

BYLAWS
of
TRANQUILITY at Carters Lake Owners Association, Inc.

ARTICLE I

Name and Location

The name of the corporation is **TRANQUILITY AT CARTERS LAKE OWNERS ASSOCIATION, INC.**, a Georgia non-profit corporation, hereinafter referred to as the "Association." The principal office of the corporation shall be located in the county of Gilmer, Georgia, but meetings of members and directors may be held at such places within or without the State of Georgia as may be designated by the Board of Directors.

ARTICLE II

Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. **Membership.** The Association shall be owned by its membership, which shall be composed of owners of homesites in the *TRANQUILITY* subdivision in Gilmer County, Georgia. Membership rights and status shall be as set forth in the Declaration of Covenants, Restrictions and Easements for Tranquility at Carters Lake, which is recorded in the Office of Superior Court Clerk, Gilmer County, Georgia (the "Declaration").

Section 2. **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

Section 3. **Annual Meetings.** The first meeting of the Members of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

Section 4. **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 a quorum of the Board of Directors or upon a petition signed by Members representing at least ten (10%) percent of the total votes of the Association. 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 5. **Notice of Meetings.** Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) days nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers of persons calling the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States Mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. 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 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 the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting 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 the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

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, provided that Members representing at least five (5%) percent of the total votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. Voting rights shall be as provided in the Declaration. Owners of property owned jointly or in concert with others, or by a partnership, trust or corporation, shall be treated as a single Member and shall designate one person to vote on behalf of such owners. No member who is delinquent in the payment of dues shall be entitled to exercise the right to vote. This section shall be construed to provide for one vote per homesite, except as provided in the Declaration.

Section 9. Proxies. Members may vote in person or by proxy provided any such proxy is signed, dated and filed with the Secretary of the Association prior to the meeting for which it is valid.

Section 10. Majority. As used in these By-Laws, 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 voting.

Section 11. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members representing at least ten (10%) percent of the total vote of the Association shall constitute a quorum at all meetings of the Association.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 13. Action Without a Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken has been solicited from all Members entitled to vote with respect to the subject matter thereof, and all such Members responding so consent. Any such consent shall have the same force and effect as a unanimous vote of the Members.

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, each of whom shall have one (1) vote. Directors shall be Members or spouses of such Members. In the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Number of Directors. The number of directors in the Association shall be not more than nine (9), as provided by a majority vote of the Members.

Section 3. Nomination of Directors. The Board of Directors may implement means of nominating directors as it shall see fit.

Section 4. Election and Term of Office. Subject to the provisions of the Declaration, the directors shall be chosen by the Members at the annual meeting of the Members, and shall serve for a period of one (1) year, or until successors are qualified.

Section 5. Removal of Directors and Vacancies. Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Members to fill the vacancy for the remainder of the term of such director.

Any director who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the board and it may appoint a successor.

B. Meetings.

Section 6. 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. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 7. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any three (3) 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 office or home who would reasonable be expected to communicate such notice promptly to the director; or (d) by email, provided that such communication is verified by electronic receipt or other reliable means. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be mailed at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 8. Waiver of Notice. The transactions of any meetings 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 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 given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 9. 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 of the Board 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 date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 10. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority for the total vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 11. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 12. Open Meetings. Subject to the provisions of Section 16 of this Article, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the presiding officer may limit the time any Member may speak. The Board may adjourn any meeting and reconvene in executive session, excluding Members other than directors, to discuss matters of a sensitive nature such as potential or pending litigation, personnel matters, etc.

Section 13. Action Without a Formal Meeting; Conference Call Meetings. 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. Such consent shall have the same force and effect as a unanimous vote. A member or members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment, by means of which all directors participating in the meeting can hear each other. Such participation shall constitute presence in person at such meeting.

C. Powers and Duties.

Section 14. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by these Bylaws directed to be done and exercised exclusively by the Membership.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

- (a) establishing the amount of the yearly, special and other assessments to defray the Association expenses, establishing the means and methods of collecting such assessments, establishing the period of the annual assessment; and establishing a yearly budget of anticipated revenues and expenditures.
- (b) providing for the operation, care, upkeep, maintenance and improvement of the roads and entrance;
- (c) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds for the purposes of the Association;
- (d) opening of bank accounts on behalf of the Association and designating the signatories required;
- (e) enforcing by legal means the provisions of 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;
- (f) obtaining and carrying insurance against casualties and liabilities, and paying the premium cost thereof;

D. Indemnification. Each director, officer, employee or agent of the Association, and each person who at its request has served as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall be indemnified by the Association against those expenses which are allowed by the laws of the State of Georgia and which are reasonable incurred in connection with and action, suit or proceeding, completed, pending or threatened, in which such person may be involved by reason of his being or having been a director, officer, employee or agent of the Association or of such other enterprise. Such indemnification shall be made only in accordance with the laws of the State of Georgia and subject to the conditions prescribed herein. The Association may purchase and maintain insurance on behalf of any such directors, officers, employees or agents against any liabilities asserted against such persons whether or not the Association would have the power to indemnify such directors, officers, employees or agents against such liability under the laws of the State of Georgia. If any expenses or other amounts are paid by way of indemnification, other than by court order, action by members or by an insurance carrier, the Association shall provide notice of such payment to the members in accordance with the provisions of the laws of the State of Georgia. For purposes of this Section, references to "the Association" shall include, in addition to the surviving or new corporation, any merging or consolidating corporation (including any merging or consolidating corporation of a merging or consolidating corporation) absorbed in a merger or consolidation so that any person who is or was a Director, officer, employee or agent of such merging or consolidating corporation, or is or was serving at the request of such merging or consolidating corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

ARTICLE IV

Officers

Section 1. Officers. The officers of the Association shall be a President, Secretary, and Treasurer, to be elected from among the Members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

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 of Directors following each annual meeting of the Members, as set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for financial recordkeeping, paying debts and banking.

Section 5. 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 be effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may designated by resolution of the Board of Directors.

ARTICLE V

Assessments

Section 1. Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of annual assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

Section 2. Annual Assessment. Commencing with the first Assessment Year and continuing thereafter, the annual assessment for each Assessment Year may at any time and from time to time be increased more than ten percent (10%) above the maximum annual assessment for the previous Assessment Year if such increase is approved by a two-thirds (2/3) vote of the Members of the Association who are present in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions of the By-Laws of the Association and this Declaration.

Section 3. Assessment Procedure. The Board shall establish the annual assessment for each Assessment Year at an amount not in excess of the maximum annual assessment as determined by the provisions of the Declaration, and shall also establish the date during the Assessment Year on which the annual assessment shall be due and payable (such date is hereinafter referred to as the Due Date). The Board shall also establish an annual budget which shall list the estimated operating expenses and shall contain a reasonable amount to be set aside each year into a reserve allowance sufficient for reasonably anticipated future repair and replacement of the Common Property. The Board shall cause the Association to send to each Owner at least thirty (30) days in advance of the Due Date written notice setting forth the amount of the annual assessment and the Due Date. The annual assessment shall become due on the thirtieth (30th) day following such written notice or the Due Date, whichever is later. The Board may establish reasonable payment procedures to allow or require payment of the annual assessment in installments during the Assessment Year. The Board shall also establish payment procedures for payment of any special assessments for capital improvements which may be levied in accordance with the provisions of the Declaration. The Board may also provide for collection of pro-rated assessments in the year of sale. Pursuant to the Declaration, the Board shall exempt from the payment of assessments the Declarant and any successor, including without limitation, any bulk transferee of lots (in excess of 30 lots) which are held for re-sale.

ARTICLE VI

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

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, or these Bylaws.

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

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Bylaws, membership register, books of account and minutes of meetings of members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place as the Board shall prescribe.

(b) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. 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 U. S. Mail, 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

(b) if to the Association, the Board of Directors, 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 notice in writing to the Members pursuant to this Section.

Section 6. Amendment. These Bylaws may be amended only by the affirmative vote or written consent or any combination thereof, of Members representing a majority of the total votes of the Association.

ARTICLE VII

Architectural Control Committee

Section 1. Creation. There shall be established an Architectural Control Committee (the "ACC") as set forth in Article V, of the Declaration. Subject to the developer-control provisions contained in the Declaration, the Board shall have the authority to appoint and remove members of the ACC, and to promulgate rules and regulations in connection with such responsibilities.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected Secretary of TRANQUILITY AT CARTERS LAKE OWNERS ASSOCIATION, INC., a Georgia non-profit corporation;

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted by and with the consent of the Members.

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

Secretary