

BYLAWS
OF
MORGAN HILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
Registered Office

Morgan Hill Homeowners Association, Inc., a Georgia nonprofit corporation (the "Association"), shall have at all times within the State of Georgia a registered office and a registered agent. The Association may have other offices within the State of Georgia as may be determined from time to time by its Board of Directors (the "Board").

ARTICLE II
Membership in Association

2.1 Eligibility: Developer Control. The Association shall have two (2) classes of membership as follows:

- a. Class A Members. All owners of lots in any phase of The Village at Morgan Hill Subdivision (as originally defined by Declaration of Covenants, Restrictions and Easements recorded in Deed Book 5886 page 195, Cobb County Records, hereinafter referred to as the "Declaration", and as may be hereafter amended) shall be Class A members of the Association.
- b. Class B; Developer Control. Notwithstanding any other provisions of these Bylaws, the Association shall initially operate with Class B member or members, which shall be Columbia Homes, L. P., its successors and assigns, or any other person or entity owning undeveloped or developed but unsold lots in any phase of The Village at Morgan Hill Subdivision (hereinafter cumulatively referred to as the "Developer"). The Class B member or members shall have the absolute right to elect the Board of Directors of the Association and to have full voting control of the Association until such time as set forth in the Declaration.

2.2 Membership Assessments. All members shall pay an annual (calendar year) membership assessment, in an amount and manner of payment as may be specified by the Board of Directors from time to time. Members joining during any calendar year shall pay a prorated initial assessment. Nothing provided herein shall prohibit the Board from establishing membership fees or special assessments in addition to the annual membership assessment, as set forth in the Declaration.

2.3 Regular Meetings. The members shall annually hold a regular meeting, one of the purposes of which shall be to elect directors. The first regular annual meeting of members may be held, subject to the terms hereof, on any date, at the option of the Board, within one year after the incorporation of the Association. Subsequent to the first meeting, there shall be a regular annual meeting of members held each year within fifteen (15) days of the anniversary of the first regular annual meeting. All such meetings of members shall be held at such place in Cobb County, Georgia, and at such time as is specified in the written notice of such meeting. Subject to the terms of the Declaration, such notice shall be delivered to all members at least five (5) days and not more than thirty (30) days prior to the date of such meeting. Such notice shall also state the purpose of such meeting.

2.4 Special Meeting. It shall be the duty of the President to call a special meeting of the members if so directed by (1) resolution of the Board of Directors or (2) upon a petition signed and presented to the Secretary by the members entitled to at least twenty-five (25%) percent of the total votes of all members. Subject to the terms of the Declaration, special meetings shall be called by delivering written notice to all members not less than five (5) days nor more than thirty (30) days prior to the date of said meeting, stating the date, time, place and purpose of the special meeting.

2.5 Delivery of Notice of Meeting. It shall be the duty of the Secretary to mail a notice to each, member of record of each meeting. Each notice of meeting shall state the purpose thereof as well as the time and place where it is to be held. Notices of meetings may be delivered either personally or by mail to a member at the address given to the Board by said member for such purpose.

2.6 Waiver of Notice. Waiver of notice of 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 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 thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

2.7 Voting. Each Class A member shall be entitled to one vote, which vote may be cast by the member, the spouse or by a lawful proxy as provided below. When more than one person owns a membership, the vote for such member shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cast attributable to such membership. In the event of disagreement among such persons and an attempt by two 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 member shall be eligible to vote, either in person or by proxy, or be elected to the Board, if that member is shown on the books or management accounts to the Association to be more than sixty (60) days delinquent in any payment due the Association.

2.8 Voting List. A list of names and addresses and class designation of members entitled to vote shall be maintained at the registered office of the Association.

2.9 Quorum. Subject to the terms of the Declaration, a quorum of members for any meeting shall be deemed present throughout such meeting if members represented in person or by proxy and holding more than one-third (1/3) of the votes entitled to be cast at such meeting are present at the beginning of such meeting.

2.10 Adjournment. Any meeting of the members may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of the members 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 an adjourned session, and no additional notice of such adjourned session shall be required.

2.11 Proxy. Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies must be dated and may be revoked only by written notice delivered to the Association. Presence in person at the meeting for which a proxy is given shall automatically revoke the proxy.

2.12 Consents. Any actions, which may be taken by a vote of the members may also be taken by written consent signed by all members entitled to vote thereon.

2.13 Rules of the Meeting. The Board may prescribe reasonable rules for the conduct of all meetings of the Board members.

ARTICLE III

Board of Directors

3.1 Composition. The affairs of the Association shall be governed by the Board of Directors. The Board shall be composed of at least three (3) but no more than thirty (30) persons. The precise number of directors shall be fixed from time to time by resolution of the Board.

3.2 Term of Office. The directors shall be elected as provided In Section 3.7 of this Article. Each director, except in case of death, resignation, retirement, disqualification or removal, shall serve until the next succeeding annual meeting and thereafter until his successor shall have been elected and qualified.

3.3 Removal of Directors by Members; Resignations. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority vote of the members of the Association and a successor may then be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given at least five (5) days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Any director may resign at any time and shall be deemed to have resigned upon any disposition of his or his spouse's lot.

3.4 Vacancies. Vacancies in the Board caused by any reason, including the addition of a, new director or directors but excluding the removal of a director by vote of the Association, 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 for the remainder of the term of the director being replaced. Said director shall serve until a successor shall be elected at the next annual meeting of the Association to fill the unexpired portion of the term.

3.5 Compensation. Directors shall not be compensated unless and to the extent the members of the Association authorize at any meeting duly called for that purpose.

3.6 Nomination. Nomination for election to the Board shall be made by a nominating committee which shall consist of two (2) members appointed by the President to serve from the close of one annual meeting to the close of the

succeeding annual meeting. Such appointment shall be announced at the annual meeting. The nominating committee may nominate any number of qualified individuals, but no less than the number of directors to be elected. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Failure to comply with the provisions hereof shall in no way invalidate the election of directors so nominated.

3.7 Elections. Directors to be elected by the members shall be elected, from among those nominated, by a majority vote at the annual meeting, a quorum being present.

3.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every three (3) months. The Board shall meet within ten (10) days after each annual meeting of members. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or in person, at least five (5) business days prior to the day named for the meeting.

3.9 Special Meetings. Special Meetings of the Board may be called by the President on twenty-four (24) hours notice, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President, Secretary or Treasurer in like manner and on like notice on the written request at any director.

3.10 Waiver of Notice. Any director may, in writing, waive notice of any meeting of the Board, either before or after such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board 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 meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.11 Quorum. At all meetings of the Board, a majority of the members thereof 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. If at any meeting of the Board there shall be less than a quorum present, majority of those present may adjourn the meeting from time to time. At any 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,

3.12 Conduct of Meeting. The President shall preside over all meetings of the Board 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. Roberts Rules of Order (latest edition) shall govern the conduct of the meetings of the Board when not in conflict with the Declaration of these Bylaws.

3.13 Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the directors consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board.

3.14 Powers and Duties. The Board shall exercise for the Association all powers, duties and authority vested therein by these Bylaws, except for such powers, duties and authority reserved thereby to the members of the Association. Such powers of the Board shall include but shall not be limited to, the following:

- a. To elect and remove the officers of the Association as hereinafter provided;
- b. To administer the affairs of the Association;
- c. To engage the services of an agent (hereinafter sometimes referred, to as the "Managing Agent") to maintain, repair, replace, administer and operate the common area, upon such terms and for such compensation as the Board may approve;
- d. To administer, manage and operate the common area, and to formulate policies therefore;
- e. To adopt rules and regulations, with written notice thereof to all members, governing the details of the administration, management, operation and use of the common area and the property, and to amend such rules and regulations from time to time;
- f. To provide for the operation, care, upkeep, maintenance, repair, replacement and improvement of the common area and payments therefore, and to approve payment vouchers or to delegate such approval to the officers of the Association or the Managing Agent;
- g. To obtain adequate and appropriate kinds of insurance;

- h. To engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the common area, and to delegate any such powers to a Managing Agent (and any employees or agents of a Managing Agent);
- i. To appoint committees and to delegate to such committees the Board's authority to carry out certain duties off the Board;
- j. To determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- k. To estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to provide the manner of assessing, levying on and collecting from the members the general and special assessments, and to levy fines against one or more occupants in accordance with the Bylaws;
- l. To keep detailed, accurate record of the receipts and expenditures affecting the use and operation of the common area;
- m. To act in a representative capacity in relation to matters involving the common area on behalf of the members, as their interests may appear;
- n. To enforce by legal means the provisions of these Bylaws with respect to the common area;
- o. To renew, extend, or compromise indebtedness owed to or by the Association;
- p. At its discretion, to authorize occupants to use the common area for private parties and gatherings and, at its discretion, to impose reasonable charges for such private use;
- q. Unless otherwise provided herein to comply with the instructions of a majority of the members as expressed in a resolution duly adopted at any annual or special meeting of the Association; and
- r. In addition to, and in furtherance of, the powers referred to in these Bylaws, the Association shall (i) have all the powers permitted to be exercised by a nonprofit corporation under the Georgia Nonprofit

Corporation Code, as now in force or hereafter amended and (ii) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with the law which may be appropriate to promote and attain the purposes set forth in these Bylaws.

ARTICLE IV

Officers

4.1 Designation. At each regular annual meeting of the Board after the members elect the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

- a. A President, who shall be a director and who shall preside over the meetings of the Board and of the members, and who shall be the chief executive officer of the Association. He or She shall have all of the general powers and duties, which are incident to the office of President of a corporation organized under the Georgia Nonprofit Corporation Code;
- b. A Secretary, who shall keep the minutes of all meetings of the Board and of the members, and shall he designated as the officer to mail and receive all notices served by or upon the Board or the Association and execute amendments to these Bylaws, and shall, in general, perform all the duties incident to the office of Secretary of a corporation organized under the Georgia Nonprofit Corporation Code and may be a representative of the Managing Agent;
- c. A Treasurer, who shall be responsible for financial records and, books of account showing all receipts and disbursements, and for the preparation of all required financial data and the manner in which such records and books are kept and reported; he shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board, or the Managing Agent, in such depositories as may from time to time be designated by the Board; provided however, that the duties of Treasurer may be performed by an employee or independent contractor retained by the Board, who shall, in general, perform all of the duties incident to the office of Treasurer of a corporation

organized under the Georgia Nonprofit Corporation Code; and

- d. Such additional officers as the Board shall see fit to elect.

Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer as the Board may see fit.

4.3 Term of Office. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified.

4.4 Vacancies. Vacancies in any office shall be filled by the Board by a majority vote at a special meeting of said Board. Any officer so elected by the Board to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds.

4.5 Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the members,

4.6 Removal. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

ARTICLE V

Contractual Powers

No contract or other transaction between the Association and one or more of its directors or between the Association and any corporation firm or association in which one or more of the directors are also directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because the vote or votes of director or directors are counted toward such authorization or approval, if the circumstances specified in either of the following subparagraphs exist:

- a. The fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes

thereof, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose, without counting the vote or votes of such director or directors; or

- b. The contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Such common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof, which authorizes, approves or ratifies such a contract or transaction.

ARTICLE VI

Indemnification

6.1 General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the Bylaws of the Association, and the Board against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such directors, Board officers or committee members, on behalf of the members, or arising out of their status as directors, Board officers or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board or committee member may be involved by virtue of such persons being or having been such director, officer, Board or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member, or (b) any matters settled or compromised, unless in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in their performance or his duties as such director, officer, Board or committee member,

6.2 Success on Merits. To the extent that the Board, a director, officer of the Association or member of any committee appointed pursuant to these Bylaws has been

successful on the merits or otherwise in defense of any action, suit or proceeding referred, to in Paragraph 6.1, above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonable incurred by him in connection therewith.

6.3 Expenses in Advance of Disposition. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in the specific case upon receipt of an undertaking by or in behalf of the director, officer, Board or committee member to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

6.4 Non-Exclusive Remedy. The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a director, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such person or entity.

ARTICLE VII

Use Restrictions and Rule Making.

7.1 Authority and Enforcement. The Board shall have the authority to make and to enforce reasonable rules and regulations governing the conduct, use and enjoyment of the common area provided that copies of all such rules and regulations be furnished to all members. The Board shall have the power to impose reasonable fines and to suspend a member's right to vote or to use the common area for violation of any duty imposed under the Declaration, these Bylaws or any rules and regulations duly adopted hereunder.

7.2 Procedure. The Board shall not impose a fine, suspend a member's right to vote or infringe upon any other rights of a member for violation of rules unless and until the procedure set forth, in the Declaration is followed.

ARTICLE VIII

Amendments.

These Bylaws may be amended, modified or rescinded, from time to time, in the following manner;

8.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

8.2 Adoption. The Board shall have the power to alter, amend or repeal any of these Bylaws or to adopt new Bylaws by the affirmative vote of a majority of all of the directors, but any Bylaws adopted by the Board may be altered, amended or repealed and new Bylaws adopted by the affirmative vote of at least two-thirds (2/3) of the total numbers of votes of all of the mergers then entitled to vote. The members may proscribe in any Bylaw adopted by them that such Bylaw shall not be altered, amended or repealed by the Board.

8.3 Proviso. No amendment may be adopted which would, eliminate, modify, prejudice, abridge or otherwise adversely affect or conflict with the Articles of Incorporation of the Association.

ARTICLE IX

Miscellaneous

9.1 Notice. 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 registered or certified mail, return receipt requested, first class postage prepaid:

- a. If to a member, at the address which the member has designated in writing and filed with the Secretary, or if no address has been designated, at the last known address of such member; or
- b. 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 by the notice in writing to the members pursuant to this paragraph.

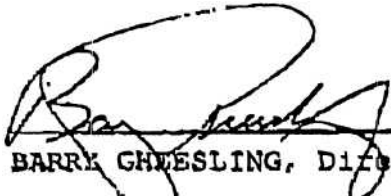
9.2 Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

9.3 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 hereof.


9.4 Gender and Number. 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.

9.5 Fiscal-Year. The fiscal year shall be set by resolution of the Board.

IN WITNESS WHEREOF, the undersigned, being all of the Directors of the Morgan Hill Homeowners Association, Inc., have hereunto set our hands this 10th day of August, 1990.



BARRY GHIESLING, Director (SEAL)



DAVID P. COCKRUM, Director (SEAL)



JAMES E. TYRELL, Director (SEAL)


CERTIFICATION

I, the undersigned! do hereby certify:

THAT I am the duly elected and acting Secretary of the Morgan Hill Homeowners Association, Inc., a Georgia nonprofit corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 10th day of August, 1990.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 10th day of August, 1990.


DAVID P. COCKRUM, Secretary
"CORPORATE SEAL"