

BYLAWS OF
PINECREST COMMUNITY ASSOCIATION, INC.

ARTICLE ONE

OFFICES

- 1.1 Registered Office and Agent. The Corporation shall maintain a registered office, and shall have a registered agent whose business office is identical with such registered office.
- 1.2 Other Offices. The Corporation may have offices at such place or places, within Athens-Clarke County, Georgia, as the Board of Directors may from time to time appoint or the business of the Corporation may require or make desirable.

ARTICLE TWO

MEMBERS' MEETINGS

- 2.1 Place of Meetings. Meetings of the members may be held at any place, within or without the State of Georgia, as set forth in the notice thereof; or, in the event of a meeting held pursuant to waiver of notice, as may be set forth in the waiver; or, if no place is so specified, at the registered office of the Corporation.
- 2.2 Annual Meetings. The annual meeting of members shall be held on the third Thursday in March, commencing in 2003, at 7:30 o'clock p.m., unless that day be a legal holiday, and in that event, on the next succeeding business day, for the purpose of electing directors and transacting any and all business that may properly come before the meeting.
- 2.3 Substitute Annual Meeting. If the annual meeting is not held on the day designated in Section 2.2, any business, including the election of directors, which might properly have been acted upon at that meeting, may be acted upon at any subsequent members' meetings held pursuant to these Bylaws, or to a court order requiring a substitute annual meeting.
- 2.4 Special Meetings. Special meetings of the members may be called at any time by the President, the Chairman of the Board of Directors, the Board of Directors, or by fifty percent (50%) or more of all the members entitled to vote.

- 2.5 Notice of Meetings Unless waived as contemplated in Section 5.2, or by attendance at the meeting either in person or by proxy for any purpose other than to object to the transaction of business, a written or printed notice of each members' meeting stating the place, day, and hour of the meeting shall be delivered not less than ten (10) days or more than fifty (50) days before the date thereof, either personally or by first-class mail, by or at the direction of the President or Secretary or other person calling the meeting, to each member of record entitled to vote at such meeting. In the case of an annual or substitute annual meeting, the notice of the meeting need not state the purpose or purposes of the meeting unless the purpose or purposes constitute a matter which the Georgia Business Corporation Code requires to be stated in the notice of the meeting. In the case of a special meeting, the notice of the meeting shall state the purpose or purposes for which the meeting is called.
- 2.6 List of Members. The Secretary of the Corporation shall make, at least ten (10) days before each meeting of the members, a complete list of the members entitled to vote at such meeting or any adjustment thereof, arranged in alphabetical order, with the address of each member, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any members at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting. The records of the Clerk of the Superior Court of Athens-Clarke County, Georgia, shall be prima facie evidence as to who are members entitled to examine such list or to vote at such meetings of members
- 2.7 Quorum. At all meetings of the members, the presence, in person or by proxy, of the holders of more than one-half of the members outstanding and entitled to vote shall constitute a quorum. If a quorum is present, a majority of the members outstanding and entitled to vote which are represented at any meeting shall determine any matter coming before the meeting unless a different vote is required by statute, by the Articles of Incorporation, or by these Bylaws. The members at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.
- 2.8 Voting. The owners of each lot in Pinecrest Subdivision shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of members. Voting on all matters shall be by voice vote or by show of hands unless any qualified voter, prior to the voting on any matter, demands vote by ballot, in which case each ballot shall state the name of the member and, if such ballot be cast by proxy, it shall also state the name of such proxy.
- 2.9 Proxies. A member entitled to vote pursuant to Section 2.8 may vote in person or by proxy executed in writing by the member or by his attorney in fact, and shall be filed

with the Secretary of the Corporation prior to, or at the time of, the meeting. A proxy shall not be valid after eleven (11) months from the date of its execution, unless a longer period is expressly stated therein. If the validity of any proxy is questioned, it must be submitted to the Secretary of the meeting for examination, or to a proxy officer or committee appointed by the person presiding at the meeting and, if appointed, the proxy officer or committee shall determine the validity or invalidity of any proxy submitted, and reference by the Secretary in the minutes of the meeting to the regularity of a proxy shall be received as prima facie evidence of the facts stated for the purpose of establishing the presence of a quorum at such meeting, and for all other purposes.

- 2 10 Presiding Officer. The President, or in his absence, the Vice President, shall serve as a chairman of every members' meeting, unless some other person is elected to serve as chairman by a majority vote of the members represented at the meeting. The chairman shall appoint such persons as he deems are required to assist with the meeting
- 2 11 Adjournments. Any meeting of the members, whether or not a quorum is present, may be adjourned by a majority of the voting members and proxies represented at the meeting, to reconvene at a specified time and place. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. At any such reconvened meeting at which a quorum is represented or present, any business may be transacted which could have been transacted at the meeting which was adjourned.

ARTICLE THREE

THE BOARD OF DIRECTORS

- 3.1 General Powers. The business and affairs of the Corporation shall be managed by the Board of Directors. In addition to the powers and authority expressly conferred upon it by these Bylaws, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, by any legal agreement among members, by the Articles of Incorporation, or by these Bylaws directed or required to be exercised or done by the members.
- 3.2 Number, Election, and Term of Office. After one hundred seventy-five (175) lots are sold, the number of directors of the Corporation shall be at least five (5) with the precise number to be increased by resolution of the members from time to time. Except as provided in Section 3.4, the directors shall be elected by the affirmative

vote of a majority of the members represented at the annual meeting. 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. Any director may be removed from office, with or without cause, by the affirmative vote of the holders of a majority of the members entitled to vote at an election of directors. Removal action may be taken at any members' meeting with respect to which notice of such purpose has been given, and a removed director's successor may be elected at the same meeting to serve the unexpired term.
- 3.4 Vacancies. A vacancy occurring in the Board of Directors, except by reason of removal of a director, may be filled for the unexpired term, and until the members shall have elected a successor by affirmative vote of a majority of the directors remaining in office, though not less than a quorum of the Board of Directors.
- 3.5 Compensation. Directors may receive such compensation for their services as directors as may from time to time be fixed by vote of the members. A director may also serve the Corporation in a capacity other than that of director and receive compensation, as determined by the Board of Directors, for services rendered in that other capacity.
- 3.6 Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one (1) or more other committees, each consisting of two (2) or more directors. Except as prohibited by law, each committee shall have the authority set forth in the resolution establishing the committee.

ARTICLE FOUR

MEETINGS OF THE BOARD OF DIRECTORS

- 4.1 Regular Meetings. Regular meetings of the Board of Directors shall be held immediately after the annual meeting of members, or any meeting held in lieu thereof. In addition, the Board of Directors may schedule other meetings to occur at regular intervals throughout the year.
- 4.2 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President, or, in his absence, by the Secretary of the Corporation, or by any two (2) directors in office at that time.

- 4.3 Place of Meeting. Directors may hold their meetings at any place, within or without the State of Georgia, as the Board of Directors may from time to time establish for regular meetings, or as is set forth in the notice of special meetings, or, in the event of a meeting held pursuant to waiver of notice, as may be set forth in the waiver.
- 4.4 Notice of Meetings. No notice shall be required for any regularly scheduled meeting of the directors of the Corporation. Unless waived as contemplated in Section 5.2, the President or Secretary of the Corporation, or any director thereof, shall give notice to each director of each special meeting, stating the time, place, and purposes of the meeting. Such notice shall be given by mailing a notice of the meeting at least five (5) days before the date of the meeting, or by telephone, telegram, cablegram, or personal delivery at least three (3) days before the date of the meeting. Notice shall be deemed to have been given by telegram or cablegram at the time notice is filed with the transmitting agency. Attendance by a director at a meeting shall constitute waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called.
- 4.5 Quorum. At meetings of the Board of Directors, more than one-half of the directors then in office shall be necessary to constitute a quorum for the transaction of business. In no case shall less than one-half of the total number of directors authorized at that time, nor less than two (2) directors, constitute a quorum, except when the Board of Directors consists of only one (1) director, and then one (1) director shall constitute a quorum.
- 4.6 Vote Required for Action. Except as otherwise provided in this section or by law, the act of a majority of the directors present at a meeting, at which a quorum is present at the time, shall be the act of the Board of Directors. Adoption, amendment, and repeal of a by-law is provided for in Article Eleven of these Bylaws. Vacancies in the Board of Directors may be filled as provided in Section 3.4 of these Bylaws.
- 4.7 Action by Directors Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a written consent thereto shall be signed by all the directors, and such written consent is filed with the minutes of the proceedings of the Board. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors.
- 4.8 Adjournments. A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the directors present, to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened

meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

ARTICLE FIVE

NOTICE AND WAIVER

- 5.1 Procedure. Whenever these Bylaws require notice to be given to any member or director, the notice shall be given as prescribed in Section 2.5 or 4.4 for any member or director, respectively. Whenever notice is given to a member or director by mail, the notice shall be sent via first-class mail by depositing the same at a post office or in a letter box in a postage prepaid, sealed envelope, addressed to the member or director at his address as it appears on the books of the Corporation, and such notice shall be deemed to have been given at the time the same is deposited in the United States mail.
- 5.2 Waiver. Whenever any notice is required to be given to any member or director by law, by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the director or member entitled to such notice, or by the proxy of such member, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent thereto.

ARTICLE SIX

OFFICERS

- 6.1 Number. The Executive Officers of the Corporation shall consist of a President and a Secretary/Treasurer. The Secretary and the Treasurer may be the same person or may be two (2) persons. The Board of Directors shall, from time to time, create and establish the duties of such other officers, and elect or provide for the appointment of such other officers or assistant officers, as it deems necessary for the efficient management of the Corporation, but the Corporation shall not be required to have at any time any officers other than President and Secretary/Treasurer. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.
- 6.2 Election and Term. All Executive Officers shall be elected by the Board of Directors, and shall serve at the will of the Board of Directors and until their successors have

been elected and have qualified, or until their earlier death, resignation, removal, retirement, or disqualification.

- 6.3 Compensation. The compensation of all Executive Officers of the Corporation shall be fixed by the Board of Directors.
- 6.4 Removal. Any officer or agent elected by the Board of Directors may be removed by the Board of Directors, with or without cause, at any meeting with respect to which notice of such purpose has been given to the members thereof.
- 6.5 President. The President shall be the Chief Executive Officer of the Corporation, and shall have general supervision of the business of the Corporation. He shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall perform such other duties as may from time to time be delegated to him by the Board of Directors.
- 6.6 Vice President. The Vice President shall, in the absence or disability of the President, or at the direction of the President, perform the duties and exercise the powers of the President. If the Corporation has more than one (1) Vice President, the one designated by the Board of Directors shall act in lieu of the President. Vice Presidents shall perform whatever duties, and have whatever powers, the Board of Directors may from time to time assign.
- 6.7 Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of members, directors, and committees of directors. He shall have authority to give all notices required by law or these Bylaws. He shall be custodian of the corporate books, records, contracts, and other documents. The Secretary may affix the corporate seal to any lawfully executed documents requiring it, and shall sign such instruments as may require his signature. The Secretary shall perform whatever additional duties, and have whatever additional powers, the Board of Directors may from time to time assign him.
- 6.8 Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Corporation, and shall receive, deposit, or disburse the same under the direction of the Board of Directors. The Treasurer shall keep full and true accounts of all receipts and disbursements, and shall make such reports of the same to the Board of Directors and President upon request. The Treasurer shall perform all duties as may be assigned to him from time to time by the Board of Directors.

- 6 9 Assistant Secretary and Assistant Treasurer. The Assistant Secretary and Assistant Treasurer shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Board of Directors or by the person appointing them. Specifically, the Assistant Secretary may affix the corporate seal to all necessary documents and attest the signature of any officer of the Corporation.
- 6 10 Bonds. The Board of Directors may, by resolution, require any or all of the officers, agents, or employees of the Corporation to give bonds to the Corporation, with sufficient surety or sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board of Directors.
- 6 11 Reimbursement by Officers. Any payments made to an officer of the Corporation, such as salary, commission, bonus, interest, rent, or entertainment expenses incurred by him, which shall be disallowed in whole or in part as a deductible expense by the Internal Revenue Service, shall be reimbursed by such officer to the Corporation to the full extent of such disallowance. It shall be the duty of the Board of Directors to enforce payment of each such amount disallowed. In lieu of payment by the officer, subject to the determination of the Board of Directors, proportionate amounts may be withheld from his future compensation payments until the amount owed to the Corporation has been recovered.

ARTICLE SEVEN

MEMBERS

- 7.1 Fixing of Record Date. For the purpose of determining members entitled to notice of, or to vote at, any meeting of members or any adjournment thereof or in order to make a determination of members for any other proper purpose, the Board of Directors may fix in advance a date as the record date, such date to be not more than fifty (50) days (and, in the case of a members' meeting, not less than ten [10] days) prior to the date on which the particular action, requiring such determination of members, is to be taken.
- 7.2 Record Date if None Fixed. If no record date is fixed, as provided in Section 7.1 of these Bylaws, then the record date for any determination of members which may be proper or required by law shall be the date on which notice is mailed, in the case of

a members' meeting; and the date on which any other action, the consummation of which requires a determination of members, is to be taken

- 7.3 Votes by Developer. The Developer, Pinecrest Community, LLC, shall have an many votes as it owns platted lots of record with the Clerk of Superior Court of Athens-Clarke County, Georgia, in Pinecrest Subdivision.

ARTICLE EIGHT

INDEMNIFICATION

- 8.1 Indemnification. Each director or officer of this Corporation, and each person who, at its request, has served as an officer or director of another Corporation, partnership, joint venture, trust, or other enterprise shall be indemnified by this Corporation against those expenses which are allowed by the laws of the State of Georgia, and which are reasonably incurred in connection with any 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 or officer of this Corporation or of such other enterprises. Such indemnification shall be made only if in accordance with the laws of the State of Georgia, and is subject to the conditions prescribed therein. The Corporation may purchase and maintain insurance on behalf of any such officers and directors against any liabilities asserted against such persons, whether or not the Corporation would have the power to indemnify such officers and directors 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, or action by members or by an insurance carrier, the Corporation shall provide notice of such payment to the members, in accordance with the provisions of the laws of the State of Georgia.

ARTICLE NINE

MISCELLANEOUS

- 9.1 Inspection of Books and Records. The Board of Directors shall have power to determine which accounts, books, and records of the Corporation shall be opened to the inspection of members, except such as may, by law, be specifically open to inspection, and shall have power to fix reasonable rules and regulations not in conflict with the applicable laws for the inspection of accounts, books, and records which, by law, or by determination of the Board of Directors, shall be open to inspection.
- 9.2 Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

- 9.3 Seal. The corporate seal shall be in such form as the Board of Directors may from time to time determine.
- 9.4 Annual Statements. Not later than sixty (60) days after the close of each fiscal year, and in any case prior to the next annual meeting of members, the Corporation shall prepare: (a) a balance sheet, showing in reasonable detail the financial condition of the Corporation as of the close of its fiscal year; and (b) a profit and loss statement, showing the results of its operations during its fiscal year. Upon receipt of written request, the Corporation shall promptly mail to any member of record a copy of the most recent such balance sheet and profit and loss statement.
- 9.5 When the Developer has sold, transferred, or conveyed all of the lots in Pinecrest Subdivision, it shall convey all of the amenities areas and the common service areas to the Corporation. The Developer at its sole option may convey such areas to the Corporation at an earlier time. The Corporation shall be obligated to accept the delivery of such deed from the Developer. At such time as the deed is delivered to the Corporation, the Developer shall account for all annual assessments collected by it and shall also deliver such funds to the Corporation unless such transfer has been made at an earlier time.

ARTICLE TEN

AMENDMENTS

- 10.1 Power to Amend Bylaws. Except for paragraphs 7.3 and 9.5, which may not be altered, amended, or repealed without the consent of the Developer, so long as the Developer owns at least one (1) lot, the Board of Directors shall have power to alter, amend, or repeal these Bylaws, or adopt new bylaws, but any bylaws adopted by the Board of Directors may be altered, amended, or repealed, and new bylaws adopted, by the members. The members may prescribe that any bylaw or bylaws adopted by them shall not be altered, amended, or repealed by the Board of Directors.
- 10.2 Conditions. Action taken by the members with respect to bylaws shall be taken by an affirmative vote of a majority of all members entitled to elect directors, and action by the Board of Directors with respect to bylaws shall be taken by an affirmative vote of a majority of all directors then holding office.