

**BY-LAWS OF
Lakes Edge Homeowners Association, Inc
As amended 2-9-2012**

ARTICLE 1

Name and Location

Section 1. Name. The name of the association is Lakes Edge Homeowners' Association, Inc., a Georgia nonprofit membership corporation, hereinafter referred to as the "Association."

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

ARTICLE 2

Definitions

Section 1. General. The terms used in these By-Laws, unless otherwise specified or unless the context otherwise requires, shall have the meanings specified in the Declaration of Covenants for Lakes Edge (hereinafter called the "Covenants").

ARTICLE 3

Membership and Voting Rights

Section 1. Membership. Each homeowner shall automatically be a member of the Association, which membership shall continue during the period of ownership by such Homeowner.

Section 2. Voting Rights. The Association shall have one class of voting membership which shall consist of all homeowners. Such owners shall be entitled to exercise voting rights as provided in the Covenants and as prescribed herein. The number of votes allocated to each home is as set forth in the Covenants. When a home is owned by other than one or more natural persons, the person entitled to cast the vote for such home shall be designated by a certificate signed by the record owner of such home and filed with the Secretary. Each such certificate shall be valid until revoked, superseded by a subsequent certificate or a change occurs in the ownership of such home. When a home is owned by more than one natural person, they may, without being required to do so, designate the person entitled to cast the vote for such home as provided above. In the

event they do not designate such a person, the following provisions shall apply:

(a) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the vote for the home, just as though he or she owned it individually, and without establishing the concurrence of the absent person or persons.

(b) If more than one of such owners, whether or not all of them, are present at a meeting and concur, any one of the owners may cast the vote for the owners.

(c) If more than one of such owners, whether or not all of them, are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

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

Section 3. Suspension of Voting Rights: During any period in which a homeowner shall be in default in payment of any assessment, the voting rights of such homeowner may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Homeowner may also be suspended, for a period not to exceed 30 days, for violation of any rules and regulations established by the Board of Directors.

ARTICLE 4

Meetings of Homeowners

Section 1. Annual Meetings: The first annual meeting of the Homeowners shall be called by the President within 12 months following the incorporation of the Association. Each subsequent regular annual meeting of the owners shall be held on the same day of the same month of each year thereafter unless otherwise provided by the Homeowners at any previous meeting. If the day for the annual meeting of the Homeowners is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Homeowners may be called at any time by the President or by the Board of Directors, or upon written request of the Homeowners who are entitled to vote at least fifty (50%) of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Homeowners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting at least 21 days in advance of any annual or regularly scheduled meeting, and at least seven days in advance of any other meeting, stating the time, place

and purpose of such meeting. Such notice shall be delivered personally or sent by United States mail, postage prepaid, or by E-Mail, to all Homeowners of record at such address or addresses as any of them may have designated, or, if no other address has been so designated, at the address of their respective Homeowners. Such notice shall also be sent by United States mail, postage prepaid, to each institutional holder of a first mortgage on a home having theretofore requested same in writing. Each such holder shall be permitted to designate a representative to attend each such meeting without voice or vote except pursuant to Section 5 of this Article 4.

Section 4. Quorum. The presence at the meeting of Homeowners and/or proxies entitled to cast more than one-third of the votes of the membership shall constitute a quorum for any action except as otherwise expressly provided in the Covenants. If, however, such quorum shall not be present or represented at any meeting, the Homeowners and/or proxies entitled to cast a majority of the votes thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. Subject to the provisions of Article III, Section 2, hereof, at all meetings of the Homeowners, each Homeowner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable, shall automatically cease upon conveyance by a Homeowner of his home and shall be effective only for the meeting specified therein and any adjournment thereof.

Section 6. Order of Business. The order of business at all annual meetings of the owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Election of Directors.
- (h) Unfinished business
- (i) New business.

Section 7. Decisions of Homeowners. Unless otherwise expressly provided in Covenants or these By-Laws, a majority of the votes cast on any particular issue shall be necessary to adopt decisions at any meeting of the Homeowners. When the Covenants or these By-Laws require the approval or consent of all or a specified percentage of mortgagees and/or other lien holders, no decision or resolution duly adopted by the Homeowners shall be effective or valid until such approval or consent shall be obtained..

Section 8. Conduct of Meetings. The President shall preside over all meetings of the Homeowners and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions duly adopted as well as a record of all transactions occurring at such meetings. The latest edition of Roberts Rules of Order shall govern the conduct of all meetings of the Homeowners when not in conflict with the Covenants or these By-Laws.

ARTICLE 5

Board of Directors

Section 1. Number and Qualifications. The Board of Directors of the Association shall be composed of five persons; each such person shall be a member of the Association **or the spouse of a member who is a resident of Lakes Edge Sub Division.**

Section 2. Election and Term of Office. Upon the termination of the Declarant's right to control the Association, the Declarant shall give at least seven days' written notice to each member of a special meeting of the members, to be held not more than 30 days after the date of such termination, to elect a new board of directors. At such meeting and at each annual meeting thereafter the Homeowners shall elect five directors for a term of one year each. Except in the case of death, resignation or removal, each director elected by the members shall serve until the annual meeting at which his term expires and until his successor has been duly elected and qualified. Persons receiving the largest number of votes at any election of directors shall be elected whether or not such number constitutes a majority of the votes cast. Cumulative voting shall not be permitted.

Section 3. Removals; Vacancies. Any director may be removed from the Board of Directors with or without cause, by a majority vote of the Homeowners theretofore entitled to elect such director. In the event of death or resignation of a director, his successor shall be selected by the remaining members of the board. In the event of removal of a director, his successor shall be elected by the Homeowners theretofore entitled to elect such director. Any such successor shall serve for the unexpired term of his predecessor.

Section 4. Annual Organization Meeting. The first meeting of the Board of Directors following each annual meeting of the Homeowners shall be held within ten days thereafter, at such time and place as shall be fixed by the newly elected directors at such annual meeting, and no notice shall be necessary in order legally to constitute such meeting.

Section 5. 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. Notice of the time and place of regular meetings shall be given to every director by mail, personal delivery, E-Mail or telephone at least three days prior to the date of such meeting.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by the President on two days' notice to every director given by mail, personal delivery, E-Mail or telephone and stating the time, place and purpose of the meeting. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of directors entitled to cast at least two votes at such meetings.

Section 7. Waiver of Notice; Action without Meeting. Whenever notice of a meeting of the Board of Directors is required to be given under any provision of these By-Laws, a written waiver thereof, executed by a director before or after the meeting and filed with the Secretary, shall be deemed equivalent to notice to the director executing the same. Attendance at a meeting by the director shall constitute a waiver of notice of such meeting by the director if such director attends the meeting without protesting prior thereto or at the meeting's commencement the lack of notice to him. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in any written waiver of notice. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting provided that all directors consent to the action in writing and the written consents are filed with the records of the proceedings of the Board of Directors. Such consents shall be treated for all purposes as a vote at a meeting.

Section 8. Voting; Quorum of the Board; Adjournment of Meetings. At all meetings of the Board of Directors, each director shall be entitled to cast one vote. The presence in person of directors representing at least two-thirds of the votes of the Board of Directors shall be a quorum at any Board of Directors meeting and a majority of the votes present and voting shall bind the Board of Directors and the Association as to any matter within the powers and duties of the Board of Directors.

Section 9. Powers and Duties. The Board of Directors shall have the powers and duties necessary for administration of the affairs of the Association and may do all such acts and things except as by law or the Covenants may not be delegated to the Board

of Directors by the Homeowners. In exercising its powers and duties, the Board of Directors shall take as its standard the maintenance of the general character of the Lakes Edge Sub Division as a residential community of the first class in the quality of its maintenance, use and occupancy. **Such powers and duties of the Board of Directors shall be exercised in accordance with the Covenants and these By-Laws and shall include without limitation powers and duties to:**

(a) Operate, care for, maintain, repair and replace the common areas and employ personnel necessary or desirable therefore.

(b) Determine common expenses of the Association.

(c) Collect assessments from the Homeowners.

(d) Adopt and amend rules and regulations covering the details of the operation and use of the common areas.

(e) Open bank accounts on behalf of the Association and designate the signatories required therefore.

(f) Manage, control, and otherwise deal with the common areas, including power to make shut-offs of common services and other interruptions of the normal functioning of the buildings to facilitate performance of any maintenance or repair work or the making of additions, alterations or improvements by the Association or the Homeowners pursuant to provisions of the Covenants. The Board of Directors shall use reasonable efforts to disrupt the Homeowners and occupants as little as possible in exercising such authority to effect shut-offs and other interruptions.

(g) Obtain and maintain insurance for the common areas.

(h) (1) Make additions and improvements to and alterations of the common areas, and (2) make repairs to and restoration of the property after damage or destruction by fire or other casualty, or as a result of condemnation.

(i) Enforce by any legal or equitable remedies available all obligations of the Homeowners or any of them to the Association. Such enforcement power shall include, without limitation, the power to levy, as assessments, fines against Homeowners for default in the performance of said obligations in such amounts as from time to time the Board of Directors may deem proper in the circumstances, but not in excess of \$100.00 for any one violation, counting each day a violation continues after notice from the Board of Directors as a separate violation. If any owner fails to pay a fine within ten days after notification thereof, the Board of Directors may levy, as assessments, additional fines to enforce payment of the initial fine.

(j) Conduct litigation and be subject to suit as to any cause of action involving the common elements or arising out of the enforcement of the Covenants or these By-Laws.

(k) Make contracts in connection with the exercise of any of the powers and duties of the Board of Directors.

(l) Take all other actions the Board of Directors deems necessary or proper for the sound management of the Lakes Edge Sub Division and fulfillment of the terms and provisions of the Covenants and these By-Laws.

In the case of those powers and duties specified in the foregoing clauses (d), (h), the Board of Directors need exercise the same only to the extent, if any, it deems necessary or desirable or is required to do so by vote of the Homeowners. The Board of Directors shall not be obligated to take any action or perform any duty imposed upon it requiring an expenditure of funds unless in its opinion it shall have funds of the Association sufficient therefore.

ARTICLE 6

Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary, the Treasurer, **and the Director at Large as determined by the Board of Directors.** One person may hold the office of Secretary and Treasurer simultaneously. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The Vice President may also hold the office of assistant secretary and perform the functions thereof in the absence of the Secretary. The President and Vice President, Secretary, and Treasurer, and Director at Large shall be members of the Board of Directors. Any other officers may be, but shall not be required to be, members of the Board of Directors.

Section 2. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 1 of this Article 6.

Section 3. President. The President shall be the chief executive of the Association. He shall preside at all meetings of the Homeowners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a corporation, including, but not limited to, the power to appoint

committees from among the Homeowners from time to time as he may, in his sole discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 4. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board of Directors or by the President.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Homeowners and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct. He shall, in general, perform all the duties incident to the office of secretary of a corporation and such other duties as shall, from time to time, be imposed upon him by the Board of Directors or by the President.

Section 6. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; he shall be responsible for the deposit of all monies and other valuable effects in the name of the Association, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a corporation and such other duties as shall, from time to time, be imposed upon him by the Board of Directors or by the President.

Section 7. Director at Large. The Director at Large shall have the responsibility of voting tie breaker on issues before the Board of Directors. Director at Large will be ombudsman for the members of the Association and will perform other duties as required by the Board of Directors.

Section 8. Compensation. Unless otherwise expressly provided by the Board of Directors, no officer shall receive compensation from the Association for acting as such, but shall be entitled to reimbursement from the Association as a common expense for reasonable out-of-pocket disbursements made by him in the performance of his duties. No officer shall be obligated to make any such disbursements.

ARTICLE 7

Offices and Directors: General Provisions

Section 1. Contracts with Interested Parties. No contract or transaction between the Association and one or more of its officers or directors, or between the Association and any other entity in which one or more of the Association's officers or directors are officers, directors, partners or trustees, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Association's officer or director is present at or participates in the meeting of the Board of Directors which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if (a) the material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board of Directors in good faith authorized the contract or transaction by a vote sufficient for such purpose without counting the vote or votes of the interested director or directors; or (b) the material facts as to his interest and as to the contract or transaction are disclosed or are known to the Homeowners entitled to vote thereon, and the contract or transaction is specifically approved or ratified in good faith by vote of such Homeowners; or (c) the contract or transaction is fair as to the Association as of the time it is authorized, approved or ratified by the Board of Directors or the Homeowners. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes the contract or transaction.

Section 2. Indemnification. Pursuant to the provisions of Section 3.7 of the Covenants, the Association shall indemnify its officers and directors to the extent provided in and subject to the limitations of the Covenants.

ARTICLE 8

Books and Records

Section 1. Books and Records. The Association shall keep such books and records as by law provided and shall make same available for inspection by any Homeowner, any institutional holder of a first mortgage on a home, and their respective agents and attorneys, for any proper purpose at any reasonable time. **In addition, an annual report of the receipts and expenditures of the Association, shall be rendered by the Board of Directors to all Homeowners, and to each institutional holder of a first mortgage on a home having theretofore requested same in writing, within three months after the end of each fiscal year.**

ARTICLE 9

Amendments

Section 1. Amendments. These By-Laws may be amended only by the owners of the Homeowners to which two-thirds (2/3) of the votes in the Association cast their vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall be delivered or sent to all Homeowners not less than 21 days in advance of the meeting stating the time, place and purpose of such meeting and the subject matter of the proposed amendment or, in lieu of such vote, these By-Laws may be amended by an instrument duly executed by Homeowners having at least two-thirds (2/3) of the entire voting interest of all Homeowners. Amendments to these By-Laws for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity authorized to fund or guarantee mortgages on individual condominium Homeowners, as such requirements may exist from time to time, may be effected by an instrument duly executed by a majority of the directors of the Association. Each such amendment shall be effective when adopted or at such later date as may be specified therein.

ARTICLE 10

Miscellaneous

Section 1. Conflicts. In the event of any conflict between the Covenants and these By-Laws, the Covenants shall control.

Section 2. **Association Seal. The Association shall have a seal.**

Section 3. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date on which the Association was incorporated under the laws of the State of Georgia.