

EAGLE WATCH PROPOSED RESTATED BYLAWS COMPARISON

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<p>Article I. <u>Name and Location</u> The name of the Association is Eagle Watch Homeowners' Association, Inc., hereinafter referred to as the "Association". The principal office of the Association (or until otherwise designated by the Board) (as hereinafter defined) shall be located at Intersouth Properties, Inc., 3131 Piedmont Road N.E., Suite 100, Atlanta, Georgia 30305, but meetings of members and directors may be held at such other places within the State of Georgia, County of Cherokee, as may be designated by the Board.</p>	<p>1. <u>General Provisions</u> A. <u>Applicability.</u> These Bylaws provide for the self-government of Eagle Watch Homeowners' Association, Inc. in accordance with the Georgia Property Owners' Association Act ("Act"), the Articles of Incorporation filed with the Secretary of State of Georgia, and the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Eagle Watch, recorded in the Cherokee County, Georgia land records ("Declaration"). B. <u>Name.</u> The name of the corporation is Eagle Watch Homeowners' Association, Inc. ("Association").</p>
<p>Article II. <u>Definitions</u> 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 Covenants, Restrictions and Easements dated June-27, 1988, which has been executed by Eagle Watch Limited Partnership, with respect to a new community known as Eagle Watch, and is to be executed by duly authorized officers of the Association at its organizational meeting and is to be filed for record in the office of the Clerk of the Superior Court of Cherokee County, Georgia, as such Declaration may be amended from time to time, and which Declaration is incorporated herein by reference.</p>	<p>1. <u>General Provisions</u> C. <u>Definitions.</u> The terms used herein shall have their generally accepted meanings or the meanings specified in Paragraph 2 of the Declaration.</p>
<p>Article III. <u>Meetings</u> 3.1 <u>Annual Meeting of Members.</u> 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 Article 3.3 below. If no such date is designated, the annual meeting shall be held on the first Thursday in June, if not a legal holiday, and if a legal holiday, then on the next business day succeeding.</p>	<p>2. <u>Membership Meetings and Actions</u> A. <u>Annual Meetings.</u> The Board shall call an annual membership meeting each fiscal year. The purpose of the annual membership meeting shall be to elect Directors of the corporation, if not conducted by ballot or written consent in lieu of a meeting hereunder, and to conduct other business that shall properly come before the meeting. The Board of Directors shall call the regular annual membership meeting for a date and time within six months before or after the close of the Association's fiscal year, or such other date as established by the Board, and at a location established by the Board. No annual membership meeting of the Association shall be set on a United States legal holiday.</p>
<p>Article III. <u>Meetings</u> 3.2 <u>Special Meeting of Members.</u> 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 Directors or by twenty-five percent (251) of the Class A Membership.</p>	<p>2. <u>Membership Meetings and Actions</u> B. <u>Special Meetings.</u> Special membership meetings may be called for any purposes at any time by the Board of Directors or upon written petition of 25% of the Owners. Any such written petition by the Owners must identify the special meeting purpose on each page of the petition and must be for a purpose on which the Association membership is authorized to act under these Bylaws or the Declaration. The petition, with original signatures, must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of Owners have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special membership meeting for all lawful purposes stated in the petition, at a date, time and location selected by the President. The Secretary shall send notice of such special membership meeting in accordance with these Bylaws within 30 days of the date of delivery of the petition to the Secretary. Except as provided herein, no business may be conducted at a special membership meeting unless notice thereof is included in the meeting notice.</p>
<p>Article III. <u>Meetings</u> 3.3 <u>Notice of Meetings of Association Members.</u> Notice shall be given to each Owner at least twenty-one (21) days in advance of any annual or regularly scheduled meeting and at least seven (7) days in advance of any other meeting of Members and shall state the time, place, and purpose of such meeting and, if an election to fill vacancies on the Board is to be held, then a list of nominees shall be included in the written notice of meeting. Such notice shall be delivered personally, or sent by United States Mail, postage prepaid, to all Lot Owners of record at such address as has been so</p>	<p>2. <u>Membership Meetings and Actions</u> C. <u>Notice of Meetings.</u> The Secretary shall give notice of each annual or special membership meeting to the record Owner or Owners of each Lot, or to the Lot address, at least 21 days prior to each annual membership meeting and at least seven days prior to each special membership meeting. The notice shall state the date, time and location of the meeting, and for any special meeting, the purpose of the meeting. Giving notice as provided in these Bylaws shall be considered proper service of notice.</p>

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<p>designated, or at the address of their respective Lots. At the annual meeting, comprehensive reports of the affairs, finances, and budget projections of the Association shall be provided to the Owners.</p>	<p><u>D. Waiver of Notice.</u> Waiver of notice of a membership meeting shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any membership meeting, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of improper notice of the date, time, and location thereof and of any specific business being conducted at such meeting, unless such Owner specifically objects to improper notice at the time the meeting is called to order or the Owner objects to improper notice of the specific business before the business is put to a vote.</p>
<p>Article III. <u>Meetings</u> 3.4 <u>Quorum.</u> 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 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 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.</p>	<p>2. <u>Membership Meetings and Actions</u> E. <u>Quorum.</u> The presence, in person or by proxy at the beginning of the meeting, of Owners (or their spouses or Domestic Partners) entitled to cast 10% of the eligible vote of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. In establishing the total number of eligible votes for a quorum, if a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or if the voting rights for a Lot have been suspended, that Lot shall not be counted as an eligible vote.</p>
<p>Article III. <u>Meetings</u> 3.5 <u>Voting.</u> 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 proxy instrument duly executed by or on behalf of such Member and delivered to the Secretary of the Association.</p>	<p>1. <u>General Provisions</u> F. <u>Voting.</u> Each Lot shall be entitled to one vote, which vote may be cast by the Owner, the Owner's spouse or Domestic Partner, or by a lawful proxy as provided below. In the Board's discretion, membership voting may be conducted at a duly called membership meeting or by ballot or written consent in lieu of a meeting as provided in these Bylaws, including voting by electronic means. When more than one Person owns a Lot, the vote for such Lot shall be exercised as they determine between or among themselves. In no event shall more than one vote be cast with respect to any Lot. If only one co-Owner or only an Owner's spouse or Domestic Partner attempts to cast the vote for a Lot, it shall be conclusively presumed that such vote is authorized for the Lot. If the co-Owners or an Owner and his or her spouse or Domestic Partner disagree about how to cast the Lot's vote, and two or more of them attempt to cast the Lot's vote, such Persons shall not be recognized and such votes shall not be counted. If a Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or if any Owner or Occupant of the Lot is in violation of the Association Legal Instruments, neither the Owner of such Lot nor the Owner's spouse or Domestic Partner shall be eligible to: (1) vote, either in person or by proxy; (2) act as proxy for any other Owner; (3) issue a written consent; (4) be elected to the Board of Directors; (5) vote as a Director (if serving on the Board of Directors); or (6) serve on or participate in any Association committee. In establishing the total number of eligible votes for a quorum, a majority, or any other purposes, such Lot shall not be counted as an eligible vote.</p>
<p>Article IV. <u>Directors</u> 4.1 <u>Number.</u> The affairs of this Association shall be managed by a Board of not more than thirteen (13) directors who must be Members of the Association. The exact number of Directors shall be determined by the Board from time to time.</p>	<p>3. <u>Board of Directors</u> A. <u>Composition and Selection</u> (1) <u>Number and Eligibility.</u> A Board of Directors composed of not less than five or more than seven persons shall govern the affairs of the Association, the specific number to be determined by the Board; provided however, no reduction in the number of directors shall apply to terminate the term of any then-serving Director. Directors shall be Owners of Lots or spouses, Domestic Partners or co-Owners of such Owners, and Directors must reside in the Community as their full-time, principal and primary residence to be eligible to be elected to the Board and/or to continue to serve on the Board. No Owner and his or her spouse, Domestic Partner, or co-Owner may serve on the Board at the same time. If, at the time of an election, a Lot is shown on the Association's books and records to be more than 30 days past due in any</p>

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	assessment or charge, or the voting rights for a Lot have been suspended, no person representing such Lot shall be eligible for election to the Board.
<p>Article IV. <u>Directors</u> 4.2 <u>Term of Office.</u> At the first annual meeting, concurrent with or next following the First Amendment of these By-Laws, one-half of the directors shall be elected for a term of two (2) years and the remainder shall be elected for a one (1) year term. Thereafter, all directors elected to the Board shall be elected for a two (2) year term. The Board may, by resolution of the Board, adjust the number of directors elected at any annual meeting. All vacant positions to be filled shall have a two (2) year term subject to Section 4.3 hereof.</p>	<p>3. <u>Board of Directors</u> A. <u>Composition and Selection</u> (2) <u>Term of Office.</u> Those Directors serving on the Effective Date of these Bylaws shall remain in office until the terms for which they were elected expire. Successor Directors shall be elected to serve for a term of two years, commencing on the date of the election and expiring at the second annual membership meeting after such election. A member of the Board of Directors shall hold office until his or her respective successor is elected, he or she is removed, or he or she resigns. At the expiration of a Director's term of office, if a successor cannot be elected for any reason, the existing Director shall continue to hold office and begin serving another term until his or her successor is elected to fill the remainder of such new term, or he or she resigns.</p>
<p>Article IV. <u>Directors</u> 4.3 <u>Removal.</u> Once the control of the Association passes to the Class A Members as provided in the Declaration, 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 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.</p>	<p>3. <u>Board of Directors</u> A. <u>Composition and Selection</u> (3) <u>Removal of Directors.</u> (a) <u>Removal by the Owners.</u> At any duly called membership meeting, for which the notice given called for a vote to remove any Director(s), such Director(s) may be removed with or without cause by Owners holding a majority of the total eligible Association vote. A successor may then and there be elected to fill the vacancy created. Any Director whose removal has been proposed by the Association membership shall be given an opportunity to be heard at the meeting. To ensure a Director has a chance to present a statement to the membership, the Owners' vote to remove a Director cannot be accomplished by written ballot or written consent. (b) <u>Removal by the Board of Directors.</u> Any Director may be removed as a Director by the vote of the other Association Directors if: (1) he or she is absent from three or more meetings of the Board of Directors in any fiscal year; (2) his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge; (3) the voting rights for his or her Lot have been suspended; (4) he or she was appointed by the other Directors to fill a vacancy; or (5) he or she files any legal or administrative action, claim or counterclaim against the Association or Board of Directors. Additionally, with approval of at least 75% of the other Association Directors, any Director may be removed as a Director if the Directors approving such removal reasonably determined that the Director being removed has materially breached his or her duty of loyalty and/or duty of care under O.C.G.A. Section 14-3-830. Each Director appointed or elected to the Board after the Effective Date of these Bylaws, by accepting such position, consents to the above removal provisions.</p>
<p>Article IV. <u>Directors</u> 4.4 <u>Compensation.</u> No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.</p>	<p>3. <u>Board of Directors</u> A. <u>Composition and Selection</u> (5) <u>Compensation.</u> Directors shall not be compensated for services performed within the scope of their duties as Association Directors. However, Association Directors may be compensated for performing maintenance or other services as set forth in Paragraph 3(A)(6) below. Compensation, as may be authorized herein, can include payment but shall not include a waiver of assessments or other Association charges. Directors also may be reimbursed for the expenses incurred in carrying out their duties as Association Directors upon the approval of such expenses by the Board of Directors. The Association may give the Directors nominal gifts or tokens of appreciation for recognition of services performed by them. For purposes hereof, reasonable food and beverages purchased for meetings of the Board shall not be considered compensation.</p>

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<p>Article IV. <u>Directors</u> 4.5 <u>Action Taken Without a Meeting.</u> 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 all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors. In addition, any such action shall be identified in the minutes of the next Board of Directors meeting.</p>	<p>3. <u>Board of Directors</u> B. <u>Meetings</u> (7) <u>Action Without a Meeting.</u> The Board of Directors can take action outside of a properly called meeting if at least two-thirds of the eligible Directors consent in writing to such action. Such signed, written consents must describe the action taken outside a meeting and be filed with the minutes of the Board meetings. Written consents of directors may be given by electronic mail or other electronic document.</p>
<p>Article IV. <u>Directors</u> 4.6 <u>Nomination.</u> Nomination for elected members to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. The Nominating Committee shall appoint from Members of the Association attending the annual meeting, sufficient number of tellers to count the balloting.</p>	<p>3. <u>Board of Directors</u> A. <u>Composition and Selection</u> (7) <u>Nomination.</u> Nomination for election to the Board of Directors shall be made from the floor at the meeting, or, if elections are conducted by mail-in ballot or electronically in lieu of a meeting, by the method and date prescribed by the Board. The Board also may appoint a nominating committee to make nominations prior to the meeting. Each nominee shall be given a reasonable opportunity to communicate his or her qualifications to the membership prior to the election.</p>
<p>Article IV. <u>Directors</u> 4.7 <u>Election.</u> Election to the Board of Directors shall be by secret written ballot. 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.</p>	<p>3. <u>Board of Directors</u> A. <u>Composition and Selection</u> (8) <u>Elections.</u> Directors shall be elected at the annual membership meeting or by mail-in or electronic ballot or written consent in lieu of such meeting. If elections are held at the annual membership meeting, voting shall be by written ballot, unless dispensed with by unanimous consent or unless a slate of candidates is unopposed and is accepted by acclamation. The nominees receiving the most votes shall fill the directorships for which elections are held. There shall be no cumulative voting.</p>
<p>Article IV. <u>Directors</u> 4.8 <u>Regular Meeting of Directors.</u> Regular meetings of the Board shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board. Should such meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Although regular meetings of the Board shall be open to Association Members, the Board may retire to Executive Session to complete their deliberations and/or decision-taking action.</p>	<p>3. <u>Board of Directors</u> B. <u>Meetings</u> (1) <u>Regular Meetings.</u> Regular meetings of the Board of Directors shall be held at least every three months, at such time and place as determined by the Board.</p>
<p>Article IV. <u>Directors</u> 4.9 <u>Special Meeting of Directors.</u> Special meetings of the Board of Directors 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 of Directors 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 Members of the Board of Directors.</p>	<p>3. <u>Board of Directors</u> B. <u>Meetings</u> (2) <u>Special Meetings.</u> The President is authorized to call a special Board of Directors meeting. In addition, the President is required to call a special Board meeting at the request of at least 40% of the Directors.</p>
<p>Article IV. <u>Directors</u> 4.10 <u>Notice of Meetings.</u> Notices of special meetings of the Board of Directors shall be given by the President or the Secretary to each Member of the Board, not less than three (3) days before the time at which such meetings are to convene. Said notices may be given by telephone, or by any other form or written or verbal communication. It shall not be necessary for notices of special meetings of the Board of Directors to state the purposes or</p>	<p>3. <u>Board of Directors</u> B. <u>Meetings</u> (3) <u>Notice of Meetings.</u> Except as provided in this Paragraph, the President or Secretary shall give each Director at least two days' notice of any Board of Directors meeting. A newly elected Board may meet immediately following their election without notice. Regularly scheduled Board meetings may be held without notice, provided the schedule for such meetings is announced to the Directors.</p>

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<p>objects of the meetings. The Directors may waive notice of any meeting. Action may be taken by the Directors without a meeting if such action is consented to in writing by all of the Directors.</p>	<p>(4) <u>Waiver of Notice.</u> Waiver of notice of a Board of Directors meeting shall be deemed the equivalent of proper notice. Any Director may, in writing, waive notice of any Board meeting, either before or after such meeting. A Director's attendance at a Board meeting shall be deemed waiver by such Director of improper notice, unless such Director objects to improper notice at the time the meeting is called to order. If all Directors are present at any Board meeting, no notice shall be required, and any business may be transacted at such meeting.</p>
<p>Article IV. <u>Directors</u> 4.11 <u>Quorum.</u> A quorum at any meeting of the Board of Directors 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 any questions which may come before the meeting.</p>	<p>3. <u>Board of Directors</u> B. <u>Meetings</u> (5) <u>Quorum and Voting.</u> The presence of Directors entitled to cast one half of the eligible votes of the Board of Directors shall constitute a quorum for the transaction of business. One or more Directors who participate in a Board meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, if all persons participating in such meeting can hear each other. Directors may not participate in Board meetings by proxy. Unless otherwise provided herein, all decisions of the Board of Directors shall be approved by majority vote. No Director shall participate in any vote of the Board if, at the time of the vote, his or her Lot is shown on the Association's books and records to be more than 30 days past due in any assessment or charge, or the voting rights for such Lot have been suspended.</p>
<p>Article IV. <u>Directors</u> 4.12 <u>Powers.</u> The Board of Directors shall have power to: (a) adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof; (b) suspend the voting rights and right to use of the 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 60 days for infraction of published rules and regulations; (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; (d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties. 4.13 <u>Duties.</u> It shall be the duty of the Board of Directors 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 this Association, and to see that their duties are properly performed; (c) as more fully provided in the Declaration, to: (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;</p>	<p>3. <u>Board of Directors</u> C. <u>Authority</u> (1) <u>Powers and Duties.</u> The Board of Directors shall manage the affairs of the Association and have every right, power and privilege authorized or implied herein and under Georgia law to effectuate such responsibilities. Unless otherwise required by the Declaration, the Act or the Georgia Nonprofit Corporation Code, the Board may perform all of its responsibilities without a vote of the Association membership. The Board may delegate any and all of its functions, in whole or in part, to any other entity. In addition to the duties imposed by these Bylaws, the Board shall have the power to do the following (by way of explanation and not limitation): (a) control, manage, operate, maintain, repair, replace, and improve all portions of the Area of Common Responsibility; (b) grant and accept permits, licenses, utility easements, leases, and other easements; (c) acquire, hold and dispose of tangible and intangible personal property and real property; (d) make, delete and amend reasonable rules and regulations governing the use of the Community; (e) enforce by legal means the provisions of the Declaration, these Bylaws and the rules and regulations as provided in the Declaration and the Act; (f) bring or defend any actions or proceedings which may be instituted on behalf of or against the Owners concerning the Association or the Area of Common Responsibility; (g) prepare and adopt an annual budget and establish the contribution from each Owner to the Common Expenses; (h) establish the means and methods of collecting assessments as provided in the Declaration; (i) deposit Association funds in a financial depository, institution or investment vehicle that the Board of Directors shall approve, which must be federally insured or guaranteed, and use such funds to administer the Association; (j) designate signatories of all Association bank and other financial accounts; (k) obtain and carry insurance against casualties and liabilities as provided in the Declaration and pay the premium cost thereof; (l) make or contract for the making of repairs, additions and improvements to, or alterations of, the Area of Common</p>

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<p>(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and</p> <p>(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.</p> <p>(d) issue, or to 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 for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;</p> <p>(e) procure and maintain adequate insurance on property owned by the Association, as provided in Article XI of the Declaration;</p> <p>(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;</p> <p>(g) cause the Common Property to be maintained.</p> <p>(h) maintain any and all landscaping treatments previously installed by the Declarant, to the extent that such landscaping is not otherwise maintained by the appropriate county and/or municipal entity having jurisdiction over the roads for Eagle Watch.</p>	<p>Responsibility after damage or destruction by fire or other casualty, in accordance with the other provisions of the Declaration and these Bylaws;</p> <p>(m) designate, hire, dismiss and contract with the personnel necessary to operate the Association and the personnel necessary to maintain, repair, replace and improve the Area of Common Responsibility and, where appropriate, compensate such personnel; and</p> <p>(n) purchase equipment, supplies and material to be used by Association personnel in the performance of their duties.</p>
<p>Article V. <u>Officers and Their Duties</u> 5.1 <u>Enumeration of Offices.</u> The officers of this Association shall be a President, Vice-President, Secretary, and Treasurer who shall be members of the Association and Board of Directors. 5.7 <u>Multiple Offices.</u> No person shall hold simultaneously more than one office except in the case of special offices created pursuant to Section 5.4 hereof.</p>	<p>4. <u>Officers</u> A. <u>Designation and Qualification.</u> The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom must be Association Directors. Except for the offices of Secretary and Treasurer, which may be held by the same person, no person may hold more than one office simultaneously.</p>
<p>Article V. <u>Officers and Their Duties</u> 5.2 <u>Election of Officers.</u> The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members. 5.3 The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.</p>	<p>4. <u>Officers</u> B. <u>Election and Terms of Offices.</u> The Board of Directors shall elect the Association officers annually at the first Board meeting following each annual membership meeting. The Association officers shall serve until a successor is elected, the Board of Directors removes the officer, or the officer resigns.</p>
<p>Article V. <u>Officers and Their Duties</u> 5.5 <u>Resignation and Removal.</u> Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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.</p>	<p>4. <u>Officers</u> C. <u>Removal of Officers.</u> The Board of Directors may remove any officer with or without cause.</p>
<p>Article V. <u>Officers and Their Duties</u> 5.6 <u>Vacancies.</u> A vacancy in any office may be filled until the next election by appointment by the Board from any Association Member.</p>	<p>4. <u>Officers</u> D. <u>Vacancies.</u> The Board of Directors may fill any vacancy in any office arising because of death, resignation, removal, or otherwise. Unless earlier removed, the successor so selected shall hold office for the remainder of the term of the officer position being filled.</p>
<p>Article V. <u>Officers and Their Duties</u> 5.8 <u>Duties.</u> The Duties of the officers are as follows: <p style="text-align: center;"><u>President</u></p> The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.</p>	<p>4. <u>Officers</u> E. <u>President.</u> The President shall be the chief executive officer of the Association and shall establish the agenda for and preside at all meetings of the membership and the Board of Directors. The President shall have all the general powers and duties that are incident to the office of the president of a corporation organized under the Georgia Nonprofit Corporation Code, including but not limited to the general responsibility for oversight of day-to-day operations of the Association.</p>

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<p>Article V. <u>Officers and Their Duties</u> 5.8 <u>Duties</u>. The Duties of the officers are as follows:</p> <p style="text-align: center;"><u>Vice President</u></p> <p>The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.</p>	<p>4. <u>Officers</u> F. <u>Vice President</u>. The Vice President shall act in the President's absence and shall have the same powers, duties, and responsibilities as the President when so acting.</p>
<p>Article V. <u>Officers and Their Duties</u> 5.8 <u>Duties</u>. The Duties of the officers are as follows:</p> <p style="text-align: center;"><u>Secretary</u></p> <p>The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.</p>	<p>4. <u>Officers</u> G. <u>Secretary</u>. The Secretary shall keep the minutes of all meetings of the membership and the Board of Directors. The Secretary also shall keep all Association books and records and perform all duties incident to the office of the secretary of a corporation organized under the Georgia Nonprofit Corporation Code.</p>
<p>Article V. <u>Officers and Their Duties</u> 5.8 <u>Duties</u>. The Duties of the officers are as follows:</p> <p style="text-align: center;"><u>Treasurer</u></p> <p>The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.</p>	<p>4. <u>Officers</u> H. <u>Treasurer</u>. The Treasurer shall have the responsibility for the Association's funds and securities. The Treasurer shall keep full and accurate financial records and books of account showing all receipts and disbursements of the Association, prepare all required financial statements and tax returns, deposit all Association funds in such depositories as may be designated by the Board of Directors, and prepare the budget as provided in the Declaration. The Treasurer may delegate all or a part of the above responsibilities to a management agent.</p> <p>6. <u>Miscellaneous</u> D. <u>Financial Review</u>. An audit of the Association's accounts shall be performed at least every three years by an independent auditor selected by the Board, and a financial review of the Association's accounts shall be performed annually in non-audit years, each in a manner provided by the Board. The Board shall give a financial report to the Owners at the annual membership meeting. A written financial review shall be made available to the holder, insurer, or guarantor of any first mortgage on a Lot upon submission of a written request therefor.</p>
<p>Article VII. <u>Miscellaneous</u> 7.2 <u>Committees</u>. 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 of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.</p>	<p>3. <u>Board of Directors</u> C. <u>Authority</u> (4) <u>Committees</u>. (a) <u>Nominating Committee</u>. The Board of Directors may appoint a nominating committee to nominate candidates for election to the Board of Directors. (b) <u>Architectural Control Committee</u>. The Board of Directors may establish an Architectural Control Committee to administer the architectural controls as provided in the Declaration. (c) <u>Other Committees</u>. The Board may establish such other committees as it may determine, with the powers and duties that the Board of Directors shall authorize. (d) <u>Service on Committees</u>. Unless otherwise provided by the Board of Directors, the Board of Directors in its discretion may appoint and remove the members and chairpersons of each committee.</p>
<p>Article VII. <u>Miscellaneous</u> 7.3 <u>Books and Records</u>. The books and records of the Association shall at all times, during reasonable business hours, be open for inspection by any Members of the Association.</p>	<p>6. <u>Miscellaneous</u> F. <u>Books and Records</u>. To the extent provided in O.C.G.A. Section 14-3-1602, and subject to such procedures and limitations specified in such Section, all Association Owners and any Eligible Mortgage Holder shall be entitled to inspect certain Association books and records at a reasonable time and location specified by the Association. The</p>

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	<p>Association can limit the length of time of each inspection, but such time limit shall not be less than two hours per inspection. The Association may impose a reasonable charge, covering the cost of labor, materials and copies of any documents, including but not limited to the customary copy charge and hourly fee of the Association's agent supervising such inspection. To prevent abuse of an Owner's inspection rights, records previously inspected by an Owner are not subject to inspection again by the same Owner more than once per year.</p> <p>Notwithstanding anything to the contrary, the Board of Directors may limit or preclude the inspection of confidential or privileged documents, including but not limited to, attorney/client privileged communication, executive session meeting minutes, financial records or accounts of other Owners, or compliance communications and records involving other Owners. Minutes of all meetings of the membership and the Board become official Association records when approved by the membership or the Board, as applicable.</p>
<p>Article VII. <u>Miscellaneous</u> <u>7.4 Indemnification.</u> 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, committee volunteer, or employee of the Association, against the reasonable expenses, including attorneys' fees, actual 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 (1) in relation to matters as to which the director, officer, committee volunteer, or employee shall be adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty to the Association or (2) in relation to matters in any such action, suit, or proceeding that are settled or compromised.</p>	<p>3. <u>Board of Directors</u> <u>D. Liability and Indemnification.</u> The Association shall indemnify every Director, officer and committee member against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon such Director, officer 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 he or she may be made a party by reason of being or having been a Director, officer, or committee member, whether or not such person is a Director, officer or committee member at the time such expenses are incurred subject to the limitations below.</p> <p>The Directors, officers, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such Director, officer, or committee member in the performance of his or her duties, except for his or her own individual willful misfeasance or malfeasance. The Directors and officers 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 Directors or officers may also be members of the Association), and the Association shall indemnify and forever hold each such Director and officer free and clear and harmless against any and all liability to others on account of any such contract or commitment.</p> <p>Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Director, officer, or committee member, or former Director, officer, or committee member, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and, if obtainable, directors' and officers' liability insurance to fund this obligation, and the insurance shall be written as provided in the Declaration.</p>
<p>Article VII. <u>Miscellaneous</u> <u>7.5 Fiscal Year.</u> 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.</p>	<p>6. <u>Miscellaneous</u> <u>B. Fiscal Year.</u> The fiscal year of the Association shall be the calendar year unless otherwise set by resolution of the Board of Directors.</p>
<p>Article VII. <u>Miscellaneous</u> <u>7.6 Parliamentary Rules. Robert Rules of Order</u> (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.</p>	<p>2. <u>Membership Meetings and Actions</u> <u>I. Order and Conduct of Business.</u> The President shall establish the agenda for, and preside at, and the Secretary shall keep the minutes of, all membership meetings. The Board of Directors may establish rules of conduct and the order of business for all membership meetings. When not in conflict with the Declaration, these Bylaws, the Articles of Incorporation or meeting procedures adopted by the Board of Directors, <u>Roberts Rules of Order</u> (latest edition) shall govern all membership meetings. The Board may order the removal of anyone attending a membership meeting who, in the opinion of the Board, disrupts the conduct of business at such meeting.</p>

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<p>Article VII. <u>Miscellaneous</u> <u>7.7 Conflicts.</u> If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation, the Declaration, these By-Laws, then the provisions of Georgia law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.</p>	<p>6. <u>Miscellaneous</u> <u>G. Conflicts.</u> The duties and powers of the Association shall be those set forth in the Act, the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation, and these Bylaws, together with those reasonably implied to affect the purposes of the Association. If there is a conflict or inconsistency between the Act, the Georgia Nonprofit Corporation Code, the Declaration, the Articles of Incorporation or these Bylaws, such laws and documents, in that order, shall prevail.</p>
<p>Article VII. <u>Miscellaneous</u> <u>7.8 Notices.</u> Unless otherwise specified in the Declaration of 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: (a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the <i>last</i> known address of the Member; or (b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members. If there are multiple Owners of a single piece of property, notice to one (1) shall be deemed notice to all.</p>	<p>6. <u>Miscellaneous</u> <u>A. Notices.</u> <u>(1) Method of Giving Notices.</u> Unless otherwise prohibited by these Bylaws or the Declaration, all notices and other communications required by these Bylaws or the Declaration shall be in writing and shall be given by: (a) Personal delivery; (b) United States mail, first class, postage prepaid; (c) Statutory overnight delivery; (d) Electronic mail; (e) Facsimile; or (f) A secure web site, provided that notice shall be deemed given via web site only upon proof that the addressee has retrieved the message. <u>(2) Address For Notices.</u> Notices given by any of methods (a) through (e) described above shall be given: If to a Lot Owner, to the address, electronic mail address or facsimile number that the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Lot of such Owner; If to an Occupant, to the address, electronic mail address or facsimile number that the Occupant has designated in writing with the Secretary or, if no such address has been designated, at the address of the Lot occupied; or If to the Association, the Board of Directors or the managing agent, to the postal address, facsimile or electronic mail address of the principal office of the Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary. The Secretary shall promptly provide notice to all Owners of any such change in address.</p>
<p>Article VII. <u>Miscellaneous</u> <u>7.9 Amendment.</u> The provisions of the Declaration applicable to amendment of that instrument shall apply to any amendment to these By-Laws.</p>	<p>6. <u>Miscellaneous</u> <u>E. Amendment.</u> <u>(1) Member Approval Procedure.</u> Except where a higher vote is required for action under a particular provision of the Declaration or these Bylaws, or where an amendment is authorized by the Board of Directors as set forth herein, these Bylaws may be amended by the affirmative vote, written consent, or any combination thereof, of Owners holding at least two thirds of the total eligible Association vote, or any lower percentage authorized by the Act. Notice of a meeting, if any, at which an amendment will be considered shall identify the subject matter of the proposed amendment. No amendment shall become effective until the Association's President and Secretary have certified it and it is recorded in the Cherokee County, Georgia land records. Any amendment duly certified and recorded shall be conclusively presumed to have been duly adopted in accordance with these Bylaws. <u>(2) Default Approval Procedure After Owner Non-Response.</u> It is recognized that, when Owners fail to participate in an amendment vote because of apathy or other reasons which are not based on any disagreement with a proposed amendment, important amendments to the Declaration or Bylaws may have no chance of approval, with the supermajority voting requirements established under the Act. It also is recognized that supermajority voting requirements are important for Owner actions which are as significant as amending the Declaration or these Bylaws. To balance these</p>

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	<p>competing concerns, this subparagraph establishes a mechanism which provides every eligible Owner an opportunity to issue a vote of approval, disapproval or abstention on proposed amendments to the Declaration or Bylaws, but also a realistic mechanism for approving important amendments, without the damaging consequences of Owner non-response.</p> <p>The Board shall issue notice of all proposed amendments to each Owner. With each such notice, the Board shall include a copy of the proposed amendment, along with a consent form or ballot, which complies with the requirements of these Bylaws. Each such consent form or ballot shall give Owners an opportunity to vote for, vote against or abstain from voting on the proposed amendment.</p> <p>If the amendment is not approved or defeated by sufficient vote within 45 days of the amendment notice described above, the Board may seek to obtain default approval from Owners under this subparagraph. In such case, the Board shall send default approval notice, by certified mail, to all Owners who have not returned consents or ballots on a proposed amendment within that 45 day period. This default approval notice also shall include a consent form or ballot, as provided above, along with a statement that the Owner's failure to return an executed consent form or ballot, marked with a vote for, a vote against, or an abstention from voting on the amendment, within 30 days of the date of such default approval notice, will result in the counting of the Owner's vote as set forth below.</p> <p>If the Board does not receive such consent or ballot within that second 30-day period, then the Owner shall have no further opportunity to cast his or her vote on the proposed amendment. At the end of that 30-day period, the Board shall tabulate all consent form or ballots received. As long as consents or ballots have been issued in favor of such amendment on behalf of at least 400 Lots, then for those Lots for which a vote for, against or abstention was not received, the votes shall be counted either as votes in favor of the proposed amendment or votes against the proposed amendment, in proportion with the total number of the votes received in favor and against the proposed amendment by the end of the 30-day period. For example, if, at the end of the 30-day period, at least 400 votes or consents have been issued in favor of the amendment, and the Board receives votes in favor of the amendment from 75% of the Owners who vote on the amendment, and votes against from 25% of the Owners who vote on the amendment, 75% of those eligible Owners who fail to timely vote will be deemed to have voted in favor of the amendment, and 25% of those Owners will be deemed to have voted against the amendment.</p> <p style="text-align: center;"><u>(3) Amendments to Comply with Law or Conform Documents.</u></p> <p>Notwithstanding the foregoing, the Board of Directors, without the necessity of a vote from the Owners, may amend these Bylaws to comply with the Act or any applicable state, city or federal law, including but not limited to, compliance with applicable guidelines of the Federal National Mortgage Association, the Department of Housing and Urban Development and the Veteran's Administration.</p> <p style="text-align: center;"><u>(4) Validity of Amendments.</u></p> <p>If legal action is not instituted to challenge the validity of an amendment within one year of the recording of the amendment in the Cherokee County, Georgia land records, then it shall be presumed that such amendment was validly adopted.</p>
<p>Article VII. <u>Miscellaneous</u> 7.10 <u>Fining Procedure.</u> The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed: (a) <u>Demand.</u> Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying the alleged violation; (i) the action required to abate the violation; and</p>	<p>5. <u>Enforcement and Rule Making</u> A. <u>Fining and Suspension Procedure</u> The Board shall not impose a fine, suspend the right to vote or suspend the right to use the Common Property, unless and until the Association has sent or delivered written notice to the Violator as provided in subparagraph (1) below. However this shall not be required for the following: (1) late charges on delinquent assessments; (2) suspension of voting rights if an Owner is shown on the Association's records to be more than 30 days delinquent in</p>

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<p>(ii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of a fine, if the violation is not continuing. 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.</p>	<p>any payment due the Association, in which case suspension of the right to vote shall be automatic; and (3) suspension of the right to use the Common Property and of Association-provided services if an Owner is shown on the Association's records to be more than 30 days delinquent in any payment due the Association.</p> <p>B. <u>Additional Enforcement Rights</u></p> <p>Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Declaration, the Bylaws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking regulations) and/or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity for compliance with the procedure set forth in subparagraph (A) above.</p> <p>The Association or its duly authorized agent shall have the power to enter upon any portion of the Community to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declaration, the Bylaws or the Association rules and regulations; provided, however, except in a situation determined by the Board to be urgent or an emergency, the Board shall not enter any dwelling on a Lot to exercise self-help powers hereunder, except with Lot Owner or Occupant approval. Except in a situation determined by the Board to be urgent or an emergency, or in the case of a repeat violation for which written notice hereunder already has been issued, the Association shall notify the Lot Owner or Occupant in writing at least 10 days in advance of exercising self-help hereunder. If the Association exercises its rights under this subparagraph, all costs of self-help, including, reasonable attorneys' fees actually incurred, shall be assessed against the violating Owner and/or Occupant and shall constitute a lien against the Lot. Additionally, the Association shall have the authority to record in the Cherokee County, Georgia land records a notice of violation identifying any uncured violation of the Declaration, Bylaws or rules and regulations regarding the Lot.</p> <p>C. <u>Failure to Enforce; No Waiver</u></p> <p>Notwithstanding the above, no right of action shall exist against the Association for failure of enforcement where: (1) the Board determines that the Association's position is not strong enough to justify taking enforcement action; (2) a particular violation is not of such a material nature as to be objectionable to a reasonable person or justify the expense and resources to pursue; or (3) the Owner or party asserting a failure of enforcement possesses an independent right to bring an enforcement action therefore at law or in equity and has failed to do so. Each Owner acknowledges that the members of the Board of Directors and ACC will change from time to time and that interpretation, application and enforcement of use restrictions, Association rules and other provisions of the Declaration or Bylaws may vary accordingly. No failure or lack of enforcement of such provisions shall constitute an abandonment of such provisions or prevent the Board or ACC from thereafter requiring strict compliance with such provisions.</p>
<p>Article VII. <u>Miscellaneous</u></p> <p>7.10 <u>Fining Procedure.</u></p> <p>(b) <u>Notices.</u></p> <p>Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board may, upon notice, impose a fine. The notice shall state:</p> <p>(i) the nature of the alleged violation;</p> <p>(ii) that the alleged violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine;</p> <p>(iii) that any statement, evidence, and witnesses may be produced by the alleged violator at the hearing; and</p> <p>(iv) 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.</p>	<p>5. <u>Enforcement and Rule Making</u></p> <p>A. <u>Fining and Suspension Procedure</u></p> <p>(1) <u>Notice</u></p> <p>If any provision of the Declaration or Bylaws or any Association rule is violated, the Board shall send the Violator written notice advising or informing the Violator of:</p> <p>(a) The nature of the violation;</p> <p>(b) The fine(s) and/or suspension(s) being imposed for the violation and/or for any further occurrences of the violation;</p> <p>(c) If the violation has not been abated at the time of the notice, the action required to correct the violation and deadline for such correction;</p> <p>(d) The right to request a hearing before the Board to contest the violation or the fine(s) and/or suspension(s) or to request reconsideration of the fine(s) and/or suspension(s); and</p> <p>(e) The name and address and/or email address of the person to whom the Violator's hearing request must be delivered.</p>

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	<p>Fines and/or suspensions may be effective or commence upon the sending of such notice or such later date specified in such notice, notwithstanding the Violator's right to request a hearing before the Board to challenge the fine(s) and/or suspension(s). In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the Violator. Notwithstanding the above, it shall not be necessary for the Board to give violating Owners or Occupants notice prior to taking enforcement action on a repeat violation for which the Association previously issued notice to such Owner or Occupant.</p>
<p>Article VII. <u>Miscellaneous</u> 7.10 <u>Fining Procedure.</u> (c) <u>Hearing.</u> If a hearing is requested, it shall be held before the Board in 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.</p>	<p>5. <u>Enforcement and Rule Making</u> A. <u>Fining and Suspension Procedure</u> (2) <u>Hearing</u> If a written request for hearing is received from the Violator within 10 days of the date of the violation notice provided above, then the Board shall schedule and hold in executive session a hearing affording the Violator a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time. Failure to request a timely hearing as provided herein shall result in loss of the right to challenge and request reconsideration of the fines.</p>
<p>Article VII. <u>Miscellaneous</u> 7.11 <u>Conflicts of Interest.</u> No two (2) persons from the same household shall hold elected office, at the same time. No director or officer shall vote on any issue, or profit from any neighborhood expenditure without disclosing to the Board any conflict of interest existing.</p>	<p>3. <u>Board of Directors</u> A. <u>Composition and Selections</u> (6) <u>Director Conflicts of Interest.</u> 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 of Directors and the non-interested voting Directors approve such contract. The interested Director shall not count for purposes of establishing a quorum of the Board and, if present at a meeting (if any), must leave the room during the discussion on such matter.</p>