

**BY-LAWS
OF
PROPERTY OWNERS OF RIVERWALK ON THE APALACHEE, INC.
A Georgia Non-Profit Corporation**

Dated: December 3, 2001

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Property Owners of Riverwalk on The Apalachee, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1412 Eatonton Road, Suite 700, Madison, Georgia 30650 (as hereinafter defined); provided, however, that meetings of Members and Directors may be held at such places within Morgan County, Georgia, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. "Association" shall mean and refer to Property Owners of Riverwalk on The Apalachee, Inc., its successors and assigns.

Section 2. "Board" shall mean the Board of Directors of the Association.

Section 3. "Common Property" shall mean all real and personal property in which the Association owns an interest for the common use and enjoyment of all the Members. Said interest or interests may include, without limitation, estates in fee, estates for a term of years, usufructs or easements, including entrance signage, rights of way for roads, drainage and utilities, boat ramps and other common area grounds and assets.

Section 4. "Declarant" shall mean and refer to Weyerhaeuser Real Estate Development Company.

Section 5. "Declaration" shall mean and refer to that certain Declaration of Protective Covenants for Riverwalk on the Apalachee Phase One recorded in Deed Book 288, pages 400-431, the Office of the Clerk of the Superior Court of Morgan County, Georgia, as now or hereafter amended.

Section 6. "Lot" shall mean a parcel of land designated as a lot on a plat of the Submitted Property.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8. "Member in good standing" shall mean and refer to those Members who have paid all dues, assessments, interest or other obligations owed to Association and are in compliance with the Declaration, By-laws, Articles of Incorporation and design guidelines of the Association.

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot; provided, however, that where fee simple title has been transferred and is being held merely as security for the repayment of a loan, the person or entity who would own the Lot in fee simple if such loan were paid in full shall be considered the Owner. Every owner of a Lot in Riverwalk on The Apalachee Phase One shall be required to a member of the Association. There shall be only one membership per lot. If the lot is owned by more than one person, all co-owners shall share the privileges of such membership, subject to reasonable Board regulations and the restrictions on voting set forth in Article III, Section 6 below and all such co-owners shall be jointly and severally obligated to perform the responsibilities of Owners of a Lot. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner, trustee, or by the individual designated from time to time by the Owner, in a written instrument provided to the Secretary of the Association.

Section 10. "Submitted Property" shall mean and refer to that certain real property described in the Declaration of Protective Covenants, for Riverwalk on The Apalachee Phase One recorded in Deed Book 288, page 400 Office of the Clerk of the Superior Court of Morgan County, Georgia, as amended, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III MEETING OF MEMBERS

Section 1. **Annual Meetings.** The initial annual meeting of the Members shall be held in Morgan County, Georgia, December 3, 2001 and thereafter, beginning in the year 2002, the annual meeting shall be held on the second Saturday in December each year at the hour of one o'clock P.M., unless sufficient notice, as set forth herein, is given to the Members as to an alternative meeting time and place agreed to by the Board of Directors. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. For such period of time as the Declarant shall own any Lot for sale on a plat of the Submitted Property, as now exists or may hereafter be added to the original Submitted Property, no annual meeting shall be required unless set by the Declarant.

Section 2. **Special Meetings.** Special meetings of the Members may be called at any time by the President or by the affirmative vote of a majority of the Board of Directors, or upon

written request of the Members in good standing who are constitute one-third (1/3) of all of the votes of the Members.

Section 3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting: (i) by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice, or (ii) by hand delivery to the Member's home at least ten (10) days before such meeting to each Member. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. **Waiver of Notice:** A Member may waive any required notice before or after the date and time of the required notice. The waiver must be in writing, signed by the Member entitled to notice, and delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance at a meeting waives objection: (1) to lack of notice or defective notice of a meeting unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (2) to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

Section 5. **Quorum.** The presence at the meeting of Members in good standing entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. **Voting Rights.** Only Members in good standing shall be entitled to vote. Each Member shall have one equal vote for each Lot owned, provided there shall be only one vote per Lot. Notwithstanding the above, the Owner of two contiguous Lots, as shown on the survey of the subdivision, upon which one residential building is constructed, shall have only one vote for both of said Lots. No vote shall be exercised on behalf of any Lot if any assessment for said Lot is delinquent. In the event a Lot is owned by more than one person or by an entity, the vote for said Lot shall be exercised as the co-owners determine among themselves and so advise the Secretary of the Association in writing prior to the vote being taken. Absent such notice, the Lot's vote shall be suspended if more than one person seeks to exercise it.

Section 7. **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary and be valid for 11 months unless a different period is expressly provided in the appointment form. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. Each proxy

shall be general unless otherwise provided in the appointment form. In the event a Member is not in good standing on the Annual Meeting date of the current calendar year, said Member therewith automatically grants unto the then-current Board of Directors of the Association his proxy to vote on all matters coming before the Association until said Member becomes a Member in good standing.

Section 8. Dues and Assessments. All dues and assessments shall be apportioned and billed by Lot for every Lot in the Submitted Property, irrespective of whether an owner's residence crosses the boundary line separating two lots. Until all Lots in the subdivision have been sold by the Declarant or the Declarant has relinquished control of the homeowner's association in writing, whichever first occurs, the Declarant shall have the sole right to establish the budget and the assessment and such budget and assessment shall be effective and there shall be no obligation to call a meeting of the homeowner's association or of the Board for the purpose of considering the budget (see Section 10.2C of the Declaration of Covenants).

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than nine (9) Directors, who shall be Members in good standing of the Association. The exact number, which shall be an odd number, shall be determined by the Members from time to time. For such period of time as the Declarant shall own any Lot for sale on a plat of the Submitted Property, as now exists or may hereafter be added to the original Submitted Property, the Declarant shall have the sole right to select and appoint the Directors of the Association, who are not required to be Owners of Lots.

Section 2. Term of Office. Each Director shall hold office for a term of two (2) years or until their replacement is elected. The terms of the Board of Directors shall be staggered so that approximately one-half (½) of the Board will rotate off the Board each year.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members in good standing of the Association; or if any Director fails to be a Member in good standing of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties for the Association.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. **Nomination.** Nomination for election to the Board of Directors shall be made at the annual meeting of the Association or any special meeting called for that purpose. Each Director shall be a Member in good standing of the Association.

Section 2. **Election.** Election to the Board of Directors shall be by secret written ballot or by hand vote if approved by a simple majority at the meeting. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Directors are elected by a simple majority of the votes cast by the Members entitled to vote in the election at a meeting at which a quorum is present. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. **Regular Meetings.** Regular meetings of the Board of Directors shall be held at least quarterly with notice as set forth herein, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than ten (10) days notice to each Director, or upon such shorter period of time if all Directors are notified and agree on a given date for a meeting within less than ten (10) days.

Section 3. **Action Taken Without a Meeting.** The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of the Directors describing the action taken and delivered to the Association for filing in the corporate records. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 4. **Quorum.** A majority of the currently elected and actively serving Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. **Powers.** The Board of Directors shall have the power to:

(A) Adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(B) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(C) Declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors without due cause; and

(D) Nominate, elect or appoint the officers of the Association;

Section 2. **Duties.** It shall be the duty of the Board of Directors to:

(A) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the Members who are entitled to vote;

(B) Supervise all officers, agents and contractors of the Association, and to see that their duties are properly performed;

(C) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(D) Procure and maintain adequate liability and hazard insurance on property owned by the Association, if deemed necessary by the Board of Directors; and

(E) Cause the Common Property to be maintained in accordance with the Declaration.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. **Enumeration of Offices.** The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. **Election of Officers.** The election of officers by the Board of Directors shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. Officers shall be Members in good standing of the Association.

Section 3. **Term.** The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. **Compensation.** No officer shall receive compensation for any service he may render to the Association. However, any officer may be reimbursed for his actual expenses incurred in the performance of his duties for the Association.

Section 5. **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 6. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board or if any officer fails to be a Member in good standing of the Association. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaced.

Section 8. **Multiple Offices.** A person may simultaneously hold more than one of any of the offices.

Section 9. **Duties.** The duties of the officers are as follows:

(A) **President.** The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall be able to co-sign checks and promissory notes.

(B) **Vice President.** The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board and shall be able to co-sign checks.

(C) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the

Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board and shall be able to co-sign checks.

(D) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall be able to sign checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures, to be approved by the Board and presented to the membership of the Association at its regular annual meeting, and deliver a copy of each to the Members in good standing of the Association at the annual meeting, or upon request by a Member in good standing. At the end of a Treasurer's term of office, the books shall be examined and reviewed by an outside source within thirty (30) days.

ARTICLE IX COMMITTEES

The Board of Directors shall appoint and supervise the Architectural Review Board as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times be maintained in the possession of the Treasurer or such other appropriate offices and, during reasonable business hours, be subject to inspection by any Member in good standing. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member in good standing at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI AMENDMENTS

Section 1. Any amendment to these By-Laws must be approved by a vote of seventy-five percent (75%) of the Members of the Association.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XII INDEMNIFICATION

It is the intent of the Association to indemnify Officers and Directors for their costs, expenses and damages incurred in the defense of an action against such individual for his or her acts while serving as an Officer or Director, if such action was taken in good faith and not an illegal act.

Section 1. Authority to Indemnify.

(A) The Association is authorized to indemnify a Director against liability incurred by an individual who is or was a Director if the Director acted in a manner believed in good faith to be in the best interests of the Association or not opposed to the best interests of Association and; in the case of any criminal proceeding, such Director had no reasonable cause to believe his conduct was unlawful.

(B) Indemnification permitted under this Section is limited to reasonable expenses incurred in connection with the proceeding.

(C) Notwithstanding Subparagraph (A) and (B), The Association shall not indemnify a Director in connection with a proceeding by the Association against the Director who was adjudged liable to the Association; or in any other type of proceeding in which the Director was adjudged liable on the basis that he improperly received personal benefit from the Association while serving as a Director.

Section 2. Mandatory Indemnification. To the extent that a director has been successful, on the merits or otherwise, in the defense of any proceeding to which the Director was a party, or in defense of any claim, issue, or matter therein, because that individual is or was a Director of the Association, the Association shall indemnify the Director against reasonable expenses incurred by the Director in connection therewith.

Section 3. Advance for Expenses.

(A) The Association shall pay for or reimburse the reasonable expenses incurred by a Director who is a party to a proceeding in advance of final disposition of the proceeding if:

(1) The Director furnishes the Association a written affirmation of such Director's good faith belief that such Director has met the standard of conduct set forth in subsection (A) of Section 1, of this Article XII; and

(2) The Director furnishes the Association a written undertaking, executed personally or on the Director's behalf, to repay any advances if it is ultimately determined that the Director is not entitled to indemnification under Section 1 of this Article XII.

(B) The undertaking required by paragraph (2) of subsection (A) of this Section 3 must be an unlimited general obligation of the Director, but need not be secured and may be accepted without reference to financial ability to make repayment.

Section 4. Determination and Authorization of Indemnification.

(A) The Association may not indemnify a Director under Section 1 of this Article XII unless authorized thereunder and a determination has been made in specific case that indemnification of the Director is required in the circumstances because the Director has met the standard of conduct set forth in subsection (A) of Section 1 of this Article XII.

(B) The determination shall be made:

(1) By the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the proceeding; or

(2) If a quorum cannot be obtained under paragraph (1) of this subsection (B), by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding; or

(3) By special legal counsel:

(a) Selected by the Board of Directors or its committee in the manner prescribed in paragraphs (1) or (2) of this subsection (B); or

(b) If a quorum of the Board of Directors cannot be obtained under paragraph (1) of this subsection (B) and a committee cannot be designated under paragraph (2) of this subsection (B), selected a majority vote of the full Board of Directors (in which selection Directors who are parties may participate); or

(4) By the Members, but Directors who are at the time parties to the proceeding may not vote as Members on the determination.

(C) Authorization of indemnification or an obligation to indemnify and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is required, except that if the determination that indemnification is required is made by special legal counsel, evaluation as to reasonableness of expenses shall be made by those entitled under paragraph (3) of subsection (B) of this Section to select counsel.

Section 5. Indemnification of Officers, Employees, and Agents.

(A) An officer of the Association who is not a Director is entitled to mandatory

indemnification under Section 2 of this Article XII to the same extent as a Director; and

(B) The Association may, in the discretion of the Board of Directors, indemnify and advance expenses to an officer or agent, who is not a Director, to the extent the Board of Directors deems appropriate, consistent with public policy.

Section 6. **Director's Expenses as a Witness.** This Article XII does not limit the Association's power to pay or reimburse expenses incurred by a Director in connection with such Director's appearance as a witness in a proceeding at a time when such Director has not been made a named defendant or respondent to the proceeding.

ARTICLE XIII CONTROL OF ASSOCIATION BY DECLARANT

Section 1. Notwithstanding any other provision of these By-Laws, until the Declarant has sold all of the Lots or after the Declarant has relinquished control of the Association in writing, whichever first occurs, the Declarant shall have the sole right to call meetings of the Members, appoint or elect the Board, conduct meetings of the Board, set the budget of the Association and assessments thereunder, and to conduct all of the business of the Association and shall have no obligation to call a meeting of the Association or of the Board.