less. Notice of any meeting at which an amendment will be considered or the written ballots in lieu of a meeting shall state that fact and the subject matter of the proposed amendment. No amendment shall become effective until it is certified by the President and Secretary of the Association. Any amendment duly certified and recorded shall be conclusively presumed to have been duly adopted in accordance with the By-Laws. Owners whose voting rights have been suspended pursuant to these By-Laws shall not be counted as eligible votes toward the amendment requirement.

Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

Section 9. Books and Records.

(a) All Members of the Association and any institutional holder of a first Mortgage shall be entitled to inspect the following records at a reasonable time and location specified by the Association, upon written request at least fifteen (15) days before the date on which the member wishes to inspect and copy:

(i) its Articles or restated Articles of Incorporation and all amendments to them currently in effect;

(ii) its By-Laws or restated By-Laws and all amendments to them currently in effect;

(iii) resolutions adopted by either its Members or Board of Directors increasing or decreasing the number of directors or the classification of directors, or relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members;

(iv) resolutions adopted by either its Members or Board of Directors relating to the characteristics, qualification, rights, limitations, and obligations of Members or any class or category of Members;

(v) the minutes of all meetings of Members and records of all actions approved by the Members for the past three (3) years;

(vi) all written communications to Members generally within the past three (3) years, including the financial statements furnished for the past three (3) years;

(vii) a list of the names and business or home addresses of its current directors and officers; and

(viii) its most recent annual report delivered to the Secretary of State.

(b) A member may inspect and copy the following records upon written notice at least five (5) business days before the date on which the member wishes to inspect and copy only if the member's demand is made in good faith and for a proper purpose that is reasonably relevant to the member's legitimate interest as a member; the member describes with reasonable particularity the purpose and the records the member desires to inspect; the records are directly connected with this purpose; and the records are to be used only for the stated purpose:

(i) excerpts from minutes of any Board meeting, records of any action of a committee of the Board while acting in place of the Board on behalf of the Association, minutes of any meeting of the Members, and records of action taken by the Members or the Board without a meeting, to the extent not subject to inspection under subsection 9(a);

(ii) accounting records of the Association; and

(iii) the membership list only if for a purpose related to the member's interest as a member. Without the consent of the Board, a membership list or any part thereof may not be: used to solicit money or property unless such money or property will be used solely to solicit the votes of the Members in an election to be held by the Association; used for any commercial purpose; or sold to or purchased by any person.

The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the Member.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Coosawattee River Resort Association, Inc., a Georgia corporation;

That the foregoing By-Laws constitute the Amended and Restated By-Laws of said Association, as duly adopted by the Board of Directors and the Members of the Association on the 6th day of October, 1994.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 22nd day of October, 1994.

COOSAWATTEE RIVER RESORT ASSOCIATION, INC.

[SEAL]

John B. Davis
Secretary

STATE OF GEORGIA
COUNTY OF GILMER

AMENDMENT TO THE BYLAWS
OF THE
COOSAWATTEE RIVER RESORT ASSOCIATION, INC.

WHEREAS, By-Laws of the Coosawatee River Resort Association, Inc. were adopted by the membership on Aug 26th, 1995; and

WHEREAS, Article X, Section 8 of the By-Laws provides for their amendment by the Members by two-thirds (2/3) of the votes cast or a majority of the eligible voting power, whichever is less; and

WHEREAS, the following amendment was approved by members by two-thirds (2/3) of the votes cast or a majority of the eligible voting power whichever is less;

NOW, THEREFORE, the By-Laws of the Coosawatee River Resort Association, Inc. are hereby amended as follows:

1.

Article I is amended by adding thereto a new Section (r) as follows:

(r) Voting Member shall mean a Member who has paid the current year's assessment and who is also a Member in Good Standing.

2.

Article II, Section 6 is amended by inserting the following: "or if the owner is not a voting member as defined herein." at the end of the fifth sentence in that paragraph so, as amended, the fifth sentence shall read as follows:

No Owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, if that Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due to the Association or if the Owner has had its voting rights suspended for the infraction of any provision of the Declarations, these By-Laws, or any rule/regulation of the Association, or if the Owner is not a Voting Member as defined herein.

3.

Article IV, Paragraph A, Section 2(a) is amended by adding to the end of that sentence the following: "thereafter all persons shall be elected to a term of three (3) years" so, as amended, that paragraph shall read as follows:

At the first annual meeting of the Association after these By-Laws are adopted, eighteen (18) directors shall be elected and their terms shall be staggered on a one (1), two (2) and three (3) year basis, and thereafter for a three (3) year term, as follows:

IN WITNESS WHEREOF, the undersigned officers of the Cocosmattee River Resort Association, Inc. do hereby certify that the above amendments to the By-Laws were duly adopted this 26th day of August, 1995.

COCSAMATTEE RIVER RESORT ASSOCIATION, INC.

By: James W. Hanker
President

Attest: Andrew J. Fick
Secretary

[CORPORATE SEAL]

Signed, sealed, and delivered this 26th day of December, 1995.

Judy Wilson
Witness
Wanda A. Vojles
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES AUG. 28, 1999

[NOTARY SEAL]



STATE OF GEORGIA
COUNTY OF GILMER

**AMENDMENT TO THE BYLAWS OF THE COOSAWATTEE
RIVER RESORT ASSOCIATION, INC.**

WHEREAS, Original By-Laws of the Coosawattee River Resort Association, Inc. were adopted by the membership on October 6, 1994; and

WHEREAS, Article X, Section 8 of the By-Laws provides for their amendment by the Members by two-thirds (2/3) of the votes cast or a majority of the eligible voting power, whichever is less; and

WHEREAS, the following amendment was approved by the members by two-thirds (2/3) of the votes cast;

NOW, THEREFORE, the By-Laws of the Coosawattee River Resort Association, Inc. are hereby amended as follows:

Article VII., Section 7 A.

Capital Contribution Assessment. In addition to annual, special and specific assessments, all Members are subject to a Capital Contribution Assessment. Upon acquisition of a deed to a lot, or in the event of a tax sale – when the purchaser is able to foreclose the equitable right of redemption, the purchaser/transferee shall make a one time contribution (hereinafter “Capital Contribution Assessment”) to the Coosawattee River Resort Association, Inc. (“CRRA”). The amount of the Capital Contribution Assessment shall be determined by the CRRA Board of Directors on an annual basis consistent with how annual membership dues and special assessments are determined pursuant to the various Declaration of Covenants, Conditions, and Restrictions for the subdivisions and CRRA By-Laws; however, in no event will the capital contribution be greater than 125% of the current year’s annual membership dues.

The Capital Contribution Assessment shall be deposited by CRRA into an interest bearing capital reserve account and shall be used solely for capital expenses, including but not limited to new capital assets, refurbishing of capital assets, and/or replacing of capital assets. The Capital Contribution Assessment shall be an assessment under the covenants and shall not be considered an advance payment towards any annual membership dues or other assessments charged by CRRA. CRRA shall have all rights under the Declaration of Covenants, Conditions, and Restrictions, By-Laws and Rules and Regulations for enforcement and collection of assessments if the Capital Contribution Assessment is not paid within thirty (30) days of the transfer of a deed to property, or in the event of a tax sale, if the Capital Contribution Assessment is not paid within thirty (30) days of the date upon which the purchaser is legally able to foreclose the equitable right of redemption. The Capital Contribution Assessment shall be charged to the purchaser/transferee each time a lot is sold or transferred. No transfers are exempt from the Capital Contribution Assessment unless the CRRA Board of Directors approves said exemption. Exemptions are considered on a case by case basis but generally fall into one of the following categories: 1) situations in which at least one name appears in both the Grantor and Grantee portion of the deed; and 2) situations involving a transfer of a property through an estate or as the

result of a death. Lastly, the Coosawattee River Resort Association, Inc. is exempt from paying any Capital Contribution Assessment.

Article VII., Section 7 B.

Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of new assets, 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 and amounts taken from the most recent reserve study, with respect both to amount and timing by equal annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

IN WITNESS WHEREOF, the undersigned officers of the Coosawattee River Resort Association, Inc. do hereby certify that the above amendments to the By-Laws were duly adopted, in accordance with the authority granted to the Membership, this 8th day of March, 2008.

Coosawattee River Resort Association, Inc.

By: _____

President

Attest: _____

Assistant Secretary



Signed, sealed and delivered
this 8th day of March, 2008.

Katrina Funchess Burrell

Witness

Kyle D. Probst

Notary Public

My Commission Expires: 1-9-2009



DOCH# 007090
FILED IN OFFICE
08/19/2008 12:53 PM
BK:1496 PG:338-341
GLENDA SUE JOHNSON
CLERK OF SUPERIOR

Return to: Coosawattee River Resort
634 Beaver Lake Drive, Unit 634
Ellijay, Georgia 30540

COURT
GILMER COUNTY

STATE OF GEORGIA

COUNTY OF GILMER

Indexing Note: Index in Grantor Index under:

Cross Reference:

Deed Book 126

Page 236

Deed Book 126

Page 290

Deed Book 126

Page 295

Deed Book 126

Page 297

Deed Book 147

Page 145

Deed Book 1106

Page 314

Deed Book 106

Page 116

Deed Book 1463

Page 226

Beaver Forest Chalet Villas Owners Association, Inc.
Beaver Forest Chalet Villas Condominium Association, Inc.
Coosawattee River Resort Association, Inc.

AFFIDAVIT OF JAMES C. LYONS, PRESIDENT
COOSAWATTEE RIVER RESORT ASSOCIATION, INC.

Personally appeared before me, the undersigned officer, JAMES C. LYONS, who being duly sworn according to law deposes and says on oath as follows:

1.

That he is presently the President of Coosawattee River Resort Association, Inc. ("Association"), a Georgia non-profit corporation and that he has custody of the corporate records thereof;

2.

That he has personal knowledge of the facts sworn to in this Affidavit and that he is authorized to make this Affidavit and does make this Affidavit both personally and on behalf of the Association;

3.

That the attached Exhibit "A" represents an amendment to the Bylaws of the Coosawattee

River Resort Association, Inc., as amended ("Bylaws") which governs the membership in the Association of owners within the development commonly referred to as Coosawattee River Resort in Gilmer County, Georgia.

This Affidavit is made for the purpose of providing general notice in the land records of Gilmer County, Georgia, of the Bylaws of the Association described herein. The statements contained herein are true and correct to the best knowledge of the undersigned.

This 11 day of August, 2008.


James C. Lyons, President
Coosawattee River Resort Association, Inc.

[CORPORATE SEAL]

Sworn to and subscribed to
before me this 11 day of
~~March~~, 2008.
August


Alesha Watkins
Witness


Kyle D. Probst
Notary Public



My Commission Expires:
9-9-2009



[NOTARY SEAL]

STATE OF GEORGIA
COUNTY OF GILMER

Exhibit "A"

**AMENDMENT TO THE BYLAWS OF THE COOSAWATTEE
RIVER RESORT ASSOCIATION, INC.**

WHEREAS, Original By-Laws of the Coosawattee River Resort Association, Inc. were adopted by the membership on October 6, 1994; and

WHEREAS, Article X, Section 8 of the By-Laws provides for their amendment by the Members by two-thirds (2/3) of the votes cast or a majority of the eligible voting power, whichever is less; and

WHEREAS, the following amendment was approved by the members by two-thirds (2/3) of the votes cast at the Annual Meeting on August 9, 2008 by the following vote 2,119 votes in favor of the amendment and 39 against the amendment with 0 abstentions;

NOW, THEREFORE, the By-Laws of the Coosawattee River Resort Association, Inc. are hereby amended as follows:

ARTICLE II, Section 6:

Voting. Each Lot shall be entitled to one equally weighted vote, with the exception of timeshare interests, timeshare intervals, timeshare estates and condominiums within the Community which shall have one fifth (1/5) of a vote per unit week(s), which vote may be cast by the Owner, the Owner's spouse, or by a lawful proxy as provided below. When more than one (1) Person owns a Lot (including timeshares), the vote for such Lot (including timeshares) shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot (including timeshares). If only one (1) co-owner attempts to cast the vote for a Lot, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for such Lot (including timeshares). In the event of disagreement between or among co-owners and an attempt by two (2) 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. No Owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, if that 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 if the Owner has had its voting rights suspended for the infraction of any provision of the Declarations, these By-Laws, or any rule/regulation of the Association. If the voting rights of an Owner have been suspended, that Owner shall not be counted as an eligible vote for purposes of establishing a majority or a quorum or for purposes of amending these By-Laws.

ARTICLE II, Section 8:

(v)...delegation of all such rights to the Occupants of his or her Lot, if leased, and

(vi) each Owner of a timeshare interest, timeshare interval, timeshare estate, and condominium within the Community shall only be authorized to use the Common Area and Area of Common Responsibility only during their week(s) of ownership; however timeshare owners may use the

Common Area and Area of Common Responsibility at any time should they choose to pay the greatest annual assessments for that fiscal year.

ARTICLE VII, Section I:

The Association shall have the power to levy assessments as provided in the declarations and herein. The assessments for Common Expenses provided for herein shall be used for the general purpose of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of the Community as may be more specifically authorized from time to time by the Board. Except as otherwise provided, the amount of all Common Expenses shall be assessed equally against all Lots (excluding timeshares, which is addressed below) that are obligated to pay assessments. The timeshare interests, timeshare intervals, timeshare estates and condominiums within the Community shall be assessed annual assessments at twenty (20%) percent of the greatest annual assessments for that fiscal year; however timeshare owners may use the Common Area and Area of Common Responsibility at any time should they choose to pay the greatest annual assessments for that fiscal year.

IN WITNESS WHEREOF, the undersigned officers of the Coosawattee River Resort Association, Inc. do hereby certify that the above amendments to the By-Laws were duly adopted, in accordance with the authority granted to the Membership, this 11th day of August, 2008.

Coosawattee River Resort Association, Inc.

By: James C. Lewis
President

Attest: [Signature]
Assistant Secretary

Signed, sealed and delivered
this 11th day of August, 2008.

Alesha Watkins
Witness

[Signature]
Notary Public



My Commission Expires: 1-9-2009



DOCH 006118
FILED IN OFFICE
10/14/2010 01:30 PM
BK:1635 PG:268-271
GLENDA SUE JOHNSON
CLERK OF SUPERIOR
COURT
GILMER COUNTY

Return to: Coosawattee River Resort
634 Beaver Lake Drive, Unit 5160
Ellijay, Georgia 30540

STATE OF GEORGIA

COUNTY OF GILMER

Indexing Note: Index in Grantor Index under:

Cross Reference:

Deed Book 81

Page 187

Deed Book 111

Page 713

Deed Book 138

Page 448

Deed Book 103

Page 676

Deed Book 126

Page 236

Coosawattee River Resort Association, Inc.

The Villas at Coosawattee

Beaver Lake Estates Property Owners' Association, Inc.

Beaver Bend Property Owners Association, Inc.

Beaver Forest Property Owners Association, Inc.

Eagle's Mountain Resort Property Owners' Association, Inc.

AFFIDAVIT OF RHONDA COTTRELL, PRESIDENT
COOSAWATTEE RIVER RESORT ASSOCIATION, INC.

Personally appeared before me, the undersigned officer, RHONDA COTTRELL, who being duly sworn according to law deposes and says on oath as follows:

1.

That she is presently the President of Coosawattee River Resort Association, Inc. ("Association"), a Georgia non-profit corporation and that she has custody of the corporate records thereof;

2.

That she has personal knowledge of the facts sworn to in this Affidavit and that she is authorized to make this Affidavit and does make this Affidavit both personally and on behalf of the Association;

3.

That the attached Exhibit "A" represents the October 2, 2010 Amendment to the Bylaws of the Coosawattee River Resort Association, Inc., ("Bylaws") which governs the membership in the Association of owners within the development commonly referred to as Coosawattee River Resort in Gilmer County, Georgia.

This Affidavit is made for the purpose of providing general notice in the land records of Gilmer County, Georgia, of the Bylaws of the Association described herein. The statements contained herein are true and correct to the best knowledge of the undersigned.

This 4th day of October, 2010.

Rhonda Cottrell

RHONDA COTTRELL, President
Coosawattee River Resort Association, Inc.

[CORPORATE SEAL]

Sworn to and subscribed to
before me this 4th day of
October, 2010.

Stephena Princes Russell
Witness

Paul Douglas Probst
Notary Public

My Commission Expires:
My Commission Expires Jan. 19, 2013



[NOTARY SEAL]

STATE OF GEORGIA
COUNTY OF GILMER

Exhibit "A"

AMENDMENT TO THE BYLAWS OF THE COOSAWATTEE
RIVER RESORT ASSOCIATION, INC.

WHEREAS, Original By-Laws of the Coosawattee River Resort Association, Inc. were adopted by the membership on October 6, 1994; and

WHEREAS, Article X, Section 8 of the By-Laws provides for their amendment by the Members by two-thirds (2/3) of the votes cast or a majority of the eligible voting power, whichever is less; and

WHEREAS, the following amendment was approved by the members by two-thirds (2/3) of the votes cast at a valid Annual Meeting held on October 2, 2010;

NOW, THEREFORE, the By-Laws of the Coosawattee River Resort Association, Inc. are hereby amended as follows:

Amendment Number 1:

Added language is in bold and underlined. Deleted language is noted with a strikethrough.

Article III, Section 7. - Any Member entitle to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. A Member can assign a proxy to any person be voted on their behalf at the annual meeting or in any other vote held by the Association. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board by personal delivery, U.S. Mail, telefax transmission ~~to the~~, or other verifiable electronic means as approved by the Board of Directors so long as the proxy is received by the Secretary of the Board of Directors or other entity so designated by the Board of Directors. Proxies may be revoked only by written notice delivered to the Association, except that the presence in person by the giver of a proxy at a meeting for which the proxy is given shall automatically invalidate the proxy the proxy for that meeting. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy. No person may vote more than his or her own vote and the vote of one hundred (100) proxies; however, the Association or Board members may vote any number of proxies.

Article III, Section 8(d). - Ballots may be delivered to the Board by personal delivery, U.S. Mail, telfax transmission, or other verifiable electronic means as approved by the Board of Directors so long as the ballot is received by the Secretary of the Board of Directors or other entity so designated by the Board of Directors. A written ballot may not be revoked...

Amendment Number 2:

Article IV, Section 2(a)(vi), currently states:

“Three (3) Lot Owners from ~~the Beaver Forest Chalet Villas Owners Association~~ The Villas at Coosawattee shall be elected by Lot Owners in Beaver Forest Chalet Villas The Villas at Coosawattee at the annual meeting of Beaver Forest Chalet Villas Owners Association, Inc. Coosawattee River Resort Association, Inc. The terms of the Directors shall be determined as in (a)(i) above.”

IN WITNESS WHEREOF, the undersigned officers of the Coosawattee River Resort Association, Inc. do hereby certify that the above amendments to the By-Laws were duly adopted, in accordance with the authority granted to the membership, this 2nd day of October, 2010.

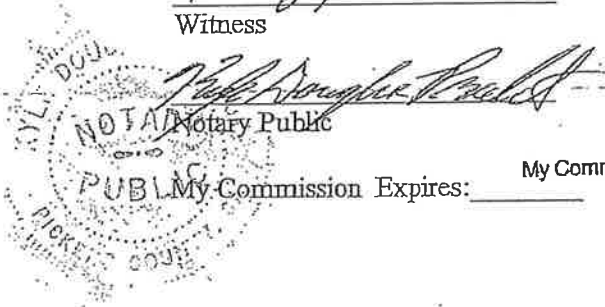
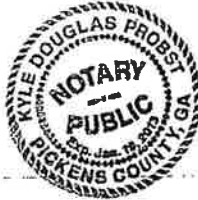
Coosawattee River Resort Association, Inc.

By: Rhonda Cottrell
RHONDA COTTRELL, President

Attest: Karen Williams
KAREN WILLIAMS, Secretary

Signed, sealed and delivered
this 4th day of October, 2010.

Betty J Reese
Witness



Kyle Douglas Probst
Notary Public

My Commission Expires Jan. 19, 2013

My Commission Expires: _____

COPY

DOCH 008141
FILED IN OFFICE
12/21/2012 02:54 PM
BK:1776 PG:71-76
GLENDA SUE JOHNSON
CLERK OF SUPERIOR
COURT
GILMER COUNTY

Return to: Coosawattee River Resort
634 Beaver Lake Drive, Unit 5160
Ellijay, Georgia 30540

STATE OF GEORGIA

COUNTY OF GILMER

Indexing Note: Index in Grantor Index under:

Cross Reference:

Deed Book 81

Page 187

Deed Book 111

Page 713

Deed Book 138

Page 448

Deed Book 103

Page 676

Deed Book 126

Page 236

Coosawattee River Resort Association, Inc.

The Villas at Coosawattee

Beaver Lake Estates Property Owners' Association, Inc.

Beaver Bend Property Owners Association, Inc.

Beaver Forest Property Owners Association, Inc.

Eagle's Mountain Resort Property Owners' Association, Inc.

AFFIDAVIT OF SUSAN GARDNER, PRESIDENT
COOSAWATTEE RIVER RESORT ASSOCIATION, INC.

Personally appeared before me, the undersigned officer, SUSAN GARDNER, who being duly sworn according to law deposes and says on oath as follows:

1.

That she is presently the President of Coosawattee River Resort Association, Inc. ("Association"); a Georgia non-profit corporation and that she has custody of the corporate records thereof;

2.

That she has personal knowledge of the facts sworn to in this Affidavit and that she is authorized to make this Affidavit and does make this Affidavit both personally and on behalf of the Association;

3.

That the attached Exhibit "A" represents the December 15, 2012 Amendment to the Bylaws of the Coosawattee River Resort Association, Inc., ("Bylaws") which governs the membership in the Association of owners within the development commonly referred to as Coosawattee River Resort in Gilmer County, Georgia.

This Affidavit is made for the purpose of providing general notice in the land records of Gilmer County, Georgia, of the Bylaws of the Association described herein. The statements contained herein are true and correct to the best knowledge of the undersigned.

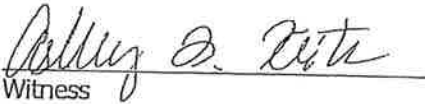
This 15th day of December, 2012.



SUSAN GARDNER, President
Coosawattee River Resort Association, Inc.

[CORPORATE SEAL]

Sworn to and subscribed to
before me this 15th day of
December, 2012.



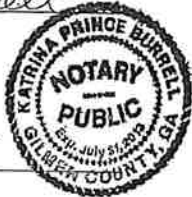
Witness



Notary Public

My Commission Expires:

07-31-2013



[NOTARY SEAL]

EXHIBIT "A"

BK=1776 PG=73

STATE OF GEORGIA
COUNTY OF GILMER

AMENDMENT TO THE BYLAWS OF THE COOSAWATTEE RIVER RESORT ASSOCIATION, INC.

WHEREAS, Original By-Laws of the Coosawattee River Resort Association, Inc. were adopted by the membership on October 6, 1994; and

WHEREAS, Article XII, Section 8 of the By-Laws provides for their amendment by the Members by two-thirds (2/3) of the votes cast or a majority of the eligible voting power, whichever is less; and

WHEREAS, It is the intent of this amendment to allow existing Lots in the Community to be combined thus reducing the total number of Lots and Memberships in the Association, and to adjust assessments and voting rights; and

WHEREAS, the following amendment was approved by the members by two-thirds (2/3) of the votes cast by written ballot sent to those members in good standing;

NOW, THEREFORE, the By-Laws of the Coosawattee River Resort Association, Inc. are hereby amended as follows:

1.

Article I, Section 1 (q) is amended by deleting that Section in its entirety and replacing it with the following:

Article I, Section 1(q). -- Lot shall mean, a portion of the Community intended for individual ownership and use as more particularly described on a plat of survey of record in the Gilmer County, Georgia land records as of July 1, 1995 ("Existing Lots") and shall include, without limitation, units within any condominium, and the Lot(s) resulting from the combination or subdivision of Lot(s) in accordance with these By-Laws ("New Lot"). The term "Lot" shall also refer to timeshare interests, timeshare intervals, and timeshare estates in property located within the Community.

2.

Article II, Section 4 Membership is amended by adding the following sentence to the end of that Section:

When Existing Lots are combined into a New Lot, the Membership appurtenant to each Existing Lot that is combined shall merge and only one Membership shall be appurtenant to the New Lot.

3.

Article II, Section 6, Voting, as previously amended, is amended by striking the first sentence in its entirety and replacing it with the following:

Each Lot, including a New Lot, shall be entitled to one equally weighted vote with the exception of timeshare interests, timeshare intervals, timeshare estates and condominium units within the Community which shall have 1/5 of a vote per unit week(s), which vote may be cast by the Owner, the Owner's spouse, or by a lawful proxy as provided below.

4.

Article IV, C, is amended by adding the following Section 19:

Section 19. Combined and Subdivided Lots. In accordance with the requirements set forth herein, beginning January 1, 2013, the Board shall recognize as a "Lot" the New Lot resulting from the combination of Existing Lots. The New Lot shall be subject to annual assessments as set forth in Article VII, Section 10 commencing at the beginning of the Association's next fiscal year. Notwithstanding that such interests are defined as a "Lot" in Article I, Section 1(q), this Section shall not apply to timeshare interests, timeshare intervals and timeshare estates in property located within the Community.

- (i) Lot Subdivision: No Lot may be subdivided into smaller Lots without the prior written approval of the Board. If a New Lot is to be subdivided, the Board may, in its sole discretion, impose conditions.
- (ii) Administrative Fee: It is recognized that the combination and subdivision of Lots creates substantial administrative and other burdens on the Association. These additional burdens include, but are not limited to, maintaining records of Lots as they exist at a given time, searching the Gilmer County, Georgia land records to determine the Owner and prior configuration of Lots, budgeting without the certainty of a fixed number of Lots in the Community and a reduction in the number of lots subject to annual assessments. Accordingly, the Board may establish rules and regulations to govern the process by which Lots may be combined and subdivided and may establish a fee schedule and charge a one-time fee for each New Lot. The initial fee schedule for Existing Lots combined into a New Lot is set forth below and said fees may be increased, decreased or otherwise modified by the Board, in its sole discretion, at any time after December 31, 2013.
- (iii) Moratorium: The Board may impose a moratorium on the combination of Existing Lots into a New Lot or the subdivision of Existing Lots and/or New Lots at any time. Any moratorium shall commence January 1st of a calendar year and shall not exceed one year. However, within 90 days prior to expiration, the Board may extend a moratorium for subsequent periods of up to one calendar year. To be effective, notice of each moratorium must be recorded in the Gilmer County

land records prior to the effective date and be indexed to the respective declarations of covenants that govern the Lots subject to the moratorium.

- (iv) Record Date: The number of Lots in the Community for the purposes of annual assessments for the Association's fiscal year shall consist of the Existing Lots and New Lots as of December 31 of the preceding calendar year. However, the number for the fiscal year beginning May 1, 2013 shall be calculated as of March 15, 2013.
- (v) Conditions: No Lot may be combined or subdivided until the following conditions are satisfied:
 - a. All Existing Lots to be combined into a New Lot must be in good standing and all assessments, late fees, interest, fines, attorney's fees and all other charges must be paid in full;
 - b. Only Existing Lots that share at least one partial boundary line can be combined;
 - c. Payment of an administrative fee of \$50.00 per Existing Lot combined into a New Lot, with a current maximum fee of \$250.00;
 - d. A plat or survey reflecting the Existing Lots combined into a New Lot must be filed in the land records of the Gilmer County Clerk of Superior Court and a file-stamped copy submitted to the Association. Said plat or survey must contain an express reference to the Coosawattee development, the recorded Declaration to which the then Existing Lots and New Lot are subject, and to the Association by name.

5.

Article VII is amended by adding the following Section 10:

Article VII, Section 10. Assessments After Lots Combined. Existing Lots combined into a New Lot shall be annually assessed pursuant to the following schedule beginning the fiscal year after creation of the New Lot:

- Two Lots combined into one: 133% of the annual rate for uncombined Lots
- Three Lots combined into one: 167% of the annual rate for uncombined Lots
- Four or more Lots combined into one: 200% of the annual rate for uncombined Lots

A New Lot shall be subject to special and specific assessments in the same manner as all other Lots.

IN WITNESS WHEREOF, the undersigned Officers of the Coosawattee River Resort Association, Inc. do hereby certify that the above amendments to the By-Laws were duly adopted, in accordance with the authority granted to the membership, this 15th day of December, 2012.

Coosawattee River Resort Association, Inc.

By: Susan Gardner
SUSAN GARDNER, President

Attest: George M. Peck III
George M. Peck III, Secretary

Signed, sealed and delivered
this 15th day of December, 2012.

William D. Ditt
Witness

Katharine Burnell
Notary Public

My Commission Expires July 21, 2013

