

BY-LAWS
OF
IVEY OAKS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME

Section 1.1 The name of the organization shall be IVEY OAKS HOMEOWNERS ASSOCIATION, INC., (hereinafter referred to as the "Association") as provided in the Articles of Incorporation.

ARTICLE 2

PURPOSES

Section 2.2 The Declaration of Covenants, Restrictions and Easements establishing certain protective covenants for IVEY OAKS Subdivision are recorded in Deed Book 11877 Page 25, DeKalb County, Georgia records, and is, together with any and all amendments thereto, hereinafter referred to as the "Declaration." Within these By-Laws all capitalized terms shall have the meaning given to them in the Declaration unless defined differently within these By-Laws. If there is any conflict between the provisions of these By-Laws and the provisions of the Declaration, the provisions of the Declaration shall control. The Declaration may be amended as provided in the Declaration.

ARTICLE 3

MEMBERS

Section 3.1 There shall be one membership in the Association for each lot. When the term "Member" is used in these By-Laws, it shall mean the Owner of each lot as defined in the Declaration. Membership is appurtenant to and may not be separated from ownership of a lot. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. The rights and privileges of membership, including the right to vote and to hold office, shall be exercised by the Owner of the lot or the designee of the Owner of the lot.

Section 3.2

(a) The Board of Directors of the Association, by a two-thirds vote of its members, may suspend any Member for any violation of these By-Laws or of any published rules and regulations of the Association, including non-payment of any assessment or fee. Such suspension may last until such time as the violation is cured or until the Board of Directors decides to reinstate the suspended Member, but in no event shall such suspension cease before all

unpaid assessments and fees are paid in full. During any such suspension as provided above, said suspended Member shall have no right to use the property of the Association and shall have no right to vote pursuant to said membership.

(b) The Board of Directors, by a two-thirds vote of its members, shall also have the authority to reinstate a suspended Member upon terms and conditions acceptable to the Board of Directors.

ARTICLE 4

VOTING RIGHTS

Section 4.1 The Association shall have one class of voting membership which shall consist of all Members of the Association. The Owner of each lot shall be entitled to one vote for the lot in which they hold the record title. When such Owner is a group or entity other than one individual person, the vote for such Lot shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such group or entity and delivered to the Secretary of the Association prior to any meeting. In the absence of such advice, the said Owner's vote shall be suspended. In no event shall more than one vote be cast with respect to any lot. A Member may vote by written proxy presented to the Secretary of the Association prior to any meeting.

ARTICLE 5

PROPERTY OF THE ASSOCIATION

Section 5.1 The property of the Association shall consist of such property as is described on Exhibit "A" attached hereto and made a part hereof and any other property which is, from time to time, conveyed to the Association and accepted by the Board of Directors (hereinafter referred to as the "Property").

Section 5.2 The Association shall have the right to dedicate or transfer all or any part of the property of the Association to any political subdivision, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members and subject to the non-profit status of the corporation as set out in the Articles of Incorporation.

Section 5.3 The Association may accept title to additional property free and clear of all liens and encumbrances or subject to any such liens and encumbrances which the Board of Directors may determine by a majority vote to be acceptable exceptions to the title.

Section 5.4 The Association shall not convey or encumber the Property without the approval of two-thirds of the members of the Association.

ARTICLE 6

RIGHTS OF USE OF PROPERTY

Section 6.1

(a) All Members of the Association shall be accorded the use of the facilities of the Association subject to rules and regulations promulgated by the Board of Directors, a copy of which rules shall be prominently posted at the facilities, if any or on file with the Secretary of the Association.

(b) Any property of the Association broken or damaged by a Member or his guest shall be promptly paid for by such Member, with reasonable wear and tear accepted. No person shall take any property or articles belonging to the Association or appropriate them for his own personal use.

(c) The Association assumes no responsibility for, and Members or their guests shall have no claim against the Association for, any accident or injury to any person or damage to their property, except for such injury or damage which is caused solely by the gross negligence or willful misconduct of the Association.

Section 6.2 At the invitation of a Member, guests may use the Property of the Association subject to rules and regulations promulgated by the Board of Directors of the Association.

Section 6.3 Every Member shall have a right and easement of enjoyment, subject to Section 3.2 above, and to the other rules regarding use of the Property of the Association as set out in this ARTICLE 6, in and to the Property of the Association, and such easement shall be appurtenant to and shall pass with the title to every lot in Ivey Oaks Subdivision or any other property subject to the Declaration.

Section 6.4 All family members living in the household of a Member and all lessees of a Member's household shall be entitled to use the Property of the Association the same as if they were themselves Members.

Section 6.5 No Owner or person authorized to act for an Owner shall refuse to sell or rent, after receiving a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any lot to any persons because of race, color, religion, sex, age or national origin. Anything in the Declaration to the contrary notwithstanding, this covenant shall run with the land and shall remain in effect without any limitation in time.

ARTICLE 7

DUES, ASSESSMENTS AND FEES

Section 7.1 The Board of Directors shall have the sole authority and power to establish and collect dues, fees or assessments from the membership for the purpose of paying the expenses of owning, managing and maintaining the property and facilities of the Association.

Section 7.2 Each owner of any lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (a) annual assessments or charges; (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and (c) lot assessments which shall include expenses of the Association which benefit less than all of the lots, which may be specifically assessed equitably among all of the lots which are benefited according to the benefit received, expenses incurred by the Association pursuant to Article V of the Declaration and reasonable fines as may be imposed in accordance with the terms herein and the Declaration.

All such assessments, together with interest, costs and reasonable attorney fees shall be charged on the land and shall be a continuing lien upon the lot against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall be the personal obligation of the owner of such lot at the time the assessment fell due. No sale or transfer shall relieve such lot or the owner thereof from liability for any assessments thereafter becoming due from the lien thereof, and all dues and assessments due shall be paid in full before any sale or transfer may take place. Each owner shall be personally liable for his or her portion of each assessment coming due while he or she is the owner of a lot, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgage holder taking title through foreclosure proceedings or deed in lieu of foreclosure.

Assessments shall be paid at a uniform rate per lot in such manner and on such dates as may be fixed by the Board. Unless otherwise provided by the Board, the assessments may be collected on a monthly basis. The assessments shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the owners and occupants of lots.

Section 7.3 It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which shall include a capital contribution or reserve. The Board shall cause the budget and the assessments to be levied against each lot for the following year to be delivered to each member at least thirty (30) days prior to the end of the current fiscal year. The budget and the assessment shall become effective unless disapproved at a meeting by a majority of the owners or the owner's designee. Notwithstanding the foregoing, in the event the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Section 7.4 In addition to the annual assessments authorized herein, the Association may levy special assessments in any year for the purpose of paying the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or the Areas of Common Responsibility. So long as the total amount of special assessments allocable to any Lot does not exceed Three Hundred Dollars (\$300.00) in any one fiscal year, the Board of Directors may impose such special assessment. Any special assessment which would cause the amount of special assessments allocable to any lot to exceed this limitation shall be effective only if approved by a majority of the Members. Special assessments shall be paid as determined by the Board of Directors, and the Board of Directors may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

Section 7.5 All sums assessed against any lot pursuant to this Declaration, together with late charges, interest, costs, and fifteen percent (15%) of such amounts as attorney's fees, as provided therein, shall be secured by a lien on such Lot filed by and in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such lot, except for (a) the lien of any first mortgage or deed to secure debt, duly recorded in the public records of DeKalb County, Georgia, and all amounts advanced pursuant to such mortgage or deed to secure debt and secured thereby in accordance with the terms of such instrument, made in good faith and for value on any lot and (b) all taxes, bonds, assessments and other levies which, by law, would be superior thereto.

All other persons acquiring liens or encumbrances on any lot after the Declaration shall have been recorded in said records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Section 7.6 Any assessments which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board of Directors may from time to time determine. Any assessment not paid within thirty (30) days of the due date shall bear interest from said due date at a rate equal to four (4) percent per annum above the Prime Rate, as provided in the Declaration, a lien shall attach to the property of the owner who has failed to pay the assessment. In the event that the assessment remains unpaid after ten (10) days, the Association may, as the Board of Directors shall determine, institute suit to collect such amounts and to foreclose its lien by action, judgment and foreclosure pursuant to the process outlined in O.C.G.A. §44-3-232. Each owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all the Members. The Association, acting on behalf of the Members, shall have the power to bid on the lot at any foreclosure sale or to acquire, hold, lease, mortgage or convey the same.

All payments shall be applied first to costs and attorney fees, then to late charges, then interest, then to fair rental value and then to delinquent assessments.

Section 7.7 The assessments provided for herein shall commence as to a lot on the date of conveyance of such lot to a person who purchases such lot for ultimate use as his / her residence or as rental property. Lots which have not been so conveyed shall not be subject to assessments.

Section 7.8 The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Notice. Written notice shall be served upon the violator by first-class or certified mail sent to the last address of the member shown on the Association's records, specifying:

(1) the nature of the violation, the fine to be imposed and the date of the notice, that the fine will take effect;

(2) that the violator may, within ten days from the date of the notice, request a hearing regarding the fine imposed;

(3) the name, address and telephone numbers of a person to contact to challenge the fine;

(4) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(5) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten days of the date of the notice.

(b) Hearing. If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine shall be imposed prior to the date that is five days after the date of the hearing.

ARTICLE 8

GOVERNMENT

Section 8.1 Except as provided in Section 8.2 herein, the Association shall be managed exclusively by the Board of Directors, consisting of five (5) persons. Said Board of Directors shall have active and general control and management of the affairs of the Association. Each officer shall serve as a director.

Section 8.2 The initial Board of Directors named in the Articles of Incorporation shall serve until the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the Declaration, at which time the Members shall call a special meeting of the Association to elect a new Board of Directors. The Members, by majority vote, shall elect Directors to serve until the First Annual Meeting in accordance with the provisions of ARTICLE 9 herein. Commencing with the First Annual Meeting of the Members, the Directors shall be elected for a one (1) year term to serve until the next Annual Meeting or until their successors are duly elected and qualified.

Section 8.3 Any Director may be removed from office, with or without cause, upon a two-thirds vote of the entire Board of Directors (excluding the affected Director) or by a two-thirds vote of the Members of the Association at a special meeting called in accordance with Section 9.1(c).

Section 8.4 A vacancy on the Board of Directors shall be filled by majority vote of the remaining Directors; provided, however, that a vacancy occasioned by removal of a Director by the Members as above provided in Section 8.3, shall be filled by a two-thirds vote of the Members at the same meeting at which a Director is removed.

Section 8.5

(a) The officers of this Association shall consist of a President, a Vice-President, Secretary and Treasurer and shall be elected annually (except that the officers elected by the initial Board of Directors named in the Articles of Incorporation shall serve until their successors are duly elected and qualified at the First Annual Meeting of the Board of Directors) by the Board of Directors from among its members and shall hold office until the end of the first meeting of the Board of Directors following the next annual meeting of the Members of the Association at which time their successors shall be duly elected and qualified.

(b) The President shall preside at all meetings of the Board of Directors and the Members. He / she shall be the chief administrative officer of the Association and shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Georgia Non-Profit Corporation Code. He /she shall appoint, subject to confirmation by the Directors, all committees, designating the Chairman and Vice-Chairman thereof, and shall appoint all special committees as may be required. He / she shall be ex officio a member of all committees.

(c) The Vice-President, in the absence or inability of the President, shall act in his / her stead. He / she shall, under the direction of the President, attend to the business operation of all committees.

(d) The Secretary shall send out notices of the meetings, shall keep the minutes of the meetings of the Members and of the Board of Directors, shall attend to keeping the correspondence pertaining thereto and shall have charge of the minute book and seal of the Association.

(e) The Treasurer shall attend to keeping the accounts of the Members of the Association, collecting all fees, dues and assessments as approved by the Board of Directors. He / she shall deposit funds of the Association received by him / her in the name of the Association in such depository as may be authorized by the Board of Directors. If directed by the Board of Directors, he / she shall be properly bonded; however, in such case the Association will pay all bonding costs involved. The Treasurer shall keep the financial records of the Corporation, which shall be open for inspection by any Member at all reasonable times.

(f) The Directors shall have the authority and power, by majority vote, to fill a vacancy occurring with respect to any officer of the Association.

Section 8.6 The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services, as the Board of Directors shall authorize. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager. The term of any management agreement shall not exceed one year and shall be subject to termination by either party, without cause and without penalty, upon 90 days' written notice.

Section 8.7 The Board of Directors shall have the power to borrow money for the purpose of repairing, restoring, modifying, improving or adding amenities to the Common Property and facilities with the approval of the members of the Association.

ARTICLE 9

MEETINGS

Section 9.1

(a) The annual meeting of the Members of the Association shall be held on the first Sunday in October in each year, at such place and time as the Board of Directors may determine.

(b) Special meetings of the Members of the Association may be called for the purpose of removing a Director from office or other legitimate purposes. Such special meetings may be called by the President and shall be called by the Secretary upon written request from at least twenty five (25%) percent of the Members and such meeting shall be held within ten (10) days after receipt of such written request. Members shall be notified in writing or by e-mail of such special meeting no less than seven (7) days prior thereto. The voting requirement for removal of a Director shall be as provided in Section 8.3.

(c) Notice of the annual meeting of the Members shall be given by mail or by e-mail to the Members at least twenty-one (21) days prior thereto.

Section 9.2

(a) The Directors shall meet regularly at such place and time and upon such notice as the President shall determine. A majority of Directors shall constitute a quorum for the transaction of business.

(b) Except as otherwise specifically provided in these By-Laws or the Articles of Incorporation, the Directors shall act by a majority.

(c) Special meetings of the Directors may be called by the President or by any two Directors upon not less than two (2) days' notice. Any business which the Directors may legally transact may be acted on at such meeting.

(d) The annual meeting of the Directors shall be held immediately following the annual meeting of the Members of the Association.

(e) Any action to be taken at a meeting of the Directors, or any action that may be taken at a meeting of the Directors, may be taken without a meeting if consent, in writing, setting forth the action so taken, shall be signed by all of the Directors.

Section 9.3 Waiver of notice of a meeting of the Members or of the Board shall be deemed equivalent of proper notice. Any member of the Board of Directors may, in writing, waive notice of any meeting, either before or after such meeting. Attendance at a meeting by a Member or member of the Board of Directors, whether in person or by proxy, shall be deemed a waiver by such Member or member of the Board of Directors of notice of the time, date and place thereof, unless such Member or member of the Board of Directors specifically objects to lack of proper notice at the time the meeting is called to order.

Section 9.4 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 such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 9.5 At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, dated and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot, or upon receipt or notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

Section 9.6 The presence, in person or by proxy, of Members representing at least thirty three (33%) percent of the Lots to which eligible votes appertain shall constitute a quorum at all meetings of the Association. The Members present at a meeting at which a quorum is present may continue to do business until adjournment, despite the withdrawal of enough members to leave less than a quorum.

Section 9.7 Whenever in these By-Laws notice to Members is required, the mailing or e-mailing of such notice to the address of a lot of the Member shall constitute notice.

Section 9.8 Any action to be taken at a meeting of the members, or any action that may be taken at a meeting of the members, may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by members holding the voting power required to pass such action at a meeting held on the date that the last consent is executed.

ARTICLE 10

SEAL

Section 10.1 The seal of the Association shall be in such form as the Board of Directors may from time to time determine. In the event it is inconvenient to use such a seal at any time, the signature of the Association followed by the words "Corp. Seal" enclosed in parentheses or scroll shall be deemed the seal of the corporation. The seal shall be in the custody of the Secretary and affixed by him on appropriate papers.

ARTICLE 11

MISCELLANEOUS

Section 11.1 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 in accordance with the laws of the State of Georgia and subject to the conditions prescribed therein.

In any instance where the laws of the State of Georgia permit indemnification to be provided to persons who are or have been an officer or director of the corporation or who are or have been an officer, director, partner, joint venturer or trustee of any such other enterprise only on a determination that certain specified standards of conduct have been met, upon application for indemnification by any such person the corporation shall promptly cause such determination to be made (i) by the Board of Directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding; (ii) if a quorum cannot be obtained 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; (iii) by special legal counsel selected by the Board of Directors or its committee in the manner prescribed in (i) or (ii), or if a quorum of the Board of Directors cannot be obtained under (i), and a committee cannot be designated under (ii), selected by majority vote of the full Board of Directors (in which selection directors who are parties may participate); or (iv) by the members, but directors who are at the time parties to the proceeding may not vote as members on the determination.

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, then all provisions of the laws of the State of Georgia must be followed.