

ARTICLE I GENERAL

1.01 Applicability. These Bylaws provide for the self government of Charlton Forge Homeowners Association, Inc., in accordance with the Articles of Incorporation filed with the Secretary of State and the Declaration of Protective Covenants recorded in the real estate records of Cobb County, Georgia.

1.02 Name. The name of the corporation is Charlton Forge Homeowners Association, Inc.

1.03 Membership. The Association shall be comprised of every owner, including joint owners, (hereinafter referred to as "Member") of a residence in Charlton Forge Subdivision. Every owner is required and is hereby automatically a Member of the Association and shall remain a Member until such time as provided in the Bylaws. Joint ownership of a residence confers an Association membership held jointly by each person. However, each residence has only one (1) vote in matters before the Association.

1.04 Voting. One vote shall be cast per residence, regardless of the number of Owners of that residence. The vote of any Member may be cast by a lawful proxy. No Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, if the voting rights of that Member have been suspended by the Board of Directors, in accordance with Section 3.02 (j).

1.05 Majority. The term "majority of the eligible votes" shall mean those votes of Members, at the rate of one vote per residence, totaling more than fifty (50%) percent of the total number of eligible votes. Unless otherwise stated, the words "majority vote" means more than fifty (50%) percent of those voting in person or by proxy. Unless otherwise provided in these Bylaws all decisions shall be by a majority vote.

1.06 Purpose. The Association shall have the responsibility of administering Charlton Forge Homeowners Association, Inc.; establishing an annual budget which shall be used exclusively for the purpose of providing for the common good and welfare of the Members of the Association; establishing the means and methods of collecting the funds from Members necessary to meet the Association expenses; arranging for the management of the Association and its property; and performing all of the other acts that may be required to be performed by the Association pursuant to the Covenants and these bylaws. Except as to those matters which either the Covenants or the Georgia Nonprofit Corporation Code specifically require to be performed by the vote of the Association, the administration of the foregoing responsibilities shall be performed by the Board of Directors as set forth below.

1.07 Definitions. Terms shall have their natural meanings or the meanings given in the Covenants, the Articles of Incorporation or the Georgia Nonprofit Corporation Code.

1.08 Registered Office and Agent. The Charlton Forge Homeowners Association, Inc. shall maintain a registered office and shall have a registered agent.

1.09 Other Offices. The Association may have offices at such place within reasonable proximity to Charlton Forge as the Board of Directors may from time to time determine or the business of the Association may require.

## ARTICLE II Meetings of Members

2.01 Annual Meetings. The annual meeting of the Members shall be conducted during the month of May on a day and at an hour set by the Board. The meetings shall be conducted at a location within Charlton Forge or at some other suitable meeting place near Charlton Forge at a location set by the Board. At the annual meeting, the budget for the upcoming year shall be approved by a majority vote of the Members.

2.02 Substitute Annual Meeting. If the annual meeting is not held during the time period designated in Section 2.01, any business, including the election of Directors, which might properly have been acted upon at that meeting, may be acted upon at any subsequent Member's meeting following proper notification of Members and held pursuant to these Bylaws or to a court order requiring a substitute annual meeting. The notice of said meeting shall specifically state that one of the purposes of the meeting shall be the conducting of business that was to be considered and voted on at the annual meeting that has yet to occur.

2.03 Special Meetings. Special meetings of the Members, for any purpose, may be called at any time by the President, the Secretary, the Treasurer, or by request of any two or more Members of the Board of Directors or upon written request of one-tenth (1/10) of the eligible votes. The Board of Directors will, when requested, give consideration to needs expressed by Members and arrange special meetings from time to time as necessary.

2.04 Notice of Meetings. It shall be the duty of the Secretary to mail to each Member or cause to be delivered to the Member's residence a notice of each annual or substitute annual meeting of the Association no less than twenty one days (21) prior to such meeting and at least seven days prior to each special meeting. The notice shall state the proposed agenda, purpose of the meeting, as well as the time and place where it is to be held. A Member may designate in writing to the Secretary the desire to receive any notice at an address other than his or her residence. The mailing or delivering of a notice of any meeting in the manner provided in this Section shall be considered service of notice. In the event a newsletter is used as the means of notification and the newsletter is delivered to each Member according to this section, said notification shall be placed in bold letters and have a heading entitled "NOTICE OF MEETING".

2.05 Quorum. Except as may be provided elsewhere, the presence of eligible voting Members, in person or by proxy, entitled to cast twenty-five (25%) percent of the eligible votes of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished.

2.06 Adjournment. Any meeting of the Members may be adjourned from time to time to reconvene at a specific time and place by a majority vote of the votes represented at the meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at a reconvened meeting, and no additional notice of such a reconvened session shall be required unless requested by vote of the Members present.

2.07 Proxies. The vote pertaining to any Member may be cast pursuant to a proxy duly executed by or on behalf of the Member. 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 by the Member giving the proxy shall automatically invalidate the proxy. Any proxy shall be void if it is not dated. No proxy shall be valid more than 30 days after its date of execution, unless otherwise provided in the proxy.

2.08 Presiding Officers. The President, or in his absence the Vice President, shall serve as a chairman of every Member's meeting unless some other person is elected to serve as chairman by a majority vote of the votes represented at the meeting.

2.09 Order of Business. At all meetings of the Association Robert's Rules of Order (latest edition) shall govern the conduct of all business, when not in conflict with the Covenants or these Bylaws. However, no business conducted at any meeting shall be held invalid for failure to comply with said rules unless objected to by a majority vote of the votes represented at the meeting. Unless otherwise provided in the notice calling the meeting, the order of business shall be: Roll Call, Proof of Notice, Reading of Minutes, Officers' Reports, Old Business, Elections (if any), New Business, Adjournment.

### ARTICLE III THE BOARD OF DIRECTORS

3.01 General Powers. The business and affairs of the Association 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 Association and do all such lawful acts and things that are not excluded by law, by the Covenants, by Articles of Incorporation, by these bylaws or when said act is required to be exercised or done by the Members. The Board shall have the authority necessary to adopt reasonable rules and regulations regarding the common property and to impose sanctions for violations thereof, including monetary fines and liens, suspension of voting rights, and the prohibiting of use of the Common Property. Notwithstanding, the Board may not without the consent of the membership mortgage any property of the Association, sell any real property of the Association, acquire real property, or enter into a contract having a term in excess of three (3) years.

3.02 Express Powers. In addition to the powers authorized by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the authority to conduct the affairs of the Association, which shall include the following:

(a) Prepare an annual budget in which there shall be established the contribution of each Member to the common expenses of the Association and submit the proposed budget to the Members for their review and approval at the annual meeting in accordance with Article II.

(b) Oversee and provide for the operation, care, upkeep and maintenance of all of the Common Property. Common Property includes the land, swimming pool, tennis courts, clubhouse and entrance way held in common by the Members for the use of Charlton Forge Residents;

(c) Hire and dismiss personnel necessary for the operations, maintenance, repair and replacement of the Common Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(d) Establish means, methods, and timetable for collecting Members annual dues and assessments. Collect and deposit the dues and assessments in a bank and use the proceeds to administer the Association;

(e) Open bank accounts on behalf of the Association and designating signatures required; however, a check or draft of the Association in excess of \$100.00 shall require at least two (2) signatures of Board members;

(f) Make and amend reasonable rules and regulations for the administration of the Association and the common property in accordance with the needs of the Members;

(g) Enforce by legal means the provisions of the Covenants, these bylaws and the rules and regulations adopted by the Board of Directors, and bring any proceedings which may be required of or against a Member or Members concerning the Association;

(h) Keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and as appropriate, specify the maintenance and repair expenses and any other expenses incurred. Books, vouchers and any of the accounts shall be open and available for examination by the Members and their duly authorized agents accountants, or attorneys, during the Association's published general business hours, and in a location that will be set and announced by the Board of Directors;

(i) Where not specifically prohibited by law, delegate its powers and responsibilities to any officers, committees or subcommittees of the Association.

(j) Suspend membership rights and voting privileges of any Member who has failed to pay association dues, charges or assessments. Upon full payment of the dues, charges or assessments by the Member, the Member's rights and privileges shall automatically be restored. For purposes hereof, membership rights shall include the use and enjoyment of Common Properties and voting rights in the Association;

3.03 Number, Election and Term of Office. The Board of Directors shall consist of the President, Vice President, Treasurer, Secretary, Assistant Secretary, and four non-voting

standing committee chairpersons. At each annual meeting, the Members shall elect the five officers described who shall serve for a term of one (1) year as the Board of Directors for the Association. The Board of Directors shall appoint a Chairperson for each of the following standing committees to serve as a non-voting member of the Board of Directors for a period of one year: Pool, Tennis Courts, Architectural Control, and Grounds.

**3.04 Removal.** Any Board member may be removed from office, with or without cause, by majority vote of the Members at any duly called meeting of the Association. A successor may be elected at the same meeting to serve the unexpired term.

**3.05 Vacancies.** Vacancies on the Board of Directors, which occur from time to time due to such factors as selling of one's residence, illness, or resignation from the Board, may be filled by affirmative vote of a majority of the directors remaining on the Board. The appointment shall be limited to the unexpired term or until the Members elect a successor .

**3.06 Compensation.** Members of the Board of Directors shall not be compensated for services unless and to the extent the compensation is authorized by the Members. Board members may be reimbursed for the expenses incurred in carrying out their duties as a Board member upon approval of such expenses by the Board of Directors. Elected and appointed members of the Board of Directors shall not engage in commercial activities with the Charlton Forge Homeowners Association nor accept compensation for services or supplies furnished to the Association for the maintenance, repair, or replacement of common property.

**3.07 Insurance and Fidelity Bonds.** The Board of Directors shall procure and maintain adequate liability and hazard insurance on property owned by the Association. In addition, it shall cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate.

**3.08 Annual budget.** The Board of Directors shall develop and submit an annual budget to the Members for their review and approval for each fiscal year of the Association in accordance with the Covenants and these Bylaws. The annual budget shall also provide for a reasonable reserve for contingencies and a reserve for replacements, in reasonable amounts as determined by the Board of Directors. The Board may not exceed the budget.

**3.09 Supplemental Assessments.** In the event that it appears to the Board of Directors that the annual dues assessment, which were determined in accordance with the annual budget for the year, are insufficient or inadequate to cover the estimated common expenses for the remainder of the year, or if there shall be any nonrecurring common expenses, then the Board of Directors shall prepare a supplemental budget covering the estimated deficiency for the remainder of the year and seek approval of the Members at a specially called meeting of the Association. Upon approval by the Members by a majority vote of the supplemental assessment, a special assessment shall be levied and collected from each residence for the Member's proportionate share.

**3.10 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 one or

more committees of two or more directors. Except as prohibited by law, each committee shall have the authority set forth in the resolution establishing said committee.

**3.11 Committees of Members.** The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may appoint committees of Members consisting of three or more Members. Except as prohibited by law, each such committee shall have the authority set forth in the resolution establishing said committee. The Chairman of each of the four standing committees (Pool, Grounds, Architectural Control and Tennis Courts) will serve as non-voting members of the Board of Directors.

**3.12 Regular Meeting.** Regular meeting of the Board of Directors shall be held immediately after the annual meeting of Members. In addition, the Board of Directors may schedule other meetings to occur at regular intervals throughout the year. Any interested Members may attend any and all Board of Directors meetings but they shall not participate in the meeting unless specifically authorized by the Board of Directors.

**3.13 Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the President of the Board of Directors or in his absence by the Secretary or by any two directors.

**3.14 Place of Meetings.** The Board of Directors may hold their meetings at any place within Cobb County, Georgia convenient to all directors and as necessary to accomplish Association business.

**3.15 Notice of Meetings.** No notice shall be required for any regularly scheduled meeting of Board of Directors. Unless waived or unless action is taken without a meeting, each director shall be given notice by the Secretary of each special meeting stating the time, place, and purpose of the meeting. Such notice shall be given by mailing a notice of the meeting at least three (3) days before the date of the meeting, or by telephone, telegram, facsimile or personal delivery at least one day before the date of the meeting. 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.

**3.16 Quorum.** A quorum shall be deemed present throughout any meeting of the Board of Directors if persons entitled to cast a majority of votes in that body are present at the beginning of the meeting.

**3.17 Vote required for action.** Except as otherwise provided in this section or by law, the action 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.

**3.18 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 agreement, signed by all the voting members of the Board of Directors, is executed and 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.



3.19 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 IV

#### OFFICERS

4.01 Number. The Officers of the Association shall consist of a President, a Vice President, a Treasurer, a Secretary and an Assistant Secretary. Said officers and the four (4) appointed committee chairpersons shall also serve on the Board of Directors of the Association and, in addition to those responsibilities set forth in this Article IV, they shall have the responsibilities described for members of the Board of Directors.

4.02 Term. All elected officers shall serve for a term of one (1) year or until their successors have been elected or until their resignation, removal, retirement, or disqualification.

4.03 Removal. Any officer elected by the Members of the Association may be removed by the Members, at any meeting with respect to which notice of such purpose has been given to the Members according to these bylaws.

4.04 President. The President shall be the chief executive officer of the Association and shall have the general supervision of the business of the Association. 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.

4.05 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. The Vice President shall perform whatever duties and have whatever powers the Board of Directors may from time to time assign.

4.06 Secretary. The Secretary shall keep accurate records of the deliberations and proceedings of all meetings of Members, directors and committees and furnish the records at the request of Members or the Board of Directors. The votes of the Board of Directors shall be duly recorded, without exception, and be made available to Members. The Secretary shall have the authority to give all notices required by law or these Bylaws. The Secretary 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 maintain an accurate list, by name and most current mailing address, of all voting Members of the Association. The Secretary shall perform appropriate additional duties the Board of Directors may assign from time to time.

4.07 Treasurer. The Treasurer shall be the chief financial officer of the Association and shall have custody of all funds and securities belonging to the Association 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 financial reports of the same to the Board of Directors when required or requested. The Treasurer shall perform appropriate additional duties the Board of Directors may assign from time to time.

4.08 Assistant Secretary. The Assistant Secretary shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of that office and shall, in general, perform such other appropriate additional duties which are assigned by the Board of Directors. Specifically, the Assistant Secretary may affix the corporate seal to all necessary documents and attest the signature of any officer of the Association.

4.09 Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, checking accounts, checks, drafts and other instruments of the Association shall be executed by at least two (2) elected voting Officers of the Board of Directors or by such other persons as may be designated by resolution of the Board of Directors.

## ARTICLE V INDEMNIFICATION

5.01 General. The Association shall indemnify and hold harmless each of its directors, officers, and each member of any committee appointed pursuant to the Bylaws of the Association, against all contractual and other liabilities to others arising out of a contract or contracts made by the directors, officers, or committee members, on behalf of the Members, or arising out of their status as directors, officers or committee members, provided such director, officer or committee member acted in a manner such person believed in good faith to be in or not opposed to the best interest of the Association and in the case of any criminal proceeding, such person had no reasonable cause to believe the individual conduct was unlawful.

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, or committee member may be involved by virtue of such person being or having been such director, officer or committee member; provided, however, that such indemnity shall not be operative unless in the opinion of special legal counsel (selected by or in a manner determined by the Board of Directors), such person acted in a manner such person believed in good faith to be in or not opposed to the best interest of the Association and in the case of any criminal proceeding, such person had no reasonable cause to believe the individual conduct was unlawful. Any settlement amount must be approved by the Board of Directors and any expenses must be reasonable as determined by said special legal counsel.

5.02 Success on Merits. To the extent that the director, officer or committee member has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.01 hereof, or in defense of any claim, issue or matter therein, said person shall be



indemnified against expenses (including attorneys fees) actually and reasonably incurred by him in connection herewith.

**5.03 Miscellaneous.** The Association shall have the power to raise and the responsibility for raising, by special assessment in accordance with Section 3.09, any sums required to discharge its obligations under this Article. However, the liability of any Member hereunder shall be limited to such proportion of the total liability thereunder as is determined by dividing the total liability by the then existing number of Members. Each Member's liability hereunder shall be limited to such proportion of the total liability thereunder as set forth in this section.

The indemnification provided by this Article V 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 or committee member of the Association and shall inure to the benefit of such persons's heirs, executors, administrators, personal representatives, successors and assigns.

## ARTICLE VI MISCELLANEOUS

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

(a) If to a Member at the address which the Member has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Charlton Forge residence of such Member;

(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 the notice to the Members, if required, pursuant to this Section.

**6.02 Waiver.** Whenever any notice is required to be given to any Member or Board Member by law or by the Covenants, Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the Board Member 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.

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

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

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

6.06 Conflicts. In the event of conflicts between the Georgia Nonprofit Corporation Code, the Covenants, the Articles of Incorporation, and these Bylaws, the order of control shall be the order listed above.

6.07 Amendment. The Bylaws can be amended at the duly noticed annual meeting or at special meeting called and noticed by the Board of Directors. The By-laws may be altered, amended, or repealed and new Bylaws made if the changes are not in conflict with or prohibited by the Covenants, Articles of Incorporation, or law. The Bylaws are subject to alteration, amendment or repeal by the affirmative vote of two-thirds (2/3) of the eligible votes following proper notification and information to all Members. The Board of Directors are not authorized to alter, amend or repeal the Bylaws.

6.08 Fiscal Year. The Board of Directors is authorized to fix the fiscal year of the Association and to change the same from time to time as it deems appropriate.

6.09 Seal. The corporate seal shall be in such form as the Board of Directors may from time to time determine.

6.10 Books and Records. All members of the Association and any institutional holder of a first mortgage shall be entitled to inspect all books and records of the Association during normal business hours at the office of the Association or other place reasonably designated by the Board of Directors as the depository of such books and records.