

**BY-LAWS
KATE'S COVE HOMEOWNER'S ASSOCIATION**

ARTICLE I

NAME AND LOCATION

The name of the association is Kate's Cove Homeowners Association, Inc. (hereinafter referred to as the "Association"). The principal office of the Association (until otherwise designated by the Board) shall be P.O. Box 2383, Rincon, Georgia 31326, but meetings of Members and directors may be held at such other places within the State of Georgia, as maybe designated by the Board.

ARTICLE II

DEFINITIONS

Unless otherwise set forth herein, the terms used in these By-Laws shall have the same meanings ascribed to such terms as set forth in the Declaration of Protective Covenants, for Kate's Cove Subdivision – Phases I and II, dated as of January 29, 1998, which has been executed by Harvest Properties, Inc., a Georgia corporation, with respect to a community known as Kate's Cove Subdivision, and executed by a duly authorized officer of the Association, and has been filed for record in the office of the Clerk of the Superior Court of Effingham County, Georgia, as such Declaration may be amended from time to time, and which Declaration is incorporated herein by reference.

ARTICLE III

MEETINGS

3.1 Annual Meeting of Members: The regular annual meeting of the Members shall be held not later than six (6) months past the end of the fiscal year of the Association, on a date (which is not a legal holiday) and at such place within the State of Georgia, as shall be designated in the call of meeting pursuant to Section 3.3 below. The Members shall at such annual meeting elect a Board for the ensuing year, in the manner provided in Article IV hereof, and shall have authority to transact any and all business which may be brought before such meeting.

3.2 Special Meeting of Members: Special meetings of Members shall be held at such place within the State of Georgia as shall be designated in the call of the meeting. Special meetings may be called by the President at any time and must be called by the President when so requested in writing by any two (2) directors or by twenty-five (25%) percent of the Class A Membership.

3.3 Notice of Meetings: Written notice of the place, date, and time of every annual or special meeting of Members shall be mailed to each Member, at least twenty-one (21) but not more than sixty (60) days before such meeting. Each Member shall register his address with the Association, and notices of meetings shall be mailed to him at such address, and if no such address has been registered, at the last-known address of the Member. If for a special meeting, such notice shall state the purposes or objects of the meeting. It shall not be necessary that notice of an annual meeting specify the business to be transacted at such meeting, but such notice shall specify the number of directors to be elected at such annual meeting.

3.4 Quorum: Unless otherwise provided in the Declaration, a quorum at any meeting of Members, whether annual or special, shall consist of the presence at such meeting, in person or by proxy, of Members entitled to cast one tenth (1/10) of the votes of each Class of Membership. Unless otherwise provided in the Articles of Incorporation of the Association, or in the Declaration, or in these By-Laws, a majority of the votes entitled to be cast by all Members present at a meeting in person or by proxy shall be necessary and sufficient to decide and act upon any question which shall come before the meeting. No business shall be transacted at any meeting unless a quorum is present.

3.5 Voting: Voting rights of Members shall be as set forth in the Declaration. Where any Member is a group or entity other than one individual person, the vote on behalf of such Member shall be exercised only by such individual person as shall be designated in a proxy instrument duly executed by or on behalf of such Member, and delivered to the Secretary of the Association.

ARTICLE IV

DIRECTORS

4.1 Number-Qualifications: The affairs of this Association shall be managed by a Board of not less than three (3) or more than five (5) directors. Each Director must be a member of the Association. No person may be nominated or elected to serve as a Director of the Association who, on the date of such nomination or election, is indebted to the Association in any amount either for (a.) past due homeowners assessments which may be levied against any property in the subdivision in which the Director has an ownership interest whether in fee simple, leasehold or other interest, and/or (b.) any court order, obligation or judgment which may be ordered assessed against them in a monetary amount by any court of competent jurisdiction in favor of the Association. Payment and full satisfaction of any such unpaid obligation shall render such person eligible for election to office. The exact number of directors shall be determined, and may be changed from time to time, by a vote of the Members at any meeting of the Members at which a quorum is present.

4.2 Term of Office: Directors shall each serve terms of two (2) years; in odd numbered years the number of Directors elected shall be two (2); in even numbered years the number of Directors elected shall be three (3). At the annual meeting of the Members held in winter 2015 the members shall vote on five (5) Directors, three (3) of whom shall be elected to serve a one (1) year term and two (2) of whom shall be elected to serve a two (2) year term. Designations shall be made as to the length of the terms for which each Director is nominated and elected for office prior to the voting on such Director. Thereafter, at each annual meeting the Members shall vote for Directors as set forth in the first sentence of this paragraph. All directors shall hold office until their successors have been elected.

4.3 Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of the death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4 Compensation: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his reasonable actual expenses incurred in the performance of his duties.

4.5 Action Taken without a Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

4.6 Nomination: Nomination for elected members to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting.

4.7 Election: Election to the Board shall be by secret written ballot unless nominees are approved by unanimous consent. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

4.8 Special Meetings of Directors: Special meetings of the Board shall be held at such place within the State of Georgia as shall be designated in the call of such meetings. Special meetings of the Board may be called by the President at any time in his discretion, and must be called by the President whenever so requested in writing by two (2) members of the Board.

4.9 Quorum: A quorum at any meeting of the Board shall consist of a majority of the members of the Board. Unless otherwise provided in the Articles of Incorporation of the Association, or in these By-Laws, or in the Declaration, a majority of those present at any meeting at which a quorum is present may decide all questions which may come before the meeting.

4.10 Powers: The Board shall have power to adopt and publish reasonable rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof;

- (a) suspend the voting rights and right to use of any recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association; such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations, or for violation of the Protective Covenants.
- (b) exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; and
- (d) Employ, retain, dismiss, and replace agents and employees to exercise and discharge the powers and responsibilities of the Association, the Board, and the officers of the Association.

4.11 Duties: It shall be the duty of the Board to:

- a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one fourth (1/4) of the Class A Members who are entitled to vote;
- b) supervise all officers, agents, and employees of the Association, and see that, their duties are properly performed;
- c) to take all reasonable actions to carry out the Association's responsibilities as set forth in the Declaration and by Georgia law;
- d) fix the amount of the annual assessment against each Lot at least fifteen (15) days in advance of each annual assessment period;
- e) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and
- f) foreclose the lien against any property for which assessments are not paid within fifteen (15) days after due date or bring an action at law against the Owner or Owners personally obligated to pay the same;

- g) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board or the management company employed by the Association for the issuance of these certificates; if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

ARTICLE V

OFFICERS AND DUTIES

5.1 Enumeration of Officers: The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create,

5.2 Election of Officers: The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

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

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

5.5 Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.6 Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

ARTICLE VI

MISCELLANEOUS

6.1 The Declaration: All provisions contained in the Declaration, and as such Declaration may be amended from time to time, with regard to rights, powers, and duties of the Association, the Members thereof (including, without limitation, classes of Members and qualifications and rights of the members of each class), and the Board thereof, are hereby incorporated into these By-Laws by this reference, with the same effect as if such provisions were fully set forth herein.

6.2 Committees: The Association shall appoint an Architectural Control Committee as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purposes.

6.3 Books and Records: The books and records of the Association shall at all times, during reasonable business hours, be open for inspection by any Member of the Association and any institutional holder, insurer or guarantor of a first mortgage.

6.4 Indemnification: The Association shall indemnify any person made a party to any action, suit, or proceeding, whether civil or criminal, by reason of the fact that he, his testator, or intestate, is or was a director, officer, agent, or employee of the Association, against the reasonable expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense of the action, suit, or proceeding or in connection with any appeal in it. This right of indemnification shall not apply in relation to matters as to which the director, officer, or employee shall be adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of any duty to the Association. The right to indemnification conferred by this Section shall not restrict the power of the Association to make any other indemnification permitted by law.

6.5 Fiscal Year: The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

6.6 Parliamentary Rules: Robert's Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the person presiding over the proceeding.

6.7 Conflicts: If there are conflicts or inconsistencies between the provisions of Georgia law, the Declaration, the Articles of Incorporation, or these By-Laws, then the provisions of Georgia law, the Declaration, the Articles of Incorporation, and these By-Laws (in that order) shall prevail.

6.8 Notices: Unless otherwise specified in the Declaration or these By-Laws, all notices, demands, bills, statements, or other communications required or permitted to be sent under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail, postage prepaid if to a Member, at the address which the Member has registered in writing and filed with the Secretary or, if no such address has been registered, at the last-known address of the Member; or if to the Association, the Board, 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 notice in writing to the Members.

6.9 If there are multiple Owners of a single piece of property, notice to one (1) shall be deemed to be notice to all.

ARTICLE VII

AMENDMENT

These Bylaws may be amended.

- 6.4 By a vote of four fifths of the Directors at any meeting of the Directors duly called for that purpose, providing notice of the meeting and the proposed amendments has been given to the Members at least thirty days prior to the meeting, or
- 6.5 At the Annual meeting of the Members, by a vote of the majority of the votes of the Members who are voting in person or by proxy.