

BYLAWS

ARTICLE III BOARD OF DIRECTORS

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in Section 2 of this Article regarding Declarant appointments, the directors shall be members or spouses of such members; provided, however, no Person and his or her spouse may serve on the Board at the same time, and no co-owners of the same Lot may serve on the Board at the same time. Except for directors appointed by the Declarant, all directors must reside in Harris Estates.

No ~~persons~~ person shall be eligible to be elected to or continue to serve on the Board of Directors if they are shown on the ~~book books~~ and records of the Association to be more than thirty (30) days delinquent in the payment of any assessment or charge due to by the Association.

Directors shall not be eligible to serve more than three (3) consecutive two (2) year terms without first ~~vacating or stepping off~~ resigning from the Board for a time period which shall be the lesser of: (a) one (1) year; or (b) the period of ~~to~~ time from the end of one (1) annual meeting of the Association to the beginning of the next annual meeting of the Association. Any change in Board composition resulting from disqualification or term expiration shall be reported in the Association's annual corporate registration with the Georgia Secretary of State within thirty (30) days in accordance with state law.

Section 2. Directors Appointed by Declarant. Notwithstanding anything to the contrary herein, Declarant shall have exclusive authority to appoint and remove directors and officers until the earlier of: (1) seven (7) years after the recording of the Declaration, (2) the date as of which one hundred percent (100%) of the Lots shall have been conveyed by Declarant to Owners other than a Person constituting the Declarant unless Declarant at that time has an unexpired option to add Additional Property, or (3) the surrender in writing by Declarant of the authority to appoint and remove officers and directors of the Association. Each owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant this authority to appoint and remove directors and officers of the Association.

Section 3. Number of Directors and Term of Office. The Board shall consist of at least three (3) persons during the period in which the Declarant has the right to appoint directors and officers as described in Section 2 of ~~the~~ this Article. Thereafter, the Association shall call a meeting of the members to be held at which Owners shall elect three (3) or five (5) directors, the exact number as determined from time to time by resolution of the Board. If such meeting is not the annual meeting, the directors receiving the highest number of votes shall be elected for terms of two (2) years each, and the third director shall be elected for a term of one (1) year. If there are five (5) directors, the three (3) directors receiving the highest number of votes shall be elected for terms of two (2) years each, and the two (2) directors remaining directors shall be elected for a term of one (1) year.

At each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years. the member of the Board of Directors shall hold office until their respective successors have been elected by the Association or until earlier death, resignation, or removal. Any change in board composition shall be reported in the Association's annual corporate registration with the Georgia Secretary of State within thirty (30) days in accordance with state statutory requirements.

Section 4. Nomination. Nomination for election to the Board of Directors shall be made prior to the annual or special meeting pursuant to a call for candidates issued by the Board. The Board may establish a reasonable deadline for submission of candidate self-nominations or petitions so that all qualified candidates are listed on advance written or electronic ballots. Nominations may also be made from the floor at the meeting, provided that floor nominations do not invalidate previously cast electronic or absentee ballots. The Board ~~also~~ may also appoint a nominating committee to make nominations prior to the meeting. All nominees must be members in good standing and eligible to hold office under these Bylaws and Georgia law.

Section 5. Elections. All members of the Association eligible to vote shall be entitled to cast their entire vote for each directorship to be filled. For purposes of any election, any Owner whose voting rights have been suspended in accordance with the Declaration or these Bylaws shall not be considered an eligible voter. There shall be no cumulative voting. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes. Voting for election of Board members shall be by written or electronic ballot; ~~(unless dispensed by unanimous consent at meeting at which such voting is conducted)~~ provided, however, if the number of qualified candidates equals or is less than the number of open directorships, election by ballot may be dispensed with

by majority consent of the members present in person, by proxy, or electronically, and the candidates declared elected by acclamation. All electronic voting records, paper ballots, and election results shall be retained in the Association's official records in accordance with applicable statutory retention requirements.

Section 6. Removal of Members of the Board of Directors. Other than for directors or officers appointed by the Declarant, at any regular or special meeting of the Association duly called, any one (1) or more of the members of the Board of Directors may be removed with or without cause by a Majority of the total eligible Association vote. For purposes of calculating the total eligible vote for removal, any Owner whose voting rights have been suspended in accordance with the Declaration or Bylaws shall be excluded. ~~and a~~ successor may then and there be elected to fill the vacancy thus created. Further, any director who is more than thirty (30) days past due in payment of any assessment or charge shall be automatically removed from the Board of Directors, even if the director subsequently pays the amount owed and the vacancy shall be filled as provided in Section 7 below. Any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings may be removed by the vote of a majority of the other directors. Any director whose removal has been proposed by the Membership shall be given at least (10) days notice of the calling of the meeting to consider His or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting. Notice of any member meeting called to consider director removal must explicitly state removal as a meeting purpose to all Members in accordance with Georgia law.

Section 7. Vacancies. Except while the Declarant is authorized to appoint directors And officers hereunder, vacancies in the Board of Directors caused by any reason, except the removal of a director by vote of the membership, shall be filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. The successor so selected shall hold office for the remainder of the term of the director being replaced. Upon filling any vacancy, the Board shall update the Association's corporate filings with the Georgia Secretary of State within thirty (30) days in accordance with applicable state law. Notwithstanding anything to the contrary stated herein, any director who is an officer, Director or other designated agent of an entity member and whose position become vacant for Any reason, may be replaced by the entity who is the owner unless there has been a transfer of ownership of the Unit, in which case, the vacancy shall be filled by the remaining directors, even if less than a quorum is at any meeting of the directors.

Section 8. Compensation. Directors shall not be compensated for services as such unless and only to the extent that compensation is authorized by a Majority of the total eligible Association vote. For purposes of calculating any vote required under this Section, any Owner whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall be excluded from the total number of eligible votes. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors. Directors also May be given nominal gifts or tokens of appreciation by the Association for recognition of Services performed, not to exceed a value of One Hundred and No/100 Dollars (\$100.00) per calendar year. For purposed hereof, reasonable food and beverages purchased for Board Meetings shall not be considered compensation.

Section 9. Director Conflicts of Interest. Nothing herein shall prohibit a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided that the director's interest is disclosed to the Board and the contract is approved by a Majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the Contract is made. The interested director shall not count for purposes of establishing a quorum of the board. The interested director shall be entitled to be present at any meeting at which the proposed contract is discussed and to discuss the proposed contract, unless requested by any other director to leave the room during the discussion. The full disclosure, recusal, and vote of the disinterested directors shall be formally documented in the official written minutes of the Association.

B. Meetings.

Section 1. Organization Meetings. The Board of Directors shall endeavor to meet within sixty (60) days following each annual meeting of the Association, at a time and place Determined by the Board.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place (or virtually via teleconference or electronic communication media) as shall be determined from time to time by the Board, but such Meetings shall be held at least once every six (6) months. Notice of regular meetings shall be provided to each director at least four (4) days prior to the meeting, unless a fixed meeting schedule is established by Board resolution. All regular meetings of the Board of Directors shall be open to all members of the Association to attend as observers, except for executive sessions called to discuss pending or threatened litigation, personnel matters, contract negotiations, or private owner violations. Reasonable advance notice of regular Board meetings shall be posted or communicated to members through electronic publication or official Association channels.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by the President on two **at least** (2) days notice to each director given by **electronic mail, hand delivery, overnight courier**, regular first class or electronic mail, in person, **or** by telephone, or by facsimile transmission, which notice shall state the time, place **(or virtual access details)**, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President, **Vice President**, Secretary, or Treasurer in like manner and on like notice on the written request of at least two (2) directors. **Meetings of the Board may be held virtually via teleconference or video conference in accordance with applicable Georgia law. Notice of all special board meetings shall be posted or broadcast to the members at least two (2) days prior to the meeting, except for executive sessions held to discuss pending litigation, personnel matters, or confidential collection actions.**

Section 4. Waiver of Notice. Any director may, at any time, in writing **(including electronic mail or other electronic transmission)**, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any Board meeting **and none objects to holding the meeting**, no notice to directors shall be required and any business may be transacted at such meeting, **subject to any member notice requirements for open meetings mandated by applicable Georgia law or these Bylaws.**

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the **total number of active** directors shall constitute a quorum for the transaction of business **(whether present in person or participating electronically via teleconference or video conference pursuant to applicable Georgia law)**, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If any meeting cannot be held because a quorum is not present, a Majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time that 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 **if the time, date, and place (or virtual access details) of the reconvened meeting were announced at the original meeting prior to adjournment; provided, however, that notice of the reconvened meeting shall be given in accordance with Section 3 to any directors who were not present at the time of adjournment and to members for open meetings without further notice.**

Section 6. Open Meetings. **Except as provided herein, all meetings of the Board shall be open to all members in good standing; provided, however, that** Board meetings need not be open to all members, However, if the Board permits members to attend Board meetings, then members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board **or during a designated member comment period established by the Board.**

Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, **pending or potential** litigation in which the Association is or may become involved, **contract negotiations, delinquent account collection actions, specific covenant enforcement hearings**, and orders of business of a similar **confidential** nature. The nature of any and all business to be considered in executive session shall first be announced in open session **and noted in the open meeting minutes.** The Board may order the removal of any meeting guest **or member** who, in the Board's opinion, either disrupts the conduct of business at the meeting or fails to leave the meeting upon request after an announcement of reconvening in executive session.

Section 7. Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting **of the Board of Directors** may be taken without a meeting if **all-Majority** of the directors consent to such action in **writing pursuant to O.C.G.A. § 14-3-821. Such written consents may be executed and sent via vial hand delivery, facsimile, regular first class overnight courier, certified mail, or electronic transmission (including electronic mail, digital signature platform, or board portal submission pursuant to O.C.G.A. § 10-12-1 et seq.) or electronic mail. Such written consents must describe the action taken and be signed or electronically affirmed by all no fewer, ~~sent vial hand delivery, facsimile, regular first class or electronic mail. Such written consents must describe the action taken and be signed by no fewer~~ than a Majority of the directors, and shall have the same force and effect as a unanimous vote. ~~and~~ such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.**

Section 8. Telephonic Participation. One or more directors **(or the entire Board)** may participate in and vote during any regular or special meeting of the Board by **means of video conference**, telephone conference call or similar communication equipment by means of which all persons participating in the meeting **(including attending members, where required)** can hear each other at the same time. **and** Those directors participating **by such electronic means** by telephone shall be deemed to be present **in person** at such meeting for quorum and other

purposes. Any such meeting at which a quorum ~~participated~~ **participates** shall constitute a regular **or special** meeting of the Board of **Directors**.

C. Powers and Duties.

Section 1. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Community and may do all such acts and things as are not by the Declaration, the Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

- (a) preparing and adopting of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;
- (b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;
- (c) providing for the operation, care, upkeep, and maintenance of all of the areas which are the maintenance responsibility of the Association;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Common Property, Association property and, where appropriate, providing 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;
- (e) collecting the assessments, depositing the proceeds thereof in a financial depository or institution which is shall approve, or otherwise investing the proceeds in accordance with any limitations set forth in O.C.G.A. § 14-3-302 **(as amended)**, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations and imposing sanctions for violation thereof including, without limitation, reasonable monetary fines;
- (g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to, or alterations of the Common Property in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the association and its administration, specifying the maintenance and repair expenses and any other expenses incurred; and
- ~~(m)~~ contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominiums or other associations or corporations. **Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.** The management and operational functions of the Association may be performed by a professional managing agent or management company as authorized by the Board, provided that the Board shall retain ultimate authority and supervisory control over all such delegated functions.

Section 2. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, 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 Board shall require that any management contract entered into by the Association provide ~~shall use reasonable efforts in any management contract to~~ provide for termination of such contract with or without cause and without penalty, upon no more than ~~thirty (30) days~~ sixty (60) days written notice (or thirty (30) days for Declarant-affiliated contracts), and have a ~~for a~~ term not in to exceed in excess of one (1) year, renewable by agreement of the parties. Executed management contracts and any amendments thereto shall be maintained in the Association's official records for at least ten (10) years in accordance with applicable state record retention requirements.

Section 3. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration or ~~improvement~~ replacement of the Common property and facilities without the approval of the members of the Association; the board shall also be authorized to borrow money for other purposes; provided, however, the Board shall obtain membership approval in the same manner as provided for special assessments if the proposed borrowing is for the purpose of modifying, improving, or adding amenities to the Community or the total amount of such borrowing exceeds or would exceed ten thousand (\$10,000.00) dollars in total outstanding debt at any one time. ~~Where membership approval is required under this Section, such approval shall be obtained in accordance with the voting requirements and procedures set forth for Special Assessments in the Declaration.~~

Section 4. Liability and Indemnification of Officers, Directors and Committee Members. The Association shall indemnify every officer, director, and committee member (including directors, officers, and committee members appointed by Declarant during the period of Declarant control) against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Directors) to which ~~they he or she~~ may be made a party by reason of being or having been an officer, director or committee member, whether or not such person is an officer, director or committee member at the time such expenses are incurred subject to the limitation below.

The officers, directors and committee members shall not be liable ~~to the Association or its members~~ for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer, director or committee member in the performance of ~~their his or her~~ duties, except for ~~their his or her own individual willful misfeasance or malfeasance.~~ gross negligence, intentional misconduct, willful misfeasance, or receipt of an improper personal benefit, as provided under O.C.G.A. § 14-3-850 et seq.

The Association, in determining whether or not to indemnify a director, officer or committee member, shall not impute knowledge to said director, officer or committee member from any source whatsoever; rather, any such determination shall be based on the actual knowledge of the director, officer or committee member.

~~Expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the director, officer, or committee member to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Association as authorized herein or under Georgia law.~~

The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors or committee members may also be members of the Association), and the Association shall indemnify and forever hold each such officer, director or committee member free and harmless against any and all liability to others on account of any such contract or commitment.

Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member or former officer or director, may be entitled. The Association shall maintain, as a Common Expense, adequate general liability and, if obtainable, officers' and directors' liability insurance (~~D&O coverage~~) to fund this obligation, which ~~and the~~ insurance shall be written as provided in the Declaration.

C. Committees.

Section 1. Architectural Control Committee. The Board may establish an Architectural Control Committee for the purpose of establishing and maintaining architectural standards in the Community as provided in the Declaration.

Section 2. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 3. Service on Committees. Unless otherwise provided in these Bylaws or in the resolution of the Board of Directors authorizing a particular committee, the members of all advisory ~~any~~ committee shall be appointed by the President, subject to ratification by the Board, and shall serve at the pleasure of the Board of Directors. Any committee member may be removed by the Board or the President with or without cause at any time with or without a successor being named. Committees exercising the authority of the Board of Directors shall be established and appointed in accordance with O.C.G.A. § 14-3-825.