

**BYLAWS OF
STEEPLECHASE RESIDENT HOMEOWNERS' ASSOCIATION, INC.**

Amended March 31, 2011

**ARTICLE I
NAME AND DEFINITIONS**

Section 1. Name. The name of the Association shall be Steeplechase Resident Homeowners' Association, Inc (hereinafter sometimes referred to as the "Association" or "SRHA").

Section 2. Definitions. The words used in these By-Laws shall have the definitional meanings as set forth in Exhibit "A", which is attached hereto.

**ARTICLE II
MEMBERSHIP**

Section 1. Membership. Every person or entity who is a record owner of any lot in Steeplechase Subdivision, Sever Road, Gwinnett County, Georgia, and who holds such property as their principal residence (a "Resident"), shall be eligible for membership in the Association. Any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. The Association shall have two (2) classes of membership, Facility Membership and Community Membership.

Section 2. Facility Membership. Every person who is a Resident shall have the right, but not the obligation, to join the Association as a Facility member upon making an application to the Association and upon payment of a membership fee, if any, set by the Board of Directors. Community membership shall be a prerequisite to and requirement for Facility membership.

(a) Use Privileges. A Facility Membership shall entitle the Facility Member and his or her Household and Guests to use of all the Community Amenities and Facilities and participation in Community Events and Facility Events, subject to the rules and regulations for use of the Community Amenities and Facilities adopted by the Board of Directors.

(b) Voting. Each Facility Member shall be entitled to one (1) equal vote per Household on all issues brought to a vote of the Association.

(c) Outside Members. Subject to availability and the restrictions herein, the Board of Directors may vote to allow limited Outside Members in any given year.

Restrictions:

- i. Outside Membership application shall include sponsorship by a current Facility member in good standing.
- ii. Annual dues for Outside Membership shall total the combined annual dues for Facility and Community membership.
- iii. Outside Members shall not be SRHA members and shall have no voting privileges in either Facility or Community matters.
- iv. Outside Membership shall not exceed a total of 10 families in a given year.
- v. Outside Membership shall not be allowed if SRHA Facility membership exceeds 200 families.
- vi. Facility use privileges of Outside Members are limited to the member and his or her immediate family.

- vii. Lessee holders of property in Steeplechase shall have the right to join the Facility with the same restrictions as Outside Members. However, Lessee memberships shall not be counted toward total Outside Membership limits.

Section 3. Community Membership. Every Resident, who does not exercise his or her right to become a Facility Member, shall have the right but not the obligation to join the Association as a Community Member upon making an application to the Association and upon payment of a membership fee, if any, set by the Board of Directors.

(a) Use Privileges. Community Members shall have no right to participate in the use, operation, administration or conduct of the Facilities. The sole purpose of the Community Member is to participate in activities and interests concerning or relating to the Community, other than those concerning the Facilities.

(b) Voting. Each Community Member shall be entitled to one (1) equal vote per household; provided, however, that Community Members shall be entitled to vote only on issues relating to the Community and excluding issues concerning the Facilities.

Section 4. Transfer of Membership. Membership in the Association shall be non-transferrable and non-assignable, except upon the sale of the member's property, notice of which shall be provided in writing to the Board by the transferor.

Section 5. Resignation of Membership.

(a) Resignation. Any member wishing to resign from the Association may do so upon thirty (30) days written notice prior to the desired resignation date. Any membership cards must be returned to the Association no later than five (5) days after membership cancellation has become effective. Failure to return membership cards may result in additional membership fees. All outstanding membership fees or charges owed to the Association are due and payable in full upon the effective date of resignation.

(b) Return of Fees. Any member who resigns from the Association for any reason, including but not limited to the sale of the member's real property in the Community, shall not be entitled to receive any refund of the membership fee or any other payment made or due and owing to the Association.

Section 6. Waiting Lists. The Board shall establish a waiting list for Residents at the time that the Association contains a full complement of Facility Members, as determined by the membership. The resident waiting list shall be administered on a first-come, first-served basis.

Section 7. Conversion of Memberships. No conversion of memberships shall take place except as provided herein. To change a membership from one (1) type of membership to another, a member must make application to the Board of Directors or its designee to approve such change. Upon approval by the Board of Directors or its designee and notification that a vacancy exists in the desired class of membership, such Member shall pay the membership fee due for the new class of membership at the time of the change.

Section 8. Enforcement. The Board may levy such sanctions as it deems appropriate, including reprimands, expulsion, fines, Reimbursement Charges or suspension of membership or use privileges, against any Member for cause. "Cause" shall mean any of the following:

(a) Default. Being in default in the payment of any sums due for a period in excess of sixty (60) days after a bill therefore has been given.

(b) Detrimental conduct. Acts (in or on the Facilities or within the community) by a Member, a Member's Family members or guests which the Board of Directors or its designee

shall find to be detrimental to the best interests of the Association including, without limitation, conduct violating rules and regulations of the Association or policies established by the Board or conduct likely to endanger the welfare, safety, harmony or good reputation of the Association or its members.

No Member shall be expelled without a hearing before the Board of Directors or its designee which shall be conducted upon no less than ten (10) days notice in writing to such Member. The notice shall state the charges for expulsion and the time and place of the hearing thereon. All rights and privileges of the member shall be suspended from the date of such notice until final disposition of the matter. Such member shall have the right to be present at the hearing and may elect to be heard orally or in writing.

If at such hearing the Board of Directors or its designee shall determine that the conduct constitutes cause for expulsion, it shall notify such Member of its decision. Expulsion shall take effect immediately upon notice.

Section 9. Conflict of Interest. Each Member shall disclose in the written Minutes of an Association meeting any contract or agreement or interest of any kind between the Association and any person or entity to which he is related by blood or marriage or in which he has an interest, whether direct or indirect. Such conflict must be stated prior to discussion or any such issue. Such Member shall not vote on any such issue.

ARTICLE III

Assessments, Fees, Dues and Charges

Section 1. Membership Fees. Members shall pay periodic dues in amounts and at times established by the Board. Unless otherwise determined by the Board, all membership fees required to be paid pursuant to this Section are non-refundable. The Board may increase the amount of periodic dues annually as is deemed necessary based on a budget approved by the membership, subject to Article III, Section 2.

Section 2. Maximum Annual Dues. Until January 1, 1989, the maximum annual dues shall be no greater than twenty dollars (\$20.00) per family for Community membership, and Three Hundred dollars (\$300.00) per family for Facility membership, but the Association, acting through its Board, may establish such dues at a figure below such maximum amount.

(a) From and after January 1, 1989, the maximum annual dues may be increased each year not more than ten percent (10%) above the maximum dues for the previous year without a vote of the class of membership being increased. The dues may not, increase ten percent (10%) in any two (2) consecutive years without an affirmative vote of the affected members present and voting at a duly called meeting of the Association.

(b) In the event the dues will be increased by more than ten percent (10%) above the maximum dues for the previous year or if the dues will result in a ten percent (10%) increase occurring in two (2) consecutive years, the maximum annual increase must be approved by a majority vote of the members present and voting at a meeting held for such purpose.

(c) The Board of Directors in any year may fix the annual dues at an amount it deems appropriate but not in excess of the maximum.

Section 3. Due Date. The annual dues shall be fixed on a yearly basis. Each Member shall make payment of subsequent annual dues in full on the first day of March or on such other dates as from time to time may be established by the Board of Directors. Payment of dues shall be delinquent twenty (20) days after any due date. The due date of any special assessment under Article III, Section 6 hereof shall be fixed in the resolution authorizing such assessment.

Section 4. Uniform Rate of Assessment. The amount of any annual dues or special assessments shall be the same for all of one class of membership and shall be payable by a member irrespective of whether or not such member actually uses all or any portion of the facilities or services covered by any such dues or assessments.

Section 5. Budget. It shall be the duty of the Board annually 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 budget shall automatically be approved unless disapproved by a majority of members at an annual budget meeting. In the event a quorum is not present, either in person or by proxy, at the budget meeting, the budget shall stand approved subject to Article III, Section 2 of these By-Laws. The Board shall cause a copy of the budget and notice of the dues to be levied against each Member for the following year to be delivered to each Member at least thirty (30) days prior to the annual budget meeting, which shall be held at a time and place established by the Board. Notwithstanding the foregoing, however, 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 6. Assessments. The Board may levy Assessments against members for capital repairs or improvements in any year upon an affirmative vote of three-quarters (3/4) of the class of membership to be assessed present and voting at a duly called meeting of the Association. Only Facility Members may be assessed for facility improvements or repairs. All members may be assessed for Community improvements or repairs. Assessments shall be paid as determined by the Board, and the Board may permit Assessments to be paid in installments extending beyond the fiscal year in which the Assessment is levied. Assessment funds shall be allocated as determined by the Board. Any Member who does not wish to pay an Assessment shall so notify the Board. Such Members shall not be obligated to pay the Assessment, but their membership shall be immediately terminated or downgraded to Community Membership, as determined by the Board.

Section 7. Reimbursement Charge. The Board shall levy a Reimbursement Charge against any member whose actions, including failure to comply with any Association policies, rules, or regulations, shall cause the expenditure of funds by the Association in performance of its functions. Such charges shall be limited to the amount so expended and interest thereon at the lesser of eighteen percent (18%) or the maximum rate then permissible under Georgia law from the date expended by the Association until paid and shall be due and payable to the Association when levied.

Section 8. Collection of fees. Each amount charged hereunder as Assessments, membership fees and dues, fines, Reimbursement charges, or other charges (including charges incurred by Family or guests of a member) shall be a separate, distinct, and personal debt and obligation of the Member against whom the amount is charged. In the event of a default in the payment of any such amounts, the Association shall enforce each such obligation by such means as are provided in Article II, Section 8 hereof or as are otherwise deemed appropriate by the Board, including but not limited to the right to bring an action for payment of all sums due the Association for any reason and to collect reasonable attorney fees in an amount equal to fifteen percent (15%) of the amount due together with interest thereon.

ARTICLE IV

Association: Meetings, Quorum, Voting, Proxies

Section 1. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical.

Section 2. Annual Meetings. The regular annual meeting of the members shall be held during the month of November of each year with the date, hour, and place set by the Board of Directors.

Section 3. General Meetings. Meetings of the general membership of the Association shall be held a minimum of two (2) times each year. In addition, it shall be the duty of the Chairman to call a general meeting of the Association if so directed by resolution of a Majority of the Board of Directors or upon a petition signed by at least twenty-five percent (25%) of either class of members.

Section 4. Special Meetings. The Chairman may call special meetings. In addition, it shall be the duty of the Chairman to call a special meeting of the Association if so directed by resolution of a Majority of the Board of Directors or upon a petition signed by at least twenty-five percent (25%) of either class of members. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to each Member a notice of each annual or special meeting of the Association stating the purpose of the special meeting, as well as the time and place where it is to be held at such address as is given in the application for membership. If a member wishes notice to be given at a physical mailing address rather than by electronic mail, he or she shall notify the Secretary in writing of such address. Notices of annual and general meetings shall be served not less than ten (10) nor more than thirty (30) days before a meeting. Notices of special meetings shall be served not less than twenty-four (24) hours before a meeting.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 7. Adjournment of Meetings. If any meetings 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 8. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be solicited in person, returned 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 receipt of 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. Quorum. Any number of members present at a duly called meeting shall constitute a quorum, provided notification of the meeting was given in accordance with Article IV, Section 5 of these By-Laws.

Section 10. Conduct of Meetings. The Chairman shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

ARTICLE V Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Each Director must be an owner of record, or spouse of an owner of record, of a residence in the Community; provided, however no person and his or her spouse may serve on the Board at the same time.

Section 2. Composition. The Board of Directors shall consist of a Chairman of the Board, Community President, Facility President, Secretary, Treasurer, who shall make up the Executive Committee; and six (6) Directors, three Community and three Facility members who shall chair committees for Community and Full Facility functions as further defined hereinafter. No two offices shall be held by the same person, nor shall spouses serve on the Board simultaneously. Directors must be members in good standing of the class of membership for which they are responsible.

Section 3. Election, Term of Office, and Vacancies. The Board shall be elected by the membership at the annual meeting in November. Candidates may be nominated from the floor or those as presented by a nominating Committee. All eligible members of the Association may vote on all Directors to be elected for the class of membership to which they belong and the candidate(s) receiving the most votes shall be elected. Community members shall be eligible to vote only for Community Board positions and Facility members shall be eligible to vote for Community and Facility Board positions. There shall be one vote per eligible family.

Vacancies in the Board of Directors caused by any reason, excluding the removal of a Director by vote of the Association, shall be filled by a vote of the majority of the remaining Directors at any meeting of the Board until such person can be duly elected at the next general meeting of the Association.

Section 4. Nominating Committee. The nominating Committee shall consist of five (5) members, two (2) appointed by the Chairman and three (3) elected by the membership at least thirty (30) days prior to the election. The Nominating Committee shall make as many nominations from each class of membership for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled from each class of membership. Nominations shall be permitted from the floor.

All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes. The Nominating Committee shall perform all duties normally assigned to an Election Committee unless one is specifically appointed by the Board.

Section 5. Removal of Directors. A Director whose removal has been proposed shall be given at least ten (10) days notice of the calling of a meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of dues for more than thirty (30) days may be removed by a majority vote of the Directors at a meeting, a quorum being present.

Section 6. Chairman of the Board. The Chairman shall be the Chief Executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The Chairman shall have all the general powers and duties which are incident to the office of the President of a corporation organized under the Georgia Nonprofit Corporation Code. The Chairman shall be responsible along with the Community President for monitoring zoning activity in the Steeplechase area as needed. The Chairman shall be responsible, along with the Community President and Facility President, for conducting an audit of the financial records of the Association no less than once per quarter. The Chairman shall contribute an article to the monthly newsletter. The Chairman shall be a Facility Member.

Section 7. Secretary. The Secretary shall keep the Minutes of all meetings of the Association and of the Board of Directors shall maintain the membership files, shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Georgia law. The Secretary shall make available a copy of the Minutes of the Board meetings (exclusive of Executive Session) to any homeowner upon request. The Secretary shall be responsible for coordinating any necessary revisions to these By-Laws. The Secretary shall preside over all meetings in the Chairman's absence.

Section 8. Treasurer. The Treasurer shall be responsible for preparing an annual operations budget in cooperation with the Community President and Facility President, shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall maintain separate accounting records for Community and Facility operations.

Section 9. Community President. The Community President shall be responsible for the establishment of goals, Ways and Means, preparing a proposed annual Community operations budget in conjunction with the Community Directors to be submitted to the Treasurer, beautification and maintenance of public landscaping and entryways, communication and coordination with third party contractors, daily management and operation of all Civic functions pertaining to the Community except for issues pertaining directly to the use, operation, administration or conduct of the Facilities, welcoming and contact of new residents, and membership recruitment. The Community President shall preside over all meetings of Community Directors. President shall be responsible, along with the Chairman, for monitoring zoning activity in the Steeplechase area as needed. The Community President shall be responsible along with the Chairman for conducting an audit of the financial records of the Association no less than once per quarter. The Community President shall contribute an article to the monthly newsletter.

Section 10. Community Directors.

(a) Communications Director. The Communications Director shall be responsible for all areas of communication to the membership including provisions for local points of contact, production and distribution of a monthly newsletter, updating of directories, and other communication as required.

(b) Community Social Director. The Community Social Director shall be responsible for seasonal activities and community social functions, as well as other such duties as defined by the Board.

(c) Webmaster. The Webmaster shall be responsible for maintaining the Steeplechase website and online accounts, sending neighborhood e-mail communications, posting the monthly newsletter online and monitoring the web service account.

Section 11. Facility President. The Facility President shall be responsible for establishment of goals, Ways and Means, preparing a proposed annual operations budget in conjunction with the Facility Directors to be submitted to the Treasurer, communication and coordination with third party contractors, , revisions to the By-Laws and Facility operating rules, welcoming and contact of new residents, and membership recruitment. The Facility President shall also be responsible for dealing with the needs and concerns of Facility Members relating to Facility matters. The Facility President shall be responsible along with the Chairman for conducting an audit of the financial records of the Association no less than once per quarter. The Facility President shall contribute an article to the monthly newsletter.

Section 12. Facility Directors.

(a) Facility Social Director. The Facility Social Director shall be responsible for social functions for Facility members, membership recruitment, and communications regarding the Facilities, as well as other such duties as defined by the Board.

(b) Facility Operations Director. The Facility Operations Director shall be responsible for communication and coordination with third party contractors, and daily operations of the Facilities, and other such duties as defined by the Board.

(c) Facility Swim and Tennis Director. The Facility Swim and Tennis Director shall be responsible for the organization and scheduling of tennis and swim team league participation and other organized activities as may be deemed appropriate by the Facility Members.

Section 13. Compensation. No Director shall receive any direct compensation from the Association for acting as such unless approved by a majority of the Members.

Section 14. Term of Office. Elected members of the Board of Directors shall hold office for one (1) year with their term of office beginning on January 1 following the November election. No Director shall be permitted to serve more than two (2) consecutive terms in one office.

Section 15. Conflict of Interest. Each Director shall disclose in the written minutes of the Board meeting prior to discussion any contract or agreement or interest of any kind between the Association and any person or entity to which he is related by blood or marriage, or in which he has an interest, whether direct or indirect. Such Director shall not vote on any such issue.

B. Meetings.

Section 16. Organization Meetings. The first meeting of the members of the Board of Directors shall be held during the first fifteen (15) days of January of each year at such time and place as shall be fixed by the Board.

Section 17. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a Majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

Section 18. Special Meetings. Special meetings of the Board of Directors shall be held when requested by the Chairman, the Community President, the Facilities President, or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) by telephone communication, either directly to the Director or to a person at the Directors home or office who would reasonably be expected to communicate such notice promptly to the Director; or (d) by electronic mail ("e-mail"). All such notices shall be given or sent to the Director's address, telephone number, or e-mail address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or e-mail shall be given at least twenty-four (24) hours before the time set for the meeting.

Section 19. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 20. Quorum of Board Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, 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. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any regular 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 without further notice.

Section 21. Open Meetings. All meetings of the Board shall be open to all members but members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. If a Member wishes to attend a Board meeting and address the Board, the Member must provide the Secretary with written notice of the subject of the matter to be addressed at least five (5) days prior to the meeting.

Section 22. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss any vote upon personnel matters, sanctions against Members, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 23. Action Without a Formal Meeting. 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 a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

C. Powers and Duties. The Board of Directors shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and may do all acts and things as are not by these By-Laws directed to be done and exercised exclusively by the members. The powers and duties of the Board of Directors imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted shall be the following but not limited to:

Section 24. Powers.

- (a) Preparation and adoption of an Annual Budget.
- (b) Opening of bank accounts on behalf of the Association and designating the signatories required.
- (c) Making assessments to defray common expenses and establishing the means and methods of collecting such assessments subject to these By-Laws.
- (d) Collecting assessments, depositing the proceeds thereof in a bank account which it shall approve, and using the proceeds to administer the Association,
- (e) Provide for the operation, care, upkeep and maintenance of all areas which are the responsibility of the Association.
- (f) Designating, hiring and dismissing the personnel necessary for the operation of the Association 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.
- (g) Making and amending use restrictions and rules and regulations as relates to the use and enjoyment of common and special areas of the subdivision.
- (h) Obtaining and carrying insurance against casualties and liabilities. This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. If available at reasonable cost, the Board shall obtain a public liability policy applicable to the Common Property insuring the Association and its members for all damage and injury caused by the negligence of the Association or any of its members or agents. Premiums for all insurance shall be common expenses of the Association. All such insurance coverage obtained by the Board shall be written in the name of the Association as trustee for the respective benefitted parties.
- (i) Paying the cost of all services rendered to the Association or its members which are not directly chargeable to members.
- (j) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration and specifying the maintenance and repair expenses and any other expenses incurred.
- (k) Entering into common agreements with trusts, condominiums, or other association.

(l) Enforcing by legal means the provisions of these By-Laws, and the rules and regulations adopted by it.

(m) Ensuring that all agreements and contracts entered into between the Association and any other party are lawfully carried out.

Section 25. Spending. The Board has the duty to ensure that all expenditures for budgeted items and capital improvements vary by no more than ten (10%) percent from the budgeted amount. Any expenditures that would exceed the budgeted amount by more than 10% must be approved by a majority of the members of the Association in attendance and voting at a meeting called for that purpose.

Section 26. Borrowing. The Board shall have the power to borrow up to ten thousand (\$10,000) dollars during each fiscal year for the purpose of maintenance, repair or restoration of the Common Property with the approval of a three-quarters (3/4) majority of the members of the Association in attendance and voting at a meeting called for that purpose.

Section 27. Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. 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 ninety (90) days written notice.

Section 28. Committees. The Board shall appoint Committees to perform certain tasks and to serve for such periods as may be determined by the Board. Each Committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of directors designating the Committee, or with rules adopted by the Board of Directors.

Section 29. Fines. The Board shall have the authority to impose and collect fines for violations of rules or regulations that pertain to the operation or safety of the common areas or special use areas of the subdivision, in accordance with the terms of these By-Laws.

Section 30. Fining Procedure. The Board shall not impose a fine (a late charge or reimbursement of expenses shall not constitute a fine) unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

- (1) The alleged violation;
- (2) The action required to abate the violation; and
- (3) A time period, not less than ten (10) days, during which the violation may be abated without further sanction, if the violation is not of a continuing nature. The Board or its designee may demand immediate abatement in such circumstances which, in the Board's determination, pose a danger to safety or property.

(b) Notice. If the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated within twelve (12) months of such demand, the Board may, upon notice, impose a fine. The notice shall state:

- (1) The nature of the alleged violation;
- (2) That the alleged violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine;
- (3) That any statements, evidence, and witnesses may be produced by the alleged violator at the hearing; and

- (4) That all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.
- (c) Hearing. If a hearing is requested, it shall be held before the Board in an executive session, and the alleged 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.
- (d) Amount of Fines. Fines against any member which are established pursuant to the terms of these By-Laws shall be in an amount of twenty-five (\$25.00) dollars per violation or twenty-five (\$25.00) dollars per day for a continuing violation.

ARTICLE VI General Provisions

Section 1. Enforcement. Each member of the Association shall comply strictly with the By-laws, the rules and regulations, the use restriction, as they may be lawfully amended or modified from time to time. The Board shall have the authority to suspend a member's right to vote or to use the Common property for violation of any duty imposed under the by-Laws, or any rules and regulations duly adopted hereunder. Failure by the Association to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. 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.

Section 3. Parliamentary Rules. Roberts Rules of Order (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation, these By-Laws, or a ruling made by the person presiding over the proceeding.

Section 4. Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, and these By-Laws, the provisions of Georgia law, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 5. Amendment. These By-Laws may be amended upon the affirmative vote of two-thirds (2/3) of the members in attendance and voting at a duly called meeting of the Association, provided that any proposed amendments to these By-Laws must be presented in writing to the Board of Directors and made available for review by members prior to presentation to the membership.

Section 6. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including attorney's fees, imposed upon or reasonably incurred by any Officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Director) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, misconduct, or bad faith. The officers and directors 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 or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director 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 or director, or former officer or director, may be entitled. The

Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 7. Books and Records.

(a) Inspection by Members. These By-laws, copies of rules and use restrictions, books of account, and minutes of meetings of the members of the Board and of committees shall be made available for inspection and copying by any member of the Association or by his duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a member at the office of the Association or at such other reasonable place as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(1) Notice to be given to the custodian of the records.

(2) Hours and days of the week when such an inspection may be made; and

(3) Payment of the cost of reproducing copies of documents.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extra copies of documents at the reasonable expense of the Association.

Section 8. Audit. An audit of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide.

Section 9. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

The following words, when used in this document, shall have the following meanings:

1. "Assessment" shall refer to the charge which may be imposed on a Member for capital repairs or improvements.
2. "Association" shall refer to the Steeplechase Resident Homeowners' Association, Inc.
- 3 "Board" or Board of Directors" shall mean the governing body of the Association, and the Board shall have such duties as are provided in the Articles of Incorporation, the By-Laws, and the Georgia Nonprofit Corporation Code.
4. "By-Laws" shall refer to the By-Laws of Steeplechase Resident Homeowners' Association, Inc.
5. "Community" shall mean the residential housing subdivision located between Sever Road and Dean Road in Gwinnett County known as "Steeplechase" as now developed and as may be expanded to include additional property adjacent to it developed using the name "Steeplechase". 6. "Community Events" shall mean those events organized by the Community Social Director for the benefit of Community Members.
8. "Community Member" shall mean a member having a Community Membership.
9. "Community Membership" shall mean that class of membership set out in Article II, Section 3 hereof.
10. "Facilities" shall mean the tennis facilities, swimming facilities, and other related facilities owned or leased and operated by the Association or its transferees, for use solely by the Facility Members and their guests.
11. "Facility Events" shall mean those events organized by the Facility Social Director for the benefit of Facility Members.
12. "Facility Member" shall mean a Member having a Facility Membership.
13. "Facility Membership" shall mean that class of membership set out in Article II, Section 2 hereof, which entitles the member to such use of the Facilities as is provided in such provision.
14. "Guests" shall mean not more than six (6) non-member guests who are not residents of the Community.
15. "Household" shall mean the immediate family of the Member.
16. "Majority" shall mean those eligible votes, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number.
17. "Member" shall mean a natural person that is a member of the Association by virtue of being a member of one(1) of the membership classes set out in Article II hereof.
18. "Non-Resident" shall mean a person who is not a Resident.

19. "Outside Member" shall mean a Non-Resident sponsored by a Facility Member in good standing.

20. "Reimbursement Charge" shall refer to the charge which may be levied by the Board against any member pursuant to Article III, Section 7 hereof.

21. "Resident" shall mean a person who is a record owner of any lot in the Community, and who occupies such property as their principal residence.