

BY LAWS OF

THE LAURELS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

OFFICES

SECTION 1.1 - OFFICES

The principal office of the Corporation shall be located at 1065 Jodeco Road, Stockbridge, Georgia, 30281. The corporation may have such other offices, either within or without the State of Georgia, as the Board of Directors may determine from time to time.

ARTICLE II

MEMBERS

SECTION 2.1 - MEMBERSHIP

Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in these By Laws or in the Declaration of Protective Covenants covering that Owner's property and recorded in the Henry County Records, now or as hereafter amended. "Owner" shall mean the record owner (including developer), whether one or more persons or entities, of the fee simple title to any Lot upon which a permanent home has been constructed and is occupied in accordance with the aforementioned Declaration; provided, however, that where fee simple title has been transferred and is being held merely as security for the repayment of a loan, the person or entity who would own the lot in fee simple if such loan were paid in full shall be considered the Owner.

SECTION 2.2 - VOTING RIGHTS

Members shall be entitled to one vote for each lot in which they hold the interest required for membership in Section 2.1. When more than one person holds such interest, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot.

Voting rights shall be automatically suspended as to any lot for which all membership assessments as provided in Article XII, below, have not been fully paid within thirty days of the due date thereof.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 3.1 - ANNUAL MEETING

The annual meeting of members of the corporation shall be on January 30, or, if said day is a legal holiday, then on the next succeeding day not a holiday.

SECTION 3.2 - PLACE OF MEETING

Annual or special meetings of members shall be held within Henry County, Georgia, at such place and time as may from time to time be fixed by the Board of Directors or as may be specified in the notice of said meetings.

SECTION 3.3 - SPECIAL MEETINGS

Special meetings of the members may be called at any time by the President, the Board of Directors, or any holder or holders of at least one-third of the outstanding voting rights of the Corporation upon not less than ten nor more than fifty days notice, either mailed to the last known address or personally given to each member. Notice of a special meeting may be waived by instrument in writing executed before or after the meeting. Attendance at such meeting in person or by proxy shall constitute a waiver of notice thereof.

SECTION 3.4 - NOTICE OF PURPOSE OF SPECIAL MEETING

Notice of any special meeting of members shall state the purposes for which the meeting is called.

SECTION 3.5 - QUORUM

At all meetings of members a majority of the outstanding voting rights shall constitute a quorum for the transaction of business, and no resolution or business shall be transacted without the favorable vote of the holders of a majority of the voting rights represented at the meeting and entitled to vote. A majority of the voting rights represented at the meeting may adjourn from day to day, and shall announce the time and place to which the meeting is adjourned if they do so adjourn the meeting.

SECTION 3.6 - CONSENT IN LIEU OF MEETING

Any action to be taken at a meeting of the members of the Corporation, or any action that

may be taken at a meeting of the members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

SECTION 3.7 - PROXIES

At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or its duly authorized agent or attorney in fact. No proxy shall be valid after 90 days from the date of its execution, unless otherwise provided in the proxy.

SECTION 3.8 - VOTING BY MAIL

Where directors or officers are to be elected by members or any class or classes of members, such election may be conducted by mail in such manner as the Board of Directors may determine.

SECTION 3.9 - HUD/VA VETO POWER

During such time as Class B voting membership exists, any actions taken by the Corporation are subject to the veto power granted hereby to the United States Department of Housing and Urban Development.

ARTICLE IV

DIRECTORS

SECTION 4.1 - MANAGEMENT VESTED IN BOARD OF DIRECTORS

Subject to these By Laws, or any lawful agreement between the members, the full and entire management of the affairs and business of the Corporation shall be vested in the Board of Directors, which shall have and may exercise all of the powers that may be exercised or performed by the Corporation.

SECTION 4.2 - DIRECTORS ELECTED BY MEMBERS

The Board of Directors shall consist of not less than two nor more than five members who shall be elected at an annual meeting of the members and serve for a term of one year and until their successors are elected and qualified. A majority of said Directors shall constitute a quorum for the transaction of business. All resolutions adopted and all business transacted by the Board of Directors shall require the affirmative vote of a majority of the Directors present at the meeting.

The initial Board of Directors shall consist of one member. The size of the Board of Directors may be increased by resolution of either the members of the corporation or the Board of

Directors. Upon the creation of new positions on the Board of Directors, said positions shall be filled by the body creating the positions. Directors elected to fill the positions will serve until the next annual meeting, or until their successors are elected and qualify.

SECTION 4.3 - DIRECTORS TO FILL VACANCIES ON THE BOARD

The Directors may fill the place of any Director which may become vacant prior to the expiration of his term, such appointment by the Directors to continue until the expiration of the term of the Director whose place has become vacant.

SECTION 4.4 - MEETINGS OF BOARD OF DIRECTORS

The Directors shall meet annually, without notice, at the same place as and following the annual meeting of the members. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Special meetings of the Directors may be called any time by the President or by any two Directors, on two days notice, which notice shall specify the time and place of the meeting. Notice of any such meeting may be waived by instrument in writing executed before or after the meeting. Attendance in person at such meeting shall constitute a waiver of notice thereof, except where a Director attends a meeting with the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these by laws.

SECTION 4.5 - CONSENT IN LIEU OF MEETING

Any action to be taken at a meeting of the Directors, or any action that may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

SECTION 4.6 - REMOVAL OF DIRECTOR

Any Director may be removed from office, with or without cause, upon the majority vote of the members, at a meeting with respect to which notice of such purpose if given.

SECTION 4.7 - COMPENSATION

Directors shall receive no compensation except for reimbursement for reasonable expenses incurred in the performance of their duties.

SECTION 4.8 - INDEMNIFICATION

The Directors of the corporation shall be indemnified by the corporation for all actions taken in pursuance of their duties as Directors, except such actions as constitute gross negligence.

ARTICLE V

OFFICERS

SECTION 5.1 - OFFICERS ELECTED BY BOARD OF DIRECTORS

The initial officers of the corporation shall consist of a President, and a Secretary. The same person may serve simultaneously as both President and Secretary. Subsequent officers of the corporation shall consist of a President, Secretary, and Treasurer. The same person may serve simultaneously as Secretary and Treasurer. The officers shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor has been duly elected and qualifies. An officer may be elected to succeed himself in office.

SECTION 5.2 - PRESIDENT

The President shall be the chief executive officer of the corporation and shall have general and active management of the operation of the corporation. He shall be responsible for the administration of the corporation, including general supervision of the policies of the corporation, general and active management of the financial affairs of the corporation, and shall execute bonds, mortgages and other contracts under the seal of the corporation.

SECTION 5.3 - SECRETARY

The Secretary shall keep minutes of all meetings of the members and directors and have charge of the minute book and seal of the corporation, and shall perform such other duties and have such other powers as may from time to time be delegated to him by the President or the Board of Directors.

SECTION 5.4 - TREASURER

The Treasurer shall be charged with the management of the financial affairs of the Corporation and shall have the power of recommending action concerning the Corporation's affairs to the President.

SECTION 5.5 - ASSISTANTS TO SECRETARY AND TREASURER

Assistants to the Secretary and Treasurer may be appointed by the President and shall have such duties as shall be delegated to them by the President or the Board of Directors.

SECTION 5.6 - VICE PRESIDENTS

The Corporation may have one or more Vice Presidents, elected by the Board of Directors, who shall perform such duties as may be delegated by the President or the Board of Directors.

SECTION 5.7 - PAYMENT OF OFFICERS

Officers shall receive no compensation except for reimbursement for reasonable expenses incurred in the performance of their duties.

SECTION 5.8 - REMOVAL

Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgement the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

SECTION 5.9 - VACANCIES

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

ARTICLE VI

CONTRACTS, DEEDS, CHECKS, DEPOSITS AND GIFTS

SECTION 6.1 - INSTRUMENTS EXECUTED BY PRESIDENT

The President of the Corporation is hereby authorized to enter into, execute and deliver any agreements, contracts, deeds or other instruments in the name of the Corporation, as long as said instruments are pursuant to the purposes of the Corporation, without said documents being countersigned by any other officer of the Corporation.

SECTION 6.2 - LOANS AND EVIDENCES OF INDEBTEDNESS

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances, and any evidence of indebtedness

authorized by the Board shall be signed by the President.

SECTION 6.3 - CHECKS, DRAFTS OR ORDERS FOR PAYMENT OF MONEY

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers and/or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 6.4 - DEPOSITS

All funds of the Corporation not otherwise employed shall be deposited by the Treasurer from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 6.5 - GIFTS

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for any purpose of the corporation.

ARTICLE VII

COMMITTEES

SECTION 7.1 - COMMITTEES OF DIRECTORS

The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or him by law.

SECTION 7.2 - COMMITTEES

Committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the president of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgement the best interests of the corporation shall be served by such removal.

ARTICLE VIII

CERTIFICATES OF MEMBERSHIP

SECTION 8.1 - CERTIFICATES OF MEMBERSHIP

The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which certificates if issued shall be in such form as may be determined by the Board. Such certificates if issued shall be signed by the President or a Vice-President and by the Secretary or an assistant Secretary, and shall be sealed with the seal of the corporation. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate is lost, mutilated or destroyed, a new certificate may be issued therefor on such terms and conditions as the Board of Directors may determine.

SECTION 8.2 - ISSUANCE OF CERTIFICATES

When a member has qualified for membership and has paid such assessment as may then be required, a certificate of membership may be issued in the member's name and delivered to the member by the Secretary.

ARTICLE IX

BOOKS AND RECORDS

SECTION 9.1 - BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, committees having and exercising any of the authority of the Board of Directors, and the membership committee, and shall keep at the principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent and attorney, for any proper purpose at any reasonable time.

ARTICLE X

FISCAL YEAR

SECTION 10.1 - FISCAL YEAR

The fiscal year of the Corporation shall begin on the date of incorporation, and shall end on December 31, 2000. The fiscal year thereafter shall begin January 1 of each year and shall end on

December 31 of each year.

ARTICLE XI

SEAL

SECTION 11.1 - SEAL

The seal of the Corporation shall be in such form as the Board of Directors may from time to time determine. In the event it is inconvenient to use such a seal at any time, the signature of the company followed by the word "seal" enclosed in parentheses or scroll, shall be deemed the seal of the Corporation. The seal shall be in the custody of the Secretary and affixed by him or by his assistants on the membership certificates and other appropriate papers.

ARTICLE XII

ASSESSMENTS

SECTION 12.1 - ASSESSMENT PROCEDURE

The Board shall establish the annual assessment for each assessment year, and any special assessments, and shall also establish the date during the assessment year on which the annual assessment shall be due and payable (such date is hereinafter referred to as the "Due Date"). The Board shall cause the Association to send to each Owner at least thirty (30) days in advance of the due date written notice setting forth the amount of the annual assessment and the due date. The annual assessment shall become due on the thirtieth (30th) day following such written notice or the due date, whichever is later. The Board may establish reasonable payment procedures to allow or require payment of the annual assessment in installments during the assessment year. The Board shall also establish payment procedures for payment of any special assessments.

SECTION 12.2 - DEFAULT AND TERMINATION OF MEMBERSHIP

If the assessments are not paid on the date when due, then such assessment shall become delinquent. Owners with outstanding assessments which are delinquent by more than thirty days shall have no right to vote on matters coming before the membership; shall automatically be suspended from any office of the corporation; and shall be suspended from enjoying any of the rights and privileges of membership, including but not limited to the use of any property or amenities owned, managed or regulated by the corporation. The corporation shall then have such rights and remedies as are provided for herein.

ARTICLE XIII

AMENDMENT

SECTION 13.1 - AMENDMENT OF BY LAWS

These By Laws may be amended by a majority vote of the Board of Directors of the Corporation or by majority vote of the members, provided, however, that the members may provide by resolution that any By Law provisions repealed, amended, adopted or altered by them may not be repealed, amended, adopted or altered by the Board of Directors.

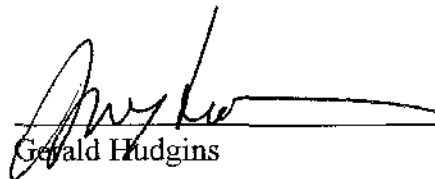
ARTICLE XIV

DISPOSITION OF PROPERTY UPON TERMINATION OF THE CORPORATION

SECTION 14.1 - DISPOSITION OF PROPERTY

In the event this Corporation should terminate, the Officers, Directors and Members agree to convey all property or interests in property owned by the Corporation to Henry County, Georgia, to be held as public property or to another non-profit corporation that is organized for the sole purpose of maintaining the property owned by this Corporation for the benefit of all members as defined herein.

READ, APPROVED, AGREED TO AND ADOPTED BY THE UNDERSIGNED
THIS 7th DAY OF September, 2000.


Gerald Hudgins