

BYLAWS OF HI ROC HOMEOWNERS ASSOCIATION, INC.

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Article I. Name, Membership, and Definitions

Section 1. Name. The name of the Association shall be the "Hi Roc Homeowners Association Inc." (referred to herein as the "Association").

Section 2. Membership. The Association shall have one class of membership, consisting of all Owners of Lots in Hi Roc subdivision, as is more fully set forth in the Declaration of Protective Covenants - Hi Roc Plantation Subdivision ("Declaration"). The provisions of the Declaration pertaining to membership are by this reference made a part of these Bylaws.

Section 3. Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

Article II.

Association: Meetings, Quorum, Voting, Proxies

Section 1. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at another place convenient to the members as determined by the Board of Directors.

Section 2. Annual Meetings. Annual meetings shall be set by the Board so as to occur at least sixty (60) days before the close of the Association's fiscal year.

Section 3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a Majority of the Board of Directors or upon a petition signed by Owners holding at least twenty-five (25%) percent of the total Association vote. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be duly delivered to the Owner of record of each Lot a notice of each annual or special meeting of the Association, stating the time and place where it is to be held, and, for special meetings of the Association, the purpose of the special meeting. If an Owner wishes notice to be given at an address other than his or her Lot, he or she shall have designated by notice in writing to the Secretary such other address. Notice may be given by mailing or delivery of such notice to the residence located on the Lot, or by email or fax transmission to the Lot Owner at the email address or fax number, respectively, provided by the Owner to the Association for notices and communications. Notice given in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten (10) nor more than thirty (30) days before a special meeting and not less than twenty-one (21) nor more than sixty (60) days before an annual meeting.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the members shall be

deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members 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, unless such member specifically objects in writing, at the time the meeting is called to order, to lack of proper notice.

Section 6. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a Majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 7. Voting. Each Lot shall be entitled to one equally weighted vote, which vote may be cast by the Owner, the Owner's spouse, or by a lawful proxy as provided below. When more than one (1) Person owns a Lot, the vote for such Lot shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot. If only one (1) co-owner attempts to cast the vote for a Lot, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for such Lot. In the event of disagreement between or among co-owners and an attempt by two (2) or more of them to cast such vote or votes, such Persons shall not be recognized and such vote or votes shall not be counted. No Owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, if that Owner is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association or if the Owner has had his/her/its voting rights suspended for the infraction of any provision of the Declaration, these By-Laws, or any Rule of the Association. If the voting rights of an Owner have been suspended, that Owner shall not be counted as an eligible vote for purposes of establishing a Majority or a quorum.

Section 8. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting, and must specify the Lot(s) for which such Proxy is given. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 9. Quorum. The presence, in person or by proxy, of Owners holding at least twenty-five (25%) percent of the total eligible Association vote shall constitute a quorum at all meetings of the Association. The 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.

Section 10. 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 written ballot to every member entitled to vote on the matter.

(a) A written ballot shall:

(1) Set forth each proposed action; and

(2) Provide an opportunity to vote for or against each proposed action.

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

(c) All solicitations for votes by written ballot shall:

(1) Indicate the number of responses needed to meet the quorum requirements;

(2) State the percentage of approvals necessary to approve each matter other than election of directors; and

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

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

Article III.

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. The directors shall be members or spouses of such members; provided, however, no Person and his or her spouse may serve on the Board at the same time.

Section 2. Initial Directors. The names of the initial directors are set forth in the Articles of Incorporation of the Association.

Section 3. Number of Directors. The Board shall consist of at least three (3) members or such higher number (but not more than 7) as may be determined by the Board..

Section 4. Nomination of Directors. Nominations for election to the Board of Directors may be made by a Nominating Committee. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and up to two or more additional members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting to serve a term of one year or until their successors are appointed. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor, at the Annual Meeting of the Members. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 5. Election and Term of Office. The Association's initial Board of Directors shall call an Owners' meeting at which the Owners shall elect directors to serve until the first annual meeting. At the first annual meeting, three (3) directors shall be elected to staggered terms, with the director receiving the most votes to serve for a term of two (2) years, and two (2) directors elected for a term of one (1) year each. At the expiration of the first term of office of each member of the initial Board of Directors, a successor shall be elected to serve for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

At each annual meeting of the membership, directors shall be elected to succeed those directors whose terms are expiring. Each member shall be entitled to cast one vote with respect to each vacancy to be filled. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected.

Section 6. Removal of Directors. At any regular or special meeting of the Association duly called, anyone or more of the members of the Board of Directors may be removed, with or without cause, by Owners holding a majority of the total eligible votes of Owners entitled to be cast; and a successor may then and there be elected to fill that vacancy created, by a majority vote of the Owners present in person or by proxy at that meeting. A director whose removal has been proposed by the Owners shall be given at least ten (10) days' advance written notice of the homeowners' meeting and its purpose, and shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings, or who is delinquent in the payment of an assessment for more than sixty (60) days, may be removed by a majority vote of the directors at a meeting of the Board, a quorum being present. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and the Board may appoint a successor to serve until the election of a successor at the next Annual Meeting of Owners, to serve the unexpired term of the Director who was removed.

Section 7. Vacancies. Other than removal of a director by vote of the Association, vacancies in the Board of Directors caused by any reason, shall be filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each director so selected shall serve until the election of a successor at the next Annual Meeting of Owners, to serve the unexpired term of the Director who was removed.

B. Meetings of the Board of Directors.

Section 8. Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days at the time and place determined by the Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a Majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of the meetings.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two (2) directors. The notice shall

specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph company shall be given at least forty-eight(48) hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed to have been given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. 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 meeting cannot be held because a quorum is not present, a Majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time that the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Compensation. No director shall receive any compensation from the Association for acting as a director unless approved by a Majority of the Owners. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon Board approval of same. Directors may be given nominal gifts or tokens of appreciation by the Association, as recognition of their volunteer services to the Association.

Section 14. Action Without A Formal 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 15. Electronic Participation. Directors may participate in and vote during any regular or special meeting of the Board by telephone conference call, video conference, or any other communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and those directors participating by telephone or equivalent means shall be deemed to be present at such meeting for quorum and other purposes. Any such meeting at which a quorum participates shall constitute a regular meeting of the Board.

C. Powers and Duties.

Section 16. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all the powers and duties permitted by law and necessary or appropriate for the administration of the Association's affairs, and may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the members. In addition to the powers and duties established by these Bylaws, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) Preparing and adopting an annual budget in which there shall be established the contribution of each Owner to the common expenses;
- (b) Making assessments to defray the common expenses, establishing the means and methods of collecting the assessments, and establishing the period of the installment payments of the annual assessment;
- (c) Providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;
- (d) Designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) Collecting the assessments, depositing the proceeds thereof in a bank depository or institution which it shall approve or otherwise investing the proceeds in accordance with any limitations set forth in O.C.G.A. § 14-3-302, and using the proceeds to administer the Association;
- (f) Making and amending rules and regulations;
- (g) Opening of bank accounts or other financial accounts on behalf of the Association and designating the signatories required;
- (h) Enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (l) Obtaining and carrying insurance, as provided in the Declaration, and paying the premium cost;
- (j) Paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;
- (k) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred; and

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

Section 17. Management Agent. The Board of Directors may employ for the Association 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. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon not more than thirty (30) days' written notice.

Section 18. Borrowing. The Board of Directors shall have the power to borrow money for any lawful purpose including, without limitation, repair or restoration of the Common Property and facilities, without the approval of the members of the Association. However, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, or the total amount of such borrowing exceeds or would exceed Ten Thousand (\$10,000.00) Dollars outstanding debt at anyone time.

Section 19. Fining Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) **Notice.** Written notice shall be served upon the violator specifying:

(i) The nature of the violation and the fine imposed (any fines imposed may be effective or commence upon the sending of the notice or such later date as may be set forth in the notice, notwithstanding the right to request a hearing, as provided for herein);

(ii) That the violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine imposed;

(iii) The name, address and telephone number of a person to contact to challenge the fine;

(iv) That any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(v) That all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

(b) **Hearing.** If a hearing is duly requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

Article IV.

Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two (2) or more offices may be held by the same Person, excepting the offices of President and Secretary. The corporate officers shall be elected from among the members of the Board of Directors.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board following each annual meeting of the members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors with a successor to serve until the election of a successor at the next Annual Meeting of Owners, to serve the unexpired term of the Director who was removed.

Section 3. Removal of Officers. Any officer may be removed as an officer by the Board of Directors, whenever, in its judgment, the removal will serve the best interests of the Association. Causes for removal of an officer may include, but are not limited to:

- (a) Poor attendance (fewer than half) of Board meetings in a given year;
- (b) Non-participation in Board efforts or refusal/failure to perform assignments;
- (c) Delinquency of current or past year dues assessment payment(s);
- (d) Failure to comply with existing Covenant requirements; and/or
- (e) Misdemeanor or felony conviction.

Removal of an officer shall require a Majority vote at a Board meeting, a quorum being present. Removal of an officer shall not in itself constitute removal of that person as a member of the 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 and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code.

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 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 monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Board may contract for the services of a bookkeeper to handle some or all of the day-to-day record-keeping and financial matters of the Association, under the supervision of, and reporting to, the Treasurer.

Section 8. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article V.

Committees

The Board of Directors is authorized to establish, modify, or terminate such committees to perform those tasks and to serve for those periods and under such instructions as the Board of Directors designates. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee and/or such powers, limitations, standards, parameters, guidelines and/or rules as adopted by the Board of Directors.

Article VI.

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Roberts Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, these Bylaws, or a ruling made by the Person presiding over the proceeding.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Georgia law, the Declaration, and the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section 4. Financial Review. A review of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide. The Owners, after having received the Board's reviewed financial statement, may require, at the annual meeting, by a Majority of the Association vote present or represented by proxy at the annual meeting, that the accounts of the Association be audited as a common expense by a public accountant. Upon written request to the

Board, by an institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of any such audited financial statement within ninety (90) days of the date of the request.

Section 5. Amendment. These Bylaws may be amended upon the affirmative vote or written consent, or any combination of affirmative vote and written consent, of Owners holding at least Two-Thirds (2/3) of the total Association vote, after not less than twenty-one (21) days' written notice to all Owners of such proposed amendment has been given, including a copy of such proposed amendment. Any such duly adopted Amendment to these Bylaws shall become effective ten (10) days after written certification by the Board that such Amendment has been duly adopted, unless a later effective date is specified in the Amendment.

Section 6. Books and Records. To the extent provided in O.C.G.A. § 14-3-1602, all Association members and any institutional holder of a first Mortgage shall be entitled to inspect Association records at a reasonable time and location specified by the Association, upon written request at least five (5) days before the date on which the member wishes to inspect and copy. The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the Member. Notwithstanding anything to the contrary, members shall not be entitled to inspect privileged documents or the financial records or accounts of other members. Notwithstanding anything to the contrary, the Board may limit or preclude member inspection of confidential or privileged documents, including attorney/client privileged communication, executive session meeting minutes, and financial records or accounts of other members. Minutes for any Board or Association meetings do not become effective and an official Association record until approved by the Board or Association membership, as applicable, at a subsequent meeting.