

BYLAWS FOR
ADOHI OWNERS' ASSOCIATION, INC.

ARTICLE I
NAME

The following provisions shall constitute the Bylaws of ADOHI OWNERS' ASSOCIATION, INC. (the "**Bylaws**"), a Georgia nonprofit corporation (the "**Association**") which shall, along with the provisions of the Declaration of Covenants and Restrictions for Adohi Forest, as the same may be amended from time to time (the "**Declaration**") and the rules and regulations adopted by the Board of Directors of the Association (the "**Board**"), govern the administration of ADOHI FOREST, a residential development (the "**Development**"). The terms in these Bylaws (unless otherwise defined) shall have the same meaning as the terms defined in the Declaration for this Development.

ARTICLE II
OFFICES

The principal office of the Association shall be located at:

Adohi Owners' Association, Inc.
4744 Privateer Road
Hixson, TN 37343

or at such other place either within or without the State of Georgia, as shall be lawfully designated by the Association, or as the affairs of the Association may require from time to time.

ARTICLE III
PURPOSES

The purpose for which the Association is organized is to operate, manage, maintain and administer the affairs of Adohi Forest Subdivision allowing to update to affairs of the Development, to be established pursuant to the Declaration, and any and all amendments thereto, and to exercise all powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration and these Bylaws, and any and all amendments thereto.

ARTICLE IV

ASSOCIATION

4.01 **Membership.** The Developer and every person or entity who is a record Owner of a fee simple interest or an undivided fee simple interest in any Lot which is subject to the Declaration shall be a Member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be automatically transferred to the new Owner upon the conveyance of any Lot and recording of the deed of conveyance in the Office of the Clerk of Superior Court of Dade County, Georgia. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

4.02 **Voting Rights.** (a) Except as hereinafter provided in Section 4.02(b), Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 4.01. When more than one person holds such interest or interests in any Lot, 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. When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in a written instrument delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, the vote shall be split equally among the co-owners.

(b) The Developer shall be entitled to three (3) votes for each Lot owned by it and unsold.

ARTICLE V

THE BOARD OF DIRECTORS

5.01 **Board of Directors.** Subject to Section 5.02 of this Article hereinbelow, the administration of the Property on behalf of the Association shall be conducted by a Board of Directors ("Board") which shall consist of three (3) natural persons of legal age, each of whom shall be an Owner or a member of the household of an Owner at all times during membership on the Board. However, no Owner or member of the same household representing a Lot shall serve on the Board at the same time. If a Member is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member. However, no Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Developer.

5.02 **Developer Performs Functions.** The rights, duties and functions of the Board shall be solely exercised by Developer or by a board of three (3) natural persons appointed by the Developer ("Developer's Appointed Board") until such time as the Developer in its sole and absolute discretion determines to call a special meeting of the Association to elect a Board to succeed Developer or Developer's Appointed Board pursuant to Section 5.03 hereof. Any person appointed to Developer's Appointed Board need not be an Owner or member of the household of an Owner, and each person appointed to Developer's Appointed Board shall serve for such term as Developer in its sole discretion shall determine and at the pleasure at the Developer.

5.03 **Election.** At each annual meeting, subject to the provisions of Section 5.02 hereof, the Association shall elect those members of the Board as required under Section 5.01 who shall serve the terms set out in Section 5.04; provided, however, the members of the Board elected to succeed the Developer or Developer's Appointed Board shall be elected at a special meeting duly and specifically called for that purpose by the Developer. The Board elected at that special meeting shall serve until the next annual meeting of the Association held thereafter. The Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has an interest in serving as a Director may file as a candidate for any position. The Board may also establish such other rules and regulations as it deems appropriate to conduct a nomination of Directors in a fair, efficient and cost-effective manner. The Board may establish a nominating committee for the purpose of making nominations for election to the Board as it shall in its discretion determine. Nominations may also be permitted from the floor. Nomination for a position on the Board may also be made by petition filed with the Secretary of the Association at least three (3) days prior to the annual meeting of the Association.

5.04 **Term.** Members of the Board shall serve for a term of two (2) years; provided, however, that two (2) members of the first Board elected by the Association at the annual meeting thereof shall be elected and shall serve for a term of one (2) years and the other member shall be elected and serve for a term of one (1) year. Thereafter, all Board members elected each year shall serve for a term of two (2) years. The members of the Board shall serve until their respective successors are duly elected and qualified, or until their death, resignation or removal. At the time of the initial election, the two candidates receiving the most votes shall be elected for an initial term of two (2) years and the candidate receiving the third most votes shall serve for a one (1) year term. Members shall have the right to cast the number of votes equal to the number of Director spaces available. Cumulative voting is not permitted.

5.05 **Resignation and Removal.** Any member of the Board may resign at any time by giving written notice to the President, the remaining Board members or the Manager. Any member of the Board may be removed from membership on the Board by the approval of sixty-seven percent (67%) of the votes of those Members of the Association who are in

attendance or represented at any annual or special meeting duly called for such purpose, except that a vacancy on the Board shall be deemed to exist in the event of the death of a Director, the disability of a Director which, in the opinion of a majority of the Board, renders such member incapable of performing Board duties, or in the event a Director shall cease to be an Owner. Whenever there shall occur a vacancy on the Board for any reason, the remaining Directors shall elect a successor Director to serve until the next annual meeting of the Association or until a special meeting is called for filling vacancies, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

This Section shall not apply to Directors appointed by the Developer. The Developer shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a Director appointed by or elected as a representative of the Developer.

5.06 **Compensation.** The members of the Board shall receive no compensation for their services unless expressly provided for by the Association but shall be reimbursed for reasonable expenses incurred by them in the performance of their duties.

5.07 **Powers and Authority of the Board.** The Board, for the benefit of the Property and the Association, shall have the power and authority to enforce the provisions of the Declaration, these Bylaws, and the rules and regulations governing the Property and such powers as provided by law. The Board may do or cause to be done on behalf of the Association all acts and things except those the Declaration, Bylaws or Tennessee law require to be done and exercised exclusively by the members or membership generally. Subject to any provision herein, the Board shall have the power and authority to acquire and pay for the following, which shall be deemed Common Expenses of the Association:

A. Water, sewer, garbage collection, electrical, telephone and gas and other necessary utility services for the Common Properties.

B. The services of a person or firm to manage its affairs (herein called "Manager"), to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Property, whether such personnel are employed directly by the Board or are furnished by the Manager, and to provide for compensation of such Manager and personnel where the Board deems appropriate. All persons employed to manage or assist in the management or maintenance of the Property shall be employed at the will of the Board; provided, that a manager may be employed for successive periods not exceeding a three (3) year term in each period, the Board may delegate any of its duties, powers or functions relating to the daily administrative affairs of the Association to any person or firm designated by the Board to act as Manager.

C. The services of a person or firm to provide security for the Development to the extent and in such manner (fixed or roving or a combination thereof) as allowed by law and as determined by the Board to be necessary or proper.

D. Legal and accounting services necessary or advisable in the operation of the Property and the enforcement of the Declaration, these Bylaws, and any rules and regulations made pursuant thereto.

E. Officers and Directors Liability Insurance covering the Officers and Directors of the Association acting in such capacity.

F. A fidelity bond naming the Manager, and such other persons as may be designated by the Board as principals and the Board, Association and Owners as obligees, in an amount to be determined from time to time by the Board.

G. Painting, maintenance, repair, replacement and landscaping of the Common Properties. The Board shall also have the exclusive right from time to time to acquire and dispose of by sale or otherwise and without the necessity of approval by any Owner, furnishings and equipment and other personal property for the Common Properties and to provide maintenance, repair and replacement thereof.

H. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments that the Board is required to secure or pay for pursuant to the terms of the Declaration, these Bylaws or any Rules or Regulations promulgated hereunder or which, in its opinion, shall be necessary or advisable for the operation of the Property or for the enforcement of the Declaration, these Bylaws, or the rules and regulations.

I. The Board shall have the exclusive right to contract for all goods, services, including security personnel, and insurance, payment for which is to be made a Common Expense. The provision shall not be construed to prohibit the Board from delegating such authority to the Manager as it deems proper.

J. The Board shall prepare and adopt, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses; levying and collecting such assessments from the Owners; provide for the operation, care, upkeep, and maintenance of the Common Properties; depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided any reserve funds may be deposited, in the Board's best judgment, in

depositories other than bank; making and amending use restrictions and rules in accordance with the Declaration; opening bank accounts on behalf of the Association and designating the signatories required; making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Properties in accordance with the Declaration and these Bylaws; enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided the Association's obligation in this regard shall be conditioned in the manner provided in the Declaration; paying the cost of all services rendered to the Association; keeping books with accounts of the Association's receipts and expenditures; making available to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of any mortgage on any Lot, current copies of the Governing Documents, and all other books, records, and financial statements of the Association; permitting utility suppliers to use portions of the Common Properties reasonably necessary to the ongoing development or operation of the Property; indemnifying a director, officer, committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by Georgia law, the Articles of Organization, or the Declaration; and assisting in the resolution of disputes between Owners and others without litigation, as set forth in the Declaration.

5.08 **Violations, Hearing, Sanctions.** The Association may impose sanctions for any violation of the Declaration or these Bylaws. To the extent specifically required by the Declaration, the Board shall comply with the following procedures prior to imposition of sanctions:

(a) **Notice.** The Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) **Hearing.** If a hearing is requested within the allotted 10-day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction under these Bylaws, proof of proper 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, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative 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.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article 5, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the dispute resolution procedures set forth in the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred. Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed a trespass.

5.09 Additional Powers of the Board. The Board shall have the right to acquire, operate, lease, manage, mortgage and otherwise trade and deal with the Common Properties as may be necessary or convenient in the operation and management of the Common Properties, and in accomplishing the purposes set forth herein. The Board or any managing agent or entity designated by the Board shall be deemed the agents of the Owners and as such shall manage, maintain and improve the Common Properties and also collect, conserve, allocate and expend money received from the Owners in a manner consistent with such agent's relationship and in conformity with the Declaration, these Bylaws and the rules and regulations.

5.10 Meetings of the Board. Meetings of the Board shall be held at such places within or without the State of Georgia as the Board shall determine. Two (2) members of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board, unless otherwise specifically provided in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any Board meeting cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time certain. If a quorum is present at the reconvened meeting, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Meetings of the Board shall be chaired by the President of the Association and the minutes shall be recorded by the Secretary of the Association, whether said Secretary is a member of the Board or not. The Board shall annually elect all of the officers set forth in Section 6.05 hereof. The meeting for the election of officers shall be held at a meeting of the Board to be held immediately following the annual meeting of the Association. Any action required to be or which may be taken by the Board may be taken without a meeting of the Board pursuant to a written consent, setting forth the action so taken, signed by all members of the Board.

Members of the Board may participate in a meeting of the Board by means of conference, telephone, or similar communications equipment, by means in which all persons

participating in the meeting can hear each other. Participation in the meeting pursuant to this subsection shall constitute presence in person at such meeting.

5.11 **Special Meetings.** Special meetings of the Board may be called by the President of the Association or by any two (2) Board members.

5.12 **Notice of Meetings.** Regular meetings of the Board may be held without call or notice. The person or persons calling a special meeting of the Board shall, at least three (3) days before the meeting, give notice thereof to each of the other Board members by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

5.13 **Waiver of Notice.** Any members of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice of such meeting unless a Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called and does so object by delivering a written document to that effect.

5.14 **Notice of Election.** After the election of the Board to succeed the Developer or Developer's Appointed Board, the Secretary of the Association shall execute and, where desirable, acknowledge and record a certificate stating the names of all of the members of the then Board, provided, that, in the event of the disability or other incapacity of the Secretary, the President of the Association shall be empowered to execute the aforesaid certificate. The certificate shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

5.15 **Fiscal Year.** The fiscal year of the Association shall be determined by the Board.

5.16 **Special Committees.** Upon transfer of the Architectural Review Committee by the Developer to the Association, the Board, by resolution duly adopted, may designate one or more special committees, including an Architectural Review Committee, each committee to consist of two (2) or more Owners appointed by the Board, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. The Board may also rescind any such resolution by a further resolution duly adopted. The Developer shall perform the functions of all Special Committees until such time as provided in Section 5.02 hereof. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board. Such Special Committees shall keep regular

minutes of their proceedings and report the same to the Board when required. The Board may appoint Owners to fill vacancies on Special Committees.

5.17 **Rules and Regulations.** The Board shall have the power and right to adopt and amend rules and regulations for the purpose of governing the details of the operation and use of the Common Properties and setting forth restrictions on, and requirements respecting the use and maintenance of the Common Properties. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective.

5.18 **Limitation on Capital Additions, Etc.** With the exception of the Developer's Appointed Board, the Board shall authorize no structural alterations, capital additions to, or capital improvements of the Common Properties, any of which require an expenditure in excess of Five Thousand Dollars (\$5,000.00) without approval of a majority of the votes of those Members who are present or represented at any annual or special meeting of the Association duly called for such purpose; or in excess of Ten Thousand Dollars (\$10,000.00) without approval of sixty-seven percent (67%) of the votes of those Members who are present or represented at any annual or special meeting of the Association duly called for such purpose; provided, however, that the Board shall have the power to make any such structural alterations, capital additions to, or capital improvements of, the Common Properties as are necessary, in the Board's reasonable judgment, to preserve or maintain the integrity thereof without obtaining such approval, if in the opinion of the Board an emergency exists which should be corrected before a meeting of the Association could be reasonably called and held.

5.19 **Failure to Insist on Strict Performance Not Waiver.** The failure of the Board or its agents to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions in the Declaration or these By-Laws, or the Rules and Regulations or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction, right, option or notice; but such term, covenant, condition or restriction, right, option or notice shall remain in full force and effect.

5.20 **Compensation.** The Association shall not compensate any Director for acting as such unless approved by the Members. Any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors. Nothing in these Bylaws shall prohibit the Association from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, provided that such Director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested Director.

Notwithstanding the above, Directors appointed by the Developer may be employed by or otherwise transact business with the Association or its contractors.

5.21 **Rights of the Developer.** So long as there is a Developer's Appointed Board, the Developer shall have a right to disapprove any proposed action to be considered at a meeting, policy or program of the Association, the Board and any committee which, in the sole judgment of the Developer would tend to impair the rights of the Developer under the Declaration or these Bylaws, or interfere with development or construction of any portion of the Property, or diminish the level of services being provided by the Association.

a. **Notice.** The Association, the Board, and each committee shall give the Developer written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting). Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Association's Secretary, and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth with reasonable particularity the agenda to be followed at such meeting; and

b. **Opportunity to Be Heard.** The Association, the Board, and each committee shall give the Developer the opportunity at any meeting to join in or to have its representatives or agents join in discussion from the floor of any perspective action, policy, or program which would be subject to the right of disapproval set forth in these Bylaws.

c. No action, policy, or program subject to the right of disapproval set forth in these Bylaws shall become effective or be implemented until and unless the rights of subsections (a) and (b) have been met.

d. The Developer, its representative, or agents, shall make its concerns, thoughts and suggestions known to the Board and/or the Members of the subject committee. The Developer may exercise its right to disapprove at any time within the ten (10) days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, the Board, or the Association. The Developer shall not use its right to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

ARTICLE VI
THE ASSOCIATION; MEETINGS, OFFICERS, ETC.

6.01 **Quorum.** The presence in person or by proxy at any meeting of the Association of either **fifty percent (50%)** of the Owners of Lots subject to assessment under the Declaration or Owners (including the Developer) entitled to cast at least twenty-five (25) votes, in response to notice to all Owners properly given in accordance with Sections 6.02 or 6.03 of these Bylaws, as the case may be, shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association upon the affirmative vote of persons entitled to cast a majority of the votes which are represented at such meeting.

6.02 **Annual Meeting.** There shall be an annual meeting of the Association on the first Monday of October at 6:00 P.M. at such reasonable place or such other time as may be designated by written notice by the Board delivered to the Owners not less than ten (10) days nor more than sixty (60) days prior to the date fixed for said meeting. Annual meetings may be conducted electronically (i.e. via the internet, or teleconference) if, and to the extent, permitted by law. At or prior to the annual meeting, the Board shall furnish to the Owners: (1) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Owner; and (2) a statement of the Common Expenses itemizing receipts and disbursements for the previous and, if then available, for the current fiscal year, together with the allocation thereof to each Owner.

6.03 **Special Meeting.** Special meetings of the Association may be held at any time and at any reasonable place to consider matters which, by the terms hereof, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings shall be called by a majority of the Board, or by at least twenty-five percent (25%) of the Owners by written notice, delivered to all Owners not less than thirty (30) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and the matters to be considered. No business shall be transacted at a special meeting except as stated in the notice.

6.04 **Parliamentary Rules.** Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with these Bylaws or other such rules adopted by the Board.

6.05 **Officers.** The officers of the Association shall be a President, Secretary, and Treasurer. The Developer shall, in its sole discretion, designate individuals to fill these positions during the period that the Developer or Developer's Appointed Board is performing the functions of the Board pursuant to Section 5.02 hereof. Such officers designated by the Developer need not be Owners, and may be removed and replaced by the Developer at will. The Developer shall determine the scope of the authority of each such designated officer.

A. President. The President shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees.

B. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Board, including the minute book wherein the resolutions shall be recorded.

C. Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Board and the Association, but may delegate the daily handling of funds to the Manager and accounting to accountants selected by the Board.

6.06 **Notice of Meetings.** Written or printed notice stating the place, date and hour of any meeting of the Members shall be posted or delivered either personally or by mail to each Owner entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Posted notice shall be in a conspicuous place within the Property, which the Association establishes for the posting of notices relating to the Association. If mailed, the notice shall be deemed to be delivered when deposited in the United States Mail addressed to the Owner at his/her address as it appears on the Association's records, with postage prepaid. Any owner may waive, in writing, notice of any meeting to that Member, before or after such meeting. Attendance at a meeting by an Owner shall be deemed waiver by such Owner of notice of the time, date and place of such meeting, unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless as to a particular item of business an objection on the basis of lack of proper notice is raised before the particular item of business is put to a vote.

6.07 **Adjournment of Meeting.** If the Association cannot hold a meeting because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time certain. At the reconvened meeting, if a quorum is present,

any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if 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 Members in the manner prescribed for regular meetings.

Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least the votes required to constitute a majority vote of the previous quorum present at the meeting.

6.08 **Proxies**. Members are entitled to cast a vote for his or her Lot, such vote may be cast in person or by proxy, subject to the limitations of Georgia law relating to the use of general proxies and subject to any specific provisions to the contrary in the Declaration or these Bylaws. Every proxy shall be in writing specifying the Lot for which it is given, signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Association's Secretary prior to the meeting for which it is to be effective. Each proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Lot for which it was given, (b) receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, from the date of the proxy, unless a shorter period is specified in the proxy.

6.09 **Action without a Meeting**. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a ballot in writing or by electronic transmission to every Member entitled to vote on the matter. A ballot in writing or by electronic transmission shall:

- (a) Set forth each proposed action; and
- (b) Provide an opportunity to vote for or against each proposed action.

Approval by ballot in writing or by electronic transmission 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.

All solicitations for votes by ballot in writing or by electronic transmission shall:

- (a) Indicate the number of responses needed to meet the quorum requirements;
- (b) State the percentage of approvals necessary to approve each matter other than election of directors; and

(c) Specify the time by which a ballot must be received by the Association in order to be counted.

A ballot in writing or by electronic transmission may not be revoked.

ARTICLE VII

LIABILITY AND INDEMNIFICATION

7.01 **Liability of Members of the Board and Officers.** The members of the Board, the officers and any agents and employees of the Association shall: (i) not be liable to the Owners or Association as a result of their activities as such for any mistake of judgment, or otherwise, except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (ii) have no personal liability to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Owners in their capacity as such; (iii) have no personal liability in tort to an Owner or any other person or entity direct or imputed by virtue of acts performed by them as Board members and/or officers except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; and (iv) have no personal liability arising out of the use, misuse or condition of the Common Properties, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such Board members and/or officers, provided this does not eliminate or limit the liability of a Director for any breach of the Director's duty of loyalty to the corporation or its members or under Sections 14-3-860 and 14-3-864. If Georgia law is amended or modified to authorize corporate action eliminating or further limiting the personal liability of Directors, the liability of a Director of the corporation shall be eliminated or limited, without the necessity of further amendment of this Charter, to the fullest extent permitted by Georgia law. Any repeal or modification of the provisions of this Article VII shall not adversely affect any right or protection of a Director of the Association existing at the time of such repeal or modification.

7.02 **Indemnification by Association.** To the extent now or hereafter permitted by applicable law, the Association shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including counsel fees and court costs, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board or an officer or agent or employee of the Association; provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or

agreement or by vote of the Association of the Board, or otherwise. The indemnification by the Association set forth in this Article VII shall be paid by the Board on behalf of the Association and shall constitute a Common Expense.

7.03 **Costs of Suit in Actions Brought by One or More Owners on Behalf of All Owners.** No suit shall be brought by one or more but less than all Owners on behalf of all Owners without approval of a majority of Owners and, if approval is obtained, the plaintiffs' expenses, including reasonable counsel's *fees* and court costs, shall be a Common Expense unless such suit is brought by one or more Owners against other Owners, the Association or against the Board, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all Owners as defendants, in which event the plaintiffs' expenses, including counsel's fees and court costs, shall not be charged as a Common Expense.

7.04 **Notice of Suit and Opportunity to Defend.** Suits brought against the Association, or the Board, or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the President of the Association, who shall promptly give written notice thereof to the other members of the Board and any Mortgagees, and shall be defended by the Board, and the Association and all Owners shall have no right to participate other than through the Board in such defense. Suits against one or more, but less than all Owners shall be directed to such Owners, who shall promptly give written notice thereof to the Board and to the Mortgagees of the Lots affected, and shall be defended by such Owners at their expense.

ARTICLE VIII

GENERAL PROVISIONS

8.01 **Businesses.** Nothing contained in these Bylaws shall be construed to give the Board the authority to conduct any business for profit on behalf of the Association or any Member.

8.02 **Amendment.** These Bylaws may be amended, modified, or revoked in any respect from time to time by Developer prior to the election of the first Board and thereafter by not less than sixty-seven percent (67%) of the votes of those Members of the Association who are present or represented at a meeting duly called for that purpose, PROVIDED, HOWEVER, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the laws of the State of Georgia. At any such meeting the Developer shall have the number of votes as provided in Section 4.02 hereof. Notwithstanding the foregoing, after the election of the first Board, amendments to change the address of the principal office of the Association as stated in Article II and/or to change the address to which notices may be sent

to the Board, the Association, or any officer thereof as stated in Section 8.03 may be made by the Board without the necessity of a vote by the Members of the Association. In the event of any such amendment by the Board to change the address of the principal office of the Association and/or the address to which notices may be sent to the Board, the Association, or any officer thereof, the Secretary shall send a copy of the amendment to each of the Owners within a reasonable time after the adoption of the amendment. Amendments to these Bylaws shall not be required to be recorded with the Recorder's office but must be kept on file with the Developer or the Secretary and available to all Owners upon written request.

8.03 **Notices.** Any notice required to be sent to any Owner under the provisions of these Bylaws shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, under the provisions of these Bylaws shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the following address:

Adohi Owners' Association, Inc.
4744 Privateer Road
Hixson, TN 37343

8.04 **Conflict.** In the event of any conflict between these Bylaws and the provisions of the Charter, the Charter shall control and govern. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control and govern.

8.05 **Nonwaiver of Covenants.** No covenants, restrictions, conditions, obligations or provision contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

8.06 **Agreements Binding.** All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these Bylaws shall be deemed to be binding on all Owners, their heirs, successors and assigns.

8.07 **Severability.** The invalidity of any covenant, restriction, condition, limitation or any other provisions of these Bylaws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these Bylaws.

8.08 **Books and Records.** The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Charter and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.