

BYLAWS
OF
1350 North Morningside Condominium

ARTICLE I
Definitions

Unless the context otherwise requires, the terms used in these Bylaws shall have the same meaning as defined in the Declaration of Condominium 1350 North Morningside Condominium (the "Declaration").

ARTICLE II
General

Section 1. Applicability. These Bylaws provide for the self government of 1350 North Morningside Condominium Association, Inc. in accordance with the Articles of Incorporation of 1350 North Morningside Condominium Association, Inc. (the "Articles of Incorporation") and the Declaration.

Section 2. Name. The name of the corporation is 1350 North Morningside ~~Condominium~~ Association, Inc. (the "Association").

Section 3. Membership. An Owner of a Unit shall automatically become a member of the Association upon taking title to the Unit and shall remain a member for the entire period of ownership; as may be more fully provided below, a spouse of a member may exercise the powers and privileges of the member. If title to a Unit is held by more than one person, the membership shall be shared in the same proportion as the title, but there shall be only one membership and one vote per Unit. Membership does not include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Unit to which it appertains and shall be transferred automatically by conveyance of that Unit and may be transferred only in connection with the transfer of title.

Section 4. Voting. Each Unit shall be entitled to one vote which may be cast by the Owner, the Owner's spouse, or by a lawful proxy as provided below. When more than one person owns a Unit, the vote for such Unit shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. In the event of disagreement among such persons or an attempt by two or more of them to cast such vote or votes, such persons shall not be recognized and such vote or votes shall not be counted. No Owner shall be eligible to

vote, either in person or by proxy, or be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 5. Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group, as the context may indicate, totaling more than fifty (50%) percent of the total number of votes, Owners, or other groups. Unless otherwise specifically stated, the words "majority vote" mean more than fifty (50%) percent of those voting in person or by proxy. Unless otherwise provided in the Declaration or these Bylaws, all decisions shall be by majority vote.

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

ARTICLE III

Offices

Section 1. Registered Office. The Association shall maintain at all times a registered office in the State of Georgia and a registered agent at that office.

Section 2. Other Offices. The Association may also have offices at such other places both within and without the State of Georgia as the business of the Association may require.

ARTICLE IV

Meetings of Members

Section 1. Place of Meetings. All meetings of the members shall be held at the Condominium or at such other place within metropolitan Atlanta, Georgia as may be determined by the Board of Directors or the President and as shall be designated in the notice of said meeting.

Section 2. Annual Meetings. The regular annual meeting of the members shall be held within the first three months of the fiscal year of the Association, in each year, on a day and at an hour set by the Board of Directors.

Section 3. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, and shall be called by the President or the Secretary when so directed by the Board of Directors, or upon the written request of members who have a right to vote at least fifteen percent (15%) of all of the votes of the entire membership. Such a request shall state the purpose or purposes of the proposed meeting.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to each member, at his Unit, a notice of each annual meeting of the Association at least twenty (21) days prior to each annual meeting, and a notice of each special meeting at least ten (10) days, but no more than sixty (60) days prior to each annual or special meeting. Such notice shall state the purpose of any special meeting as well as the time and place where it is to be held. If any Owner wishes notice to be given at an address other than his Unit, 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 service of notice.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date and place thereof and the manner in which it has been called unless such member attends the meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of business.

Section 6. Voting. If there is a quorum, the affirmative vote of members holding the majority of the votes represented or present at the meeting and entitled to vote on the subject matter shall be the act of the members except as otherwise provided by law, by the Declaration, by the Articles of Incorporation or by these Bylaws.

Section 7. Quorum. Except as may be provided elsewhere, the presence of members entitled to cast one-third (1/3) of the votes of the Association, at the beginning of any meeting, shall constitute a quorum.

Section 8. Adjournment. Any meeting of the Association may be adjourned from time to time 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 an adjourned session, and no additional notice of such adjourned session shall be required.

Section 9. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member or his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the appointment form. Proxies must be dated and may be revoked only by written notice delivered to the Association, except that attendance at the meeting and voting in person by the member for whom a proxy is given shall automatically revoke the proxy.

Section 10. Action Without Meeting. Any action which may be taken by a vote of the members at a meeting may also be taken without a meeting if majority of the members who would have been entitled to vote upon the action at a meeting consent in writing to such action.

ARTICLE V Board of Directors

Section 1. Number. The number of members of the Board of Directors shall be at least three (3) but no more than five (5), the exact number of members of the Board of Directors to be fixed by resolution of the Board of Directors from time to time; provided that no decrease in number shall have the effect of shortening the term of any incumbent Director.

Section 2. Appointment and Election.

(a) Until the date upon which the Declarant's right to appoint and remove any member or members of the Board of Directors shall expire, as provided in the Declaration, all of the members of the Board of Directors shall be appointed and removed by the Declarant.

(b) From and after the expiration of the aforesaid right of the Declarant, at each annual meeting of the members, the members shall elect a Board of Directors by vote of a plurality of the votes cast.

(c) Effective at the first annual meeting of members after the Declarant's aforesaid right expires, the Directors shall be divided into three classes, class A, class B, and class C, each class to be as nearly equal in number as possible. The term of office of the Directors in the first class, class A, shall expire at the first annual meeting of members after the election of that class; the term of office of the Directors in the second class, class B, shall expire at the second annual meeting after the election of that class; the term of office of the Directors in the third class, class C, shall expire at the third annual meeting after the election of that class. At each annual meeting after such classification, the number of Directors equal to the number in the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting. After classification of Directors has taken effect, each Director (whether elected at an annual meeting of members or otherwise) shall

hold office until the annual meeting of members at which the term of his class expires and until a qualified successor shall be elected, or until his earlier death, resignation, incapacity to serve or removal.

(d) If the Board of Directors so decides, then in lieu of holding a meeting to elect a Board of Directors, the members may elect a Board of Directors by mail. In the case of an election of a Board of Directors by mail, written notice of such election shall be given as provided for above in Article IV, Section 4 of these Bylaws. The ballots shall be sent to the registered office of the Association in the State of Georgia or to such other place within or without the State of Georgia as may be determined by the Board of Directors or the President and as shall be designated in the notice of said election. Ballots cast by members entitled to cast one-half (1/2) of the votes of the entire membership shall be requisite and shall constitute a quorum, except as otherwise provided by law, by the Declaration, the Articles of Incorporation, or by these Bylaws. If there is no quorum, then the Board of Directors shall set another date for the election, to be held within a reasonable time, shall determine whether the election shall be conducted by mail or at a meeting, and shall give notice as provided for in Article IV, Section 4 of these Bylaws. If there is a quorum, the affirmative vote of members holding the majority of the votes cast and who are entitled to vote on the subject matter shall be the act of the members except as otherwise provided by law, by the Declaration, by the Articles of Incorporation or by these Bylaws.

(e) Directors need not be members.

(f) Each newly elected Board of Directors shall meet at the place and time which shall have been determined, in accordance with the provisions of these Bylaws, for the holding of the regular meeting of the Board of Directors scheduled to be held next following the annual meeting of the members at which the newly elected Board of Directors shall have been elected, or, if no place and time shall have been fixed for the holding of such meeting of the Board of Directors, then immediately following the close of such annual meeting of members and at the place thereof, or such newly elected Board of Directors may hold such meeting at such place and time as shall be fixed by the consent in writing of all Directors. In any such case no notice of such meeting to the newly elected Directors shall be necessary in order to legally constitute the meeting.

Section 3. Removal of Members of the Board of Directors. At any regular or special meeting of the Association duly called, after Declarant is no longer authorized to appoint and remove Directors, 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 and a successor may then and there be elected by the members to fill the vacancy thus created. A Director may be removed only at a meeting called for the purpose of removing him, and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Director.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason, including the addition of a new Director or Directors, other than the removal of a Director by vote of the Association, shall be filled by a vote of the majority of the remaining Directors, even though less than a quorum, for the remainder of the term of the member being replaced.

Section 5. Compensation. Directors shall not be compensated unless and to the extent the members, except Declarant, of the Association authorize compensation at any meeting duly called for that purpose.

Section 6. 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 of Directors.

Section 7. 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 or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Section 8. Waiver of Notice. Any Director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall also constitute a waiver of notice by him of the time and place of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 9. Conduct of Meetings; Quorum. 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 meeting. Roberts Rules of Order (latest edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration or these Bylaws unless otherwise agreed prior to the meeting by the Board of Directors. A majority of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, by the Declaration, by the Articles of Incorporation or by these Bylaws.

Section 10. Action Without a Meeting. Any action by the Board of Directors or any committee thereof required or permitted to be taken at any meeting may be taken without a meeting if a majority of the members of the Board of Directors or of such committee, as the case may be, shall consent in writing to such action. Such

written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 11. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Condominium and may do all such acts and things as are not by the Declaration, Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the members. The Board of Directors shall have the power to adopt such rules and regulations as it deems necessary and appropriate and to impose sanctions for violations thereof, including without limitation, monetary fines.

Section 12. Management Agent. The Board of Directors may employ for the Condominium a professional management agent or agents, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. Moreover, any management contract shall comply with the requirements of the Act and the Declaration.

ARTICLE VI Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other subordinate officers as in its judgment may be necessary. Any number of offices may be held by the same person.

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 of Directors following each annual meeting of the members. Each officer of the Association shall hold office for one year and until his successor is chosen and has qualified or until his earlier resignation, death or removal, or the termination of his office.

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

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association. 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 member from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association 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 nonprofit corporation organized in accordance with Georgia law.

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

Section 8. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, 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 VII Association Responsibilities

Section 1. Liability and Indemnification of Officers and Directors. Each person who is or was a Director or officer of the Association, and each person who is or was a Director or officer of the Association who at the request of the Association is serving or has served as an officer, Director, partner, joint venturer or trustee of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified by the Association against those expenses (including attorneys' fees), judgments, fines and amounts paid in settlement which are allowed to be paid or reimbursed by the Association under the laws of the State of Georgia and which are actually and reasonably incurred in connection with any action, suit, or proceeding, pending or threatened, whether civil, criminal, administrative or investigative, in which such person may be involved by reason of his being or having been a Director or officer of this Association or of such other enterprises. Such indemnification shall be made only in accordance with the laws of the State of Georgia and subject to the conditions prescribed therein.

In any instance where the laws of the State of Georgia permit indemnification to be provided to persons who are or have been an officer or Director of the Association or who are or have been an officer, Director, partner, joint venturer or trustee of any such other enterprise only on a determination that certain specified standards of conduct have been met, upon application for indemnification by any such person, the Association shall promptly cause such determination to be made: (i) if there are two or more disinterested Directors, by the Board of Directors of a majority vote of all the disinterested Directors (a majority of who shall for such purpose constitute a quorum), or by a majority of the members of a committee of two or more disinterested Directors appointed by such a vote; (ii) by special legal counsel selected in the manner prescribed in (i), or if there are fewer than two disinterested Directors, selected by the Board of Directors, in which selection Directors who do not qualify as disinterested Directors may participate; or (iii) by the members, but Directors who do not qualify as disinterested Directors may not vote as members on the determination.

As a condition to any such right of indemnification, the Association may require that it be permitted to participate in the defense of any such action or proceeding through legal counsel designated by the Association and at the expense of the Association.

The Association shall, if reasonably available, purchase and maintain insurance on behalf of any such persons whether or not the Association would have the power to indemnify such officers and Directors against any liability under the laws of the State of Georgia. If any expenses or other amounts are paid by way of indemnification, other than by court order, action by members or by an insurance carrier, the Association shall provide notice of such payment to the members in accordance with the provisions of the laws of the State of Georgia.

The insurance purchased and maintained by the Association shall be written as provided in Section 2 of this Article VII.

Section 2. Insurance. The Association shall obtain and maintain at all times as a common expense, insurance as required by the Declaration and by Section 44-3-107 of the Act, and as required herein.

(a) The Board of Directors shall obtain a master policy covering physical damage that will provide the following, if reasonably available:

(1) That the insurer waives its rights of subrogation of any claims against Directors, officers, the managing agent, individual Owners and their respective household members.

(2) That the master policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any Director, officer or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within the defect may be cured.

(3) That any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owners' policies from its operation.

(4) That the policy include a mortgagee's clause for the benefit of all mortgagees of Units.

(5) That the insurance will not be prejudiced by any acts or omission of individual Unit Owners that are not under the control of the Association.

(6) That the policy will be primary, even if a Unit Owner has other insurance that covers the same loss.

(7) That the master policy may not be canceled or substantially modified without at least ninety (90) days' prior notice in writing to the Board of Directors and all mortgagees of Units.

(8) That any Insurance Trust Agreement will be recognized.

(9) That the policy will include either a Guaranteed Replacement Cost Endorsement (whereby the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement (which waives the requirement for coinsurance); or a Replacement Cost Endorsement (whereby the insurer agrees to pay up to 100% of the property's replacement cost, but no more) and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement (which waives the requirement of coinsurance).

(10) That the maximum deductible amount (unless a higher amount is required by state law) per occurrence is the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount, and the funds to cover these deductible amounts shall be included in the operating reserve account that is maintained by the Association.

(11) That the policy shall include a Building Ordinance or Law Endorsement, if the enforcement of any building, zoning, or land-use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs. (The endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction.)

(12) That the policy shall include an Inflation Guard Endorsement, when it can be obtained.

(13) That all policies of insurance be written with a company holding a rating of "A-1" or better general policyholder's rating or a "8" or better financial performance index rating as established by A.M. Best Company, Inc.'s ("Best") Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports - International Edition, an "A" or better rating in Demotech, Inc.'s Hazard Insurance Financial Stability Ratings, a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's Inc.'s Insurer Solvency Review, or a "BBB" or better claims-paying ability rating in Standard and Poor's Inc.'s International Confidential Rating Service. If the insurance is written by a company that does not meet any one of these requirements, the company must be covered by reinsurance with a company that meets either one of the Best's general policyholder's ratings or one of the Standard and Poor's Inc.'s claims-paying ability ratings mentioned above.

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

(c) In addition to the insurance required herein above, the Board of Directors shall obtain as a common expense:

(1) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law.

(2) Public liability and officers' and Directors' liability insurance in such amounts as the Board of Directors may determine but in no event less than that required by Section 44-3-107 of the Act. Such insurance shall, to the extent reasonably feasible, contain a cross liability endorsement.

(3) Fidelity bonds covering officers, Directors, employees and other persons who handle or are responsible for handling Association funds as set forth in the Declaration. Such bonds shall contain waivers of any defense based upon the exclusion of persons serving without compensation.

(4) Comprehensive boiler insurance, if necessary.

(5) Such additional insurance in amounts as may be required by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration and the U. S. Department of Housing and Urban Development.

(6) Such other insurance as the Board of Directors may determine to be necessary.

(d) All policies of insurance shall be written by companies approved by First Mortgagees based upon reasonable underwriting standards.

Section 3. Repair and Reconstruction. Unless the Unit Owners vote not to proceed with the reconstruction and repair of damaged Property pursuant to the provisions of the Declaration, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the damaged Property in accordance with the plats and plans. In the event of damage or destruction, each First Mortgagee shall be entitled to written notice of the damage, and nothing in these documents shall be construed to afford a priority to any Unit Owner with respect to the distribution of proceeds to any such Unit.

Section 4. Procedure for Repair and Reconstruction. Procedure for repair and reconstruction shall be:

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Unit) to substantially the same condition in which it existed before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the Board of Directors, or if 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, assessments shall be made pursuant to the Declaration. If after repair and reconstruction is completed there is a surplus of funds, such funds shall be disbursed as provided in the Declaration.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, if available, but, in any event, plans and specifications substantially similar in design, quality and appearance, unless otherwise approved pursuant to the Declaration.

(d) Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose property such encroachments exists. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand, provided such encroachment is not dangerous or does not have a material adverse affect on the value of the Unit.

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

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

(g) Insurance Deductibles. If maintenance is required as a result of an insured loss, the amount of the deductible shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such repair in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board of Directors among the parties suffering loss in accordance with the total cost of repair.

ARTICLE VIII

Assessments

Section 1. Purpose of Assessment. The assessments for common expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and occupants of Units in the Condominium as may be more specifically authorized from time to time by the Board of Directors and as authorized by the Declaration, these Bylaws, the Articles of Incorporation, and the Act.

Section 2. Creation of a Lien and Personal Obligation for Assessments. Each Owner of any Unit by acceptance of a Deed, therefore, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association the assessment set forth in the Declaration which, together with interests, late charges, and reasonable attorney fees for collection, shall be a continuing lien upon the Unit. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the assessments shall be paid in monthly installments.

Section 3. Acceleration. If a Unit Owner shall be in default in payment of an installment of an assessment, including but not limited to the monthly installments based on the annual budget, the Board of Directors may accelerate the remaining installments upon ten days written notice to such Unit Owner, whereupon the entire unpaid balance of such installment shall become due upon the date stated in such notice.

Section 4. Computation of Operating Budget and Assessment. It shall be the duty of the Board of Directors to prepare a budget covering the estimated costs of operating the Condominium during the coming year.

Section 5. Supplementary Assessments. If the assessment proves inadequate for any year, the Board of Directors may at any time levy a supplementary assessment against all Unit Owners; provided, however, that prior to becoming effective, any supplementary assessment shall be subject to being disapproved by the affirmative vote of a majority of the total Association membership, in person or by proxy, at a special or annual meeting of the members, notice of which shall specify that purpose.

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

ARTICLE IX

Use Restrictions and Rule Making

Section 1. Authority and Enforcement. The Condominium shall be used only for those uses and purposes set out in the Declaration. The Board of Directors shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Units and the Common Elements, provided that copies of all such rules and regulations be furnished to all Owners. The Board of Directors shall have the power to impose reasonable fines which shall constitute a lien upon the property and to suspend an Owner's right to use the Common Elements and to suspend an Owner's right to vote for violation of any duty imposed under the Declaration, these Bylaws or any rules and regulations duly adopted hereunder.

Section 2. Procedure. The Association and any aggrieved Unit Owner may bring an action against Unit Owners for the failure to comply with all lawful provisions of the Declaration, the Bylaws, the rules and regulations, or with decisions of the Association made by the Association pursuant to authority granted it by such documents. The Unit Owners shall have similar rights against the Association. To enforce compliance by the Unit Owners or those persons entitled to occupy Units with all lawful provisions of the Declaration, the Articles, Bylaws and rules and regulations, in addition to all other rights and remedies available to the Association, the Board of Directors shall be empowered to impose and assess fines and suspend temporarily the right of use of certain Common Elements in such manner and to such extent as the

Board of Directors may from time to time determine; provided, however, that no such suspension shall deny any Unit Owner or occupant or guests access to the Unit owned or occupied, nor cause any hazardous or unsanitary condition to exist. The Board of Directors shall not impose fines or suspend any rights of a Unit Owner or occupant unless the following procedure is followed:

(a) Written demand to cease and desist from an alleged violation to be served upon the alleged violator specifying: (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than seven (7) days, during which the violation may be abated without further sanction if the violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing by the Board of Directors if the violation is not continuing;

(b) Within six months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Association shall serve the alleged violator with written notice of the hearing to be held by the Board of Directors. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the meeting, which time shall not be less than seven days from the giving of the notice; (iii) an invitation to attend the hearing and produce any statements, evidence and witnesses on his behalf; and (iv) the proposed sanction to be imposed; and

(c) The hearing shall be held pursuant to the notice affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard 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 alleged violator appears at the meeting. The Minutes of the Meeting shall contain a written statement of the results of the meeting and the sanction, if any, imposed.

ARTICLE X Miscellaneous

Section 1. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first class postage prepaid:

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

(b) If to the Association, the Board of Directors or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the notice in writing to the Owners pursuant to this Section.

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

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 Bylaws or the intent of any provision thereof.

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

Section 5. Fiscal Year. The fiscal year shall be the calendar year.

Section 6. Financial Statement. A financial statement of the accounts of the Association shall be made annually and a copy of the report shall be furnished to each member who requests a copy in writing. Upon written request of any First Mortgagee, such holder shall be entitled to receive a copy of the annual financial statement within one hundred twenty (120) days after the end of each fiscal year. If there is no audited financial statement available, any First Mortgagee may have an audited financial statement prepared at its own expense.

Section 7. Conflicts. In the event of conflicts between the Act, the Declaration and these Bylaws, the Act and the Declaration shall control, in that order.

Section 8. Condemnation. In the event of a taking by condemnation or by eminent domain, the provisions of the Act shall prevail and govern. Each First Mortgage shall be entitled to written notice of any such condemnation proceedings, and nothing in these documents shall be construed to give a priority to any Unit Owner in the distribution of proceeds to such Unit Owner.

Section 9. Amendment. Except as provided below and by Article X and other provisions of the Declaration regarding amendments to certain provisions of the Bylaws, these Bylaws may be amended at an annual or special meeting of the Board of Directors by a vote of two-thirds (2/3) of the members of the Board of Directors. These Bylaws may also be amended by the Declarant alone to correct a scrivener's error or for the purpose of complying with the requirements of any governmental or quasi-governmental entity authorized to fund, purchase, or guarantee security deeds on individual Units, as such requirements may exist from time to time, or to comply with the requirements of any title insurance company. Notice of any meeting at which an

amendment will be considered shall state that fact and the subject matter of the proposed amendment. Section 1 of Article VII of these Bylaws may only be amended by a vote of two-thirds (2/3) of the members of the Association. Notwithstanding the foregoing to the contrary, every amendment to these Bylaws is subject to the prior written approval of Declarant so long as Declarant owns any Unit primarily for the purpose of sale.