

BYLAWS OF RIVER'S EDGE ESTATES HOMEOWNERS ASSOCIATION. INC.

Article I *General*

Section 1. Applicability. These Bylaws provide for the self-government of River's Edge Estates Homeowners Association, Inc., in accordance with the Georgia Homeowners' Association Act ("Act"), the Articles of Incorporation filed with the Secretary of State and the Declaration of Restrictions, Covenants and Conditions for River's Edge Estates, recorded in the Gilmer County, Georgia land records ("Declaration").

Section 2. Name. The name of the corporation is River's Edge Estates Homeowners Association, Inc., ("Association").

Section 3 Definitions. The terms used herein shall have their generally accepted meanings or such meanings as are specified in Article I of the Declaration.

Section 4. Membership. An Owner of a Lot shall automatically become a member of the Association upon taking title to the Lot and shall remain a member for the entire period of ownership. As may be more fully provided below, a spouse of a member may exercise the powers and privileges of the member. If title to a Lot is held by more than one (1) Person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Lot. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the Lot and shall be transferred automatically by conveyance of that Lot and may be transferred only in connection with the transfer of title.

The Association may also offer non-voting membership to individuals who are not Owners, as Associate Members, subject to the following terms and conditions:

(i) An individual who is not an Owner may make written application to the Association to become an Associate Member thereof.

(ii) If such written application is approved by the Board, such individual shall be granted a non-voting membership in the Association as an Associate Member.

(iii) An Associate Member shall not be required to pay any assessments made upon the Members except as determined by the Board. The Board may establish an annual maintenance assessment or user fees to be paid by Associate Members, or may levy capital improvement or special assessments on Associate Members as the Board deems necessary to defray the additional cost of expenditures which benefit the Associate Members as well as Members.

(iv) An associate Member shall not have any voting rights and shall be deemed a non-voting member of the Association

(v) An Associate Member may not serve on the Board, the Design Committee, or be an officer of the Association

Section 5 Entity Members. In the event an Owner is a corporation, partnership, trust, or other legal entity not being a natural person or persons. then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust, or manager of such other legal entity shall be eligible to represent such entity in the affairs of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity which is the Owner, which will create a vacancy in any elected or appointed position within the Association in which such person may have been serving, to be filled by the Board.

Section 6 Voting. Each assessed 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 among co-owners and an attempt by two (2) or more of them to cast such vote, 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, 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 its voting rights suspended for the infraction of any provision of the Declaration, these Bylaws, 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 or for purposes of amending these Bylaws or the Declaration.

Section 7. Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number of eligible votes, Owners. or other group, respectively. Unless otherwise specifically stated, the words "majority vote" mean more than fifty (50%) percent of those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or these Bylaws, all decisions shall be by majority vote.

Section 8. Purpose The Association shall have the responsibility of administering the Property, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Property and performing all of the other acts that may be required to be performed by the Association pursuant to the Act, the Georgia Nonprofit Corporation Code and the Declaration. Except as to those matters which the Declaration, the Act or the Georgia Nonprofit Corporation Code specifically require to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

Article II.

Meetings of Members

Section 1. Annual Meetings. The regular annual meeting of the members shall be held during November each year with the date, hour, and place to be set by the Board of Directors.

Section 2. Special Meetings: Special meetings of the members may be called for any purpose at any time by the President, the Secretary, or by request of a majority of Board members, or upon written petition of twenty-five (25%) percent of the total number of authorized votes. Any such written petition by the members must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of members have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition, and the Secretary shall send notice of the meeting in accordance with these Bylaws.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver to each Owner of Lots of record or to the Lots a notice of each annual or special meeting of the Association at least twenty-one (21) days prior to each annual meeting and at least seven (7) days prior to each special meeting. The notice shall state the purpose of any Special meeting, as well as the time and place where it is to be held. The notice of an annual meeting shall state the time and place of the meeting. If any Owner wishes notice to be given at an address other than his or her Lot, the Owner shall designate such other address by written notice to the Secretary. The mailing or delivering of a meeting notice as provided in this Section shall constitute proper service of notice.

Section 5. Waiver of Notice. Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any Association meeting, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 6. Quorum. Except as may be provided elsewhere, the presence, in person or by proxy at the beginning of the meeting, of Owners entitled to cast twenty (20%) percent of the eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Owners whose voting rights have been suspended pursuant hereto shall not be counted as eligible votes toward the quorum requirement.

Section 7. Adjournment. Any meeting of the Owners may be adjourned for periods not exceeding ten (10) days by vote of the Owners holding the Majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

Section 8. Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth his/her duly authorized attorney of fact and the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Secretary by the due date established by the Board prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board by personal delivery, U.S. mail or telefax transmission to any Board member or the property manager. Proxies may be revoked only by written notice delivered to the Association, except that the presence in person by the proxy giver at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy. No owner may vote more than one (1) proxy; this limitation should not apply to a Board member.

Section 9. Action Taken Without a Meeting. In the Board's discretion, any action that may be taken by the Association members at any annual, regular, or special meeting may be taken without a meeting if the Board delivers a written consent form or written ballot to every member entitled to vote on the matter.

(a) Ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot 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 written ballot 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 corporation in order to be counted. A Written ballot may not be revoked. The Association shall maintain such ballots in its file for at least three (3) years.

(b) Written Consent Approval by written consent shall be valid only when the number of written consents received equals or exceeds the requisite majority of the voting power for such action. Executed written consents shall be included in the minutes or filed with the Association's records. If an action of the members is approved by written consent hereunder, the Board shall issue written notice of such approval to all members who did not

sign written consents. Membership approval shall be effective ten(10)days after written notice is issued, provided, however, if the consent is to an amendment to the Declaration or Bylaws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

Section 10. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these Bylaws or the Articles of Incorporation.

Article III

Board of Directors

A. Composition and Selection.

Section 1. Composition. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons. The directors shall be Owners of Lots or spouses of such Owners; provided, however, no Owner and his or her spouse or co-Owner or member of the same Family Unit may serve on the Board at the same time.

Section 2. Term of Office. Those directors serving on the Effective Date of these Bylaws shall remain in office until the terms for which they were elected expire. Successor directors shall be elected by the vote of those members present or represented by proxy, at the annual or other Association meeting, a quorum being present. Those persons receiving the most votes shall be elected to the number of positions to be filled. All successor directors shall be elected for three (3) year staggered terms and shall hold office until their successors are elected.

Section 3. Removal of Members of the Board of Directors. At any valid regular or special Association meeting any one or more Board members may be removed with or without cause by a Majority of the Association members and a successor may then and there be elected to fill the vacancy created. Moreover, any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings or is more than sixty (60) days past due in the payment of any assessment may be removed by the vote of a Majority of the other directors. Any director whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 4. Vacancies. Vacancies in the Board caused by any reason, except the removal of a director by vote of the membership shall be filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any Board meeting. The successor selected shall hold office for the remainder of the term of the director being replaced.

Section 5. Compensation. Directors shall not be compensated for services as such unless and only to the extent that compensation is authorized by a Majority vote of the Association members. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon Board approval of such expenses

Section 6. Director Conflicts of Interest. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director provided that the director's interest is disclosed to the Board and the contract is approved by a Majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the Board. The interested director shall be entitled to be present at any meeting at which the proposed contract is discussed and to discuss the proposed contract, unless requested by any other director to leave the room during the discussion.

Section 7. Nomination. Nomination for election to the Board shall be made by a Nominating Committee which shall be appointed by the President and shall consist of at least one (1) member of the Board of Directors and at least two (2) other members of the Association who are not Board members, at least thirty (30) days prior to the annual meeting to serve a term of one (1) year. The members of the Nominating Committee shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but not less than the number of directors to be elected. The nominations should be made at least 14 days prior to the annual meeting. Nominations shall also be allowed from the floor.

Section 8. Elections. All Association members eligible to vote shall be entitled to cast their entire vote for each directorship to be filled. There shall be no cumulative voting. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes. Voting for election of Board members shall be by secret written ballot (unless dispensed by unanimous consent at the meeting at which such voting is conducted).

B. Meetings.

Section 1. Regular Meetings. Regular Board meetings may be held at such time and place as determined by the Board, but at least once every three (3) months. The newly elected Board shall meet within thirty (30) days after each annual Association meeting.

Section 2. Special Meetings. Special Board meetings may be called by the President on three (3) days' notice to each director given by mail, in person, by telephone, or by facsimile transmission, which notice shall state the time, place, and purpose of the meeting. Special Board meetings shall be called by the President, Vice President, Secretary, or Treasurer in like manner and on like notice on the written request of a majority of the directors.

Section 3. Waiver of Notice. Any director may, at any time, in writing, waive notice of any Board meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any Board meeting shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.

Section 4. Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. The presence of directors entitled to cast one-half of the votes of the Board shall constitute a quorum for the transaction of business. One or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 5 Open Meetings. All Board meetings shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters. litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6 Action Without a Meeting. Any Board action required or permitted to be taken at any meeting may be taken without a meeting if a Majority of the directors consent in writing to such action. The written consents must describe the action taken and be signed by no fewer than a Majority of the directors. The written consents shall be filed with the minutes of the Board.

C. Powers and Duties.

Section 1. Powers and Authority. The Board shall have all of the powers set forth in the Articles, together with its general powers as a non-profit corporation, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Declaration, these Bylaws and The River's Edge Estates Rules, to do any and all Lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of these Bylaws and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Board for the peace, health, comfort, safety and/or general welfare of the Owners, Associate Members and guests of The River's Edge Estates, without in any way limiting the generality of the foregoing,

(a) The Association, or its duly appointed agent, shall have the power and authority at any time, and from time to time, and without liability to any Owner, to enter upon any Lot for the purpose of enforcing any and all of the provisions called for herein, or for the purpose of maintaining and repairing any such area if for any reason whatsoever the Owner thereof fails to maintain and repair such area as required; provided, however, that the Board, or its duly appointed agent, has provided thirty (30) days' written notice to Owner to cure any violation of the provisions called for herein prior to entering upon Owner's Lot. The Board shall also have the power and authority from time to time, in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of these Bylaws and The River's Edge Estates Rules and to enforce, by mandatory injunction or otherwise, all of the provisions of these Bylaws and The River's Edge Estates Rules.

(b) In fulfilling any of its obligations or duties under these Bylaws, including, without limitation, fulfilling its obligations or duties, or in exercising any of its rights to contract improvements or other work for the maintenance, repair, operation or administration of any Common Area, any Easement Area, any Lake Easement Area, any River Easement Area, any Road, or any recreational facility, and, to the extent necessitated by the failure of the Owner thereof, any Lot, the Association shall have the power and authority:

(1) To contract, and pay for, or otherwise provide for, the construction, maintenance, restoration and repair of all improvements of whatever kind, including Common Area Roads, and for whatever purpose, from time to time located upon any Easement Area, any Lake Easement Area, any River Easement Area, or Common Area, or within any recreational facility;

(2) To obtain, maintain and pay for such insurance policies or bonds as the Board shall deem to be appropriate for the protection or benefit of The River's Edge Estates, the Association, the members of the Board, the members of the Design Committee, Owners, Associate Members, or guests, including, without limitation, builder's risk insurance, workmen's compensation insurance, automobile non-ownership insurance, and performance and fidelity bonds. The Association shall indemnify every officer and director against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon such officer or director in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been an officer or director, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer or director in the performance of his or her duties. except for his or her own individual willful misfeasance or malfeasance. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled.

(3) To contract and pay for, or otherwise provide for, such utility services, including, without limitation, water, electrical, telephone and gas services, as may from time to time be required in the Development, other than for any Private Area.

(4) To contract and pay for, or otherwise provide for, the services of architects, engineers, accountants, attorneys and certified public accountants and such other professional and non-professional services as the Board deems necessary;

(5) To contract and pay for, or otherwise provide for, fire, general security of the Development and such other protection services as the Board shall from time to time deem necessary for the benefit of the Development;

(6) To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Board deems necessary; and

(7) To pay and to discharge any and all liens arising out of the construction of any improvements, and from time to time placed or imposed upon any Common Area or recreational facility on account of any work done or performed by the Board in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(c) The Board shall have the power and authority from time to time to grant and convey to any third party such easements, rights-of-way, lots or strips of land, in, on, over or under any Road, Easement Area, Lake Easement Area, River Easement Area or Common Area, for the purpose of constructing, erecting, operating and maintaining thereon, therein or thereunder, (1) roads, walks, driveways, and park areas, (2) poles, wires and conduit for the transmission of electricity for lighting, heating, power, telephone, television and other purposes and for the necessary attachments in connection therewith; and (3) private sewers, storm water drains, land drains and pipe, water systems, sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection with the foregoing.

(d) The Board may employ the management services of one or more companies or businesses to manage the affairs of the Association, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Board shall use reasonable efforts in any management contract to provide for termination of such contract with or without cause and without penalty, upon no more than thirty (30) days written notice, and for a term not in excess of one (1) year.

(e) The Board shall have the right from time to time to pay, compromise or contest any and all taxes and assessments levied against all or and part of any Common Area, or recreational facilities or upon any real or personal property belonging to the Association; provided, however, that the Board shall pay and discharge the lien imposed by such tax or assessment prior to the time it would otherwise become delinquent

(f) Subject to the public governmental restriction, regulation, and/or authority, upon request of any Lot Owner, the Board (acting through the Design Committee) shall have the power and authority from time to time to reclassify any portion of any 'Easement Area' to 'Private Area' for the benefit of the Owner of the Lot in which it is located; subject, however, to the retention of such easements and rights and the imposition of such conditions as the Board may deem appropriate for the benefit of the Association or any of the Owners. If reasonably required, such reclassification shall be effected by the execution and recording in the Public Records of Gilmer County, Georgia (the "Public Records"), or an appropriate document describing the Lot, or portion thereof, affected.

(g) The Board shall be authorized to approve and implement a plan whereby any Owner who owns more than one Lot which are adjacent and contiguous to one another, only one of which is improved with a single family residence, may request the Association and management company to revise their records to provide that such adjacent Lots be treated as a single Lot for purposes of voting rights and assessments, subject to such procedures, terms, conditions and restrictions as the Board may approve. Such consolidation shall be subject to subsequent revocation by the Board or by the Owner of such Lots. Alternatively, the Board shall be authorized to approve and implement a plan whereby any Owner who owns more than one Lot which are adjacent and contiguous to one another, only one of which is improved with a single family residence, may replat such Lots so that they are deemed one Lot on the plat, subject to such procedures, terms, conditions and restrictions as the Board may approve, provided, however, that the replatting is done at Owner's expense and the Owner provides the Association and management company with appropriate documentation to reflect the change. Any multiple adjacent Lots which are replatted by the Owner as one Lot shall be deemed to be a single Lot for purposes of voting rights and assessments, and shall be deemed a permanent consolidation.

(h) The Board of Directors shall prepare and adopt an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;

(i) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

(ii) making and amending rules and regulations and imposing sanctions for violation thereof, including reasonable monetary fines;

(iii) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;

(iv) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(v) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners.

(vi) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration. specifying the maintenance and repair expenses and any other expenses incurred. and

(vii) 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, condominium associations. or other associations or corporations. Any and all functions of the Association shall be fully transferable by the Board. in whole or in part, to any other entity.

Section 3 Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration or improvement of the Common Property, equipment, and facilities without the approval of the members of the Association.

D. Committees

Section 1. Nominating Committee. Pursuant to Section 7 of this Article there shall be a Nominating Committee composed of at least three (3) members appointed in the manner and to perform the functions specified in Section 7 of this Article.

Section 2. Design Committee. The Board may establish a Design Committee for the purpose of establishing and maintaining architectural standards in the Property as provided in the Declaration.

Section 3. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 4. Service on Committees. Unless otherwise provided in these Bylaws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President and shall serve at the pleasure of the Board of Directors. Any committee member may be removed with or without cause at any time and with or without a successor being named.

Article IV

Officers

Section I. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer. The President, Vice President, and Secretary shall be elected by and from the Board of Directors. The Treasurer shall be elected by the Board, but need not be a Board member. The Board may appoint one or more Assistant Treasurers, Assistant Secretaries, and such other subordinate officers as in its judgment may be necessary. Any assistant or subordinate officers shall not

be required to be Board members. Except for the offices of Secretary and Treasurer, which may be held by the same person, no person may hold more than one (1) office.

Section 2. Election of Officers. The Association officers shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the members and shall hold office at the pleasure of the Board and until a successor is elected.

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

Section 4 Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the Association and shall preside at all Association and Board meetings. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including, but not limited to, the power to appoint committees from among the members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 6. 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 7. Secretary. The Secretary shall keep the minutes of all Association and Board meetings and shall have charge of such books and papers as the Board may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under Georgia law.

Section 8 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. The Treasurer shall be responsible for the preparation of the budget as provided in the Declaration. The

Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Section 9. Other Officers. Other offices may be created by the Board, and the Board members which hold such offices shall have such titles and duties as are defined by the Board.

Section 10. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, checks exceeding five hundred dollars (\$500), promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by Board resolution.

Article V.

Rule Making and Enforcement

Section 1. Authority and Enforcement. The Property shall be used only for those uses and purposes set out in the Declaration. The Board of Directors shall have the authority to make,

modify, repeal and enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Lots and the Common Property; provided, copies of all such rules and regulations shall be furnished to all Owners and Occupants. Any rule or regulation may be repealed by the affirmative vote or written consent of a Majority of the total Association vote at an annual or special meeting of the membership.

Every Owner and Occupant shall comply with the Declaration, Bylaws and rules and regulations of the Association, and any lack of compliance shall entitle the Association and, in an appropriate case, one or more aggrieved Lot Owners, to take action to enforce the terms of the Declaration, Bylaws or rules and regulations.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Owner's Lot, and to suspend an Owner's right to vote or to use the Common Property for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. If any Occupant violates the Declaration, Bylaws or Association rules and a fine is imposed, the fine may be imposed against the Owner and/or Occupant, subject to Section 2 below. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

Section 2. Fining and Suspension Procedure. The Board shall not impose a fine or suspend the right to vote or to use the Common Property, unless and until the Association has sent or delivered written notice to the violator as provided in subsection (a) below. However, compliance with this Section 2 shall not be required for the following (i) late charges on delinquent assessments, (ii) suspension of voting rights if an Owner is shown on the Association's records to be more than thirty (30) days delinquent in any payment due the Association, in which case suspension of the right to vote shall be automatic, or (iii) suspension of common utility services, which shall be governed by various portions of the Declaration.

(a) Notice. If any provision of the Declaration or Bylaws or any Association rule is violated, the Board shall send the violator written notice identifying the violation and fine(s) being imposed and advising the violator of the right to request a hearing before the Board to contest the violation or fine(s) or to request reconsideration of the fine(s). Fines may be effective or commence upon the sending of such notice or such later date specified in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge the fine(s). In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator

(b) Hearing If a written request for hearing is received from the violator within ten (10) days of the date of the violation notice provided above, then the Board shall schedule and hold in executive session a hearing affording the violator a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time. Failure to request a timely hearing as provided herein shall result in loss of the right to challenge and request reconsideration of the fines.

Section 3. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provision of the Declaration, the Bylaws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations or performing maintenance on any Lot upon a failure by the Lot Owner to do so) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance

with the procedure set forth in Section 2 of this Article. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

The Association or its duly authorized agent shall have the power to enter a Lot or upon any portion of the Common Property to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declaration, the Bylaws, or the rules and regulations. All costs of self-help or of otherwise enforcing the Declaration, Bylaws or Association rules, including reasonable attorney's fees, shall be assessed against the violating Lot Owner. Additionally, the Association shall have the authority to record in the Gilmer County land records a notice of violation identifying an uncured violation of the Declaration, Bylaws or rules and regulations regarding the Lot.

Article VI. Miscellaneous

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

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

(b) if to an Occupant, at the address of the Lot occupied; or

(c) if to the Association, the Board or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary

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

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

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

Section 5. Fiscal Year. The fiscal year of the Association may be set by Board resolution or, in the absence thereof, shall be the calendar year.

Section 6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board. However, after having received the Board's financial review at the annual meeting, the Owners may, by a Majority of the Association vote, require that the Association accounts be audited as a Common Expense by an independent accountant.

Section 7. Conflicts. The duties and powers of the Association shall be those set forth in the Act, the Georgia Nonprofit Corporation Code, the Declaration, these Bylaws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the Act, the Georgia Nonprofit Corporation Code, the Declaration, these Bylaws, or the Articles of Incorporation, then the provisions of the Act, the Georgia

Nonprofit Corporation Code, as may be applicable, the Declaration, the Articles of Incorporation and these Bylaws, in that order, shall prevail, and each Owner of a Lot, by acceptance of a deed or other conveyance therefore, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

Section 8. Amendment. Except where a higher vote is required for action under a particular provision of the Declaration or Bylaws, these Bylaws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the members holding sixty-six and two-thirds (66-2/3%) percent or as provided by law, of the total eligible vote of the Association. Notice of a meeting, if any, at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. No amendment shall become effective until it is certified by the President and Secretary of the Association and recorded in the Gilmer County, Georgia land records. Any amendment covered by Section 6.08 of the Declaration shall not be effective until the requirements of that Section are met. Any amendment duly certified and recorded (containing any additional signatures required by the Declaration) shall be conclusively presumed to have been duly adopted in accordance with the Declaration and Bylaws. Owners whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the amendment requirement.

Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

Section 9. 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.

CERTIFICATION

I the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of River's Edge Estates Homeowners Association, Inc., a Georgia corporation;

That the foregoing Bylaws constitute the Amended and Restated Bylaws of said Association, as duly adopted by the Board of Directors and the members of the Association on the ___ day of ___, 19__

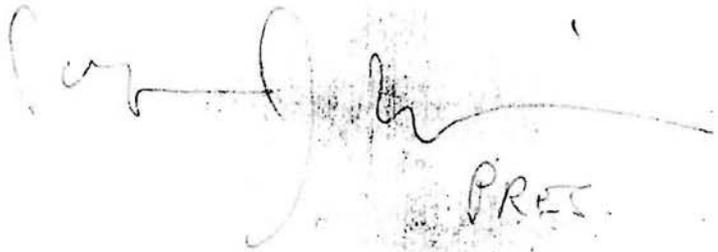
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ___ day of ___, 19__

RIVER'S EDGE ESTATES HOMEOWNERS
ASSOCIATION, INC.

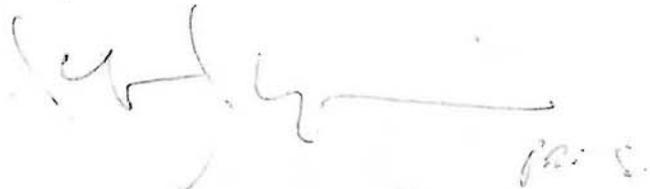
[SEAL]

Secretary

[CORPORATE SEAL]


PRES.

THE ATTACHED RIVER'S EDGE
BY LAWS ARE ACCEPTABLE AND
SATISFACTORY. PLEASE ENTER MY "APPROVE" VOT.


PRES.

CERTIFICATION

I the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of River's Edge Estates Homeowners Association, Inc., a Georgia corporation;

That the foregoing Bylaws constitute the Amended and Restated Bylaws of said Association, as duly adopted by the Board of Directors and the members of the Association on the 15 day of Oct, 1999

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 15 day of Oct, 1999

RIVER'S EDGE ESTATES HOMEOWNERS
ASSOCIATION, INC.


[SEAL]

Secretary

[CORPORATE SEAL]

CERTIFICATION

I the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of River's Edge Estates Homeowners Association, Inc., a Georgia corporation;

That the foregoing Bylaws constitute the Amended and Restated Bylaws of said Association, as duly adopted by the Board of Directors and the members of the Association on the ___ day of _____, 19__

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ___ day of _____, 20__

RIVER'S EDGE ESTATES HOMEOWNERS
ASSOCIATION, INC.

[SEAL]
President

[CORPORATE SEAL]

CERTIFICATION

I the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of River's Edge Estates Homeowners Association, Inc., a Georgia corporation;

That the foregoing Bylaws constitute the Amended and Restated Bylaws of said Association, as duly adopted by the Board of Directors and the members of the Association on the ___ day of _____, 19__

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ___ day of _____, 20__

RIVER'S EDGE ESTATES HOMEOWNERS
ASSOCIATION, INC.

[SEAL]
Secretary

[CORPORATE SEAL]