

**BY-LAWS OF
SHAW'S BOUNTY HOME OWNERS ASSOCIATION, INC.**

1. Authority.

These By-Laws are established pursuant to the Declaration of Restrictions, Conditions, Limitations, Reservations, etc. ("the Declaration") by Shaw's Bounty, Inc. The Declaration is incorporated herein by reference.

2. Name.

The name of this Corporation shall be Shaw's Bounty Home Owners' Association, Inc., (hereinafter referred to as the ".Association") an association of lot owners.

3. Powers.

The Association shall have all of the powers and duties set forth in the Articles of Incorporation, the Declaration, and these By-Laws, and all other powers and duties reasonably necessary to operate and maintain the Common Properties on the principles and standards set forth in said documents.

4. Membership.

The membership of the Association shall consist of all of the record owners of lots. Each lot owner shall automatically become a member of the Association upon acquisition of title to a lot, and the membership of the prior owner shall be automatically terminated upon transfer of his entire title; provided, however that such termination shall not relieve any such former member from any liability or obligation incurred on account of the ownership of a lot. However, no person or entity who holds such interest merely as a security for the performance of an obligation shall be a member.

5. Applicability.

These By-laws shall apply to that certain subdivision, known as Shaw's Bounty (hereinafter referred to as the "Subdivision") located in Glynn County, Georgia, and shall be binding on all lot owners, their lessees, grantees, heirs, executors, administrators, devisees, successors and assigns, and on all other persons occupying or using said property in the Subdivision in any manner. The ownership of any residential lot shall

constitute acceptance and ratification of these By-laws, the Articles of Incorporations and the Declaration.

6. Board of Directors.

A. Number.

The affairs of the Association shall be governed by a Board of Directors (hereinafter called the "Board") composed of nine persons, (except for the initial Board of Directors as provided for in the Articles of Incorporation) all of whom must at all times during their service as directors be owners, or spouses thereof, of one or more residential lots, or officers or employees of a corporation owning one or more residential lots, or officers or employees of Shaw's Bounty, Inc.

B. Powers.

The Board shall have all the powers and the duties necessary to administer the affairs of the Association and to do all things on behalf of the Association as are not by law not- by the Articles of Incorporation directed to be done pursuant to a vote of the members of the Association.

C. Agents.

The Board may employ for the Association an agent or agents and such personnel as the Board may deem necessary under such terms and compensation and with such duties as the Board may authorize.

D. Election and Term of Office.

At the first meeting of the full membership of the Association four Directors shall be elected for a term of two years, five Directors for a term of one year. At the expiration of the initial term of office of each Director, his successor shall be elected to serve a term of two years. A Director shall hold office until his successor has been elected and takes office.

E. Vacancies.

Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the membership of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall hold office until a successor is elected at the next annual meeting of the Association, unless sooner removed.

F. Removal of Directors.

At any regular or special meeting of the Association any of the Directors may be removed with or without cause by a vote of sixty (60%) percent of the total authorized vote of the Association members, and a successor may then and there be elected by majority vote to fill a vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting prior to the vote on his removal.

G. Organization Meeting.

The first meeting of the first Board shall be held within ten days after election at such time and place as shall be determined by the Directors.

H. Regular Meetings.

Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. At least one regular meeting shall be held during each calendar year. Written notice of the time and place of regular meetings of the Board shall be given to each Director at least three days prior to the day named for such meeting.

I. Special Meetings.

Special meetings of the Board may be called by the Chairman on five days written notice to each Director, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the Chairman or Secretary in like manner and with like notice at the written request of at least three Directors.

J. Waiver of Notice.

Any Director may waive notice of a meeting by written waiver executed before, at, or after the meeting. Attendance by a Director at any meeting of the Board shall be a waiver of notice of such meeting.

K. Board of Directors Quorum.

At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there be less than a quorum present, the majority of those

present may adjourn the meeting from time to time. Any business which might have been transacted at the meeting as originally called may be transacted at any adjourned meeting at which a quorum is present, without further notice.

7. Association Officers.

A. Number and Election.

There shall be elected by and from the Board a President (who shall also be Chairman of the Board), a Vice-President, and a Secretary/Treasurer. No person may hold more than one office simultaneously. The Directors may appoint such other officers from the membership of the Association as in their judgment may be needed.

B. Duties.

The officers shall perform all the duties incident to their respective offices. The President shall be the chief executive officer with general powers as such, including the power to appoint committees from among the membership of the Corporation and their spouses. The Vice-President shall assume the duties of the President upon the request or absence of the President. The Secretary/Treasurer shall keep and maintain minutes of meetings and other records of the Association, and shall perform such other duties as the Board may direct. The Secretary/Treasurer shall be responsible for all corporate funds (including the approval of all invoices and payment vouchers, the keeping of full and accurate fiscal records and accounts and shall perform such other duties as the Board may direct. The Board may require that the Secretary/Treasurer and all other persons handling or responsible for corporate funds be covered by fidelity bonds, at the expense of the Association.

C. Term.

The officers shall be elected annually and shall hold office at the pleasure of the Board.

8. Indemnification and Compensation of Officers and Directors.

A. Indemnification.

Each director and each officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to

which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred; however, no indemnification shall be paid to a director or officer who is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. Notwithstanding the foregoing, in the event of a settlement of any such proceeding, the indemnification provided for herein shall apply on in the event that the Board approves such settlement and reimbursement as being in the best interest of the Association.

B. Compensation.

No director or officer shall receive any fee or compensation for services performed.

9. Association Meetings.

A. Place of Meeting.

Meetings of the Association shall be held in Glynn County, Georgia, at such suitable place convenient to the members as may be designated by the Board, except that the initial board of directors name in the Articles of Incorporation shall designate the place of the first meeting.

B. Annual Meeting.

The first meeting of the Association shall be held within thirty days after control of the Corporation is relinquished by initial board of directors, as provided in the Declaration, at the time, date and place designated. Thereafter, the annual meeting of the Association shall be held on the first Wednesday in December of each calendar year, unless such day is a public holiday, in which event the meeting shall be held on the next succeeding business day.

C. Special Meetings.

The President may call a special meeting of the Association at anytime and he shall be required to call a special meeting of the Association if directed by resolution of the board or upon a petition signed by a majority of the members of the Association and presented to the Secretary/Treasurer. The call of a special meeting shall be by notice stating the time, the place, the purpose and the order of business of such

special meeting. Only the business stated in the notice may be transacted at a special meeting.

D. Notice of Meetings.

It shall be the duty of the Secretary/Treasurer to mail a notice of each annual or special meeting, stating the purpose thereof (if for a special meeting) as well as the time and place where it is to be held, to each residence owner at least ten (10) but not more than twenty (20) days prior to such meeting. The mailing of such notice shall be considered notice served. Any member may waive notice of a meeting by written waiver executed before, at, or after the meeting. Any member attending a regular or special meeting shall be deemed to have waived notice of such meeting.

E. Order of Business.

The order of business at all annual meetings shall be as follows:

- a. Roll call;
- b. Proof of notice of meeting;
- c. Reading of minutes of preceding meeting;
- d. Reports of officers;
- e. Reports of committees, if any;
- f. Election of inspectors of election;
- g. Election of directors;
- h. Unfinished business.
- i. New business.

F. Quorum.

At all meetings, regular or special, the presence of members entitled to cast more than fifty percent (50%) of the total authorized votes shall constitute a quorum.

10. Rules of Order.

Except as may be otherwise provided herein, the parliamentary conduct of all meetings of the Board and of the Association shall be governed by Roberts Rules of Order.

11. Voting by Members of the Association.

A. Type of Vote.

Voting shall be on the basis of one vote for each member of the Association. Said vote shall not be divisible and the vote thereof may not be cast in fractional parts.

B. Designation of Voting Representative.

If a residential lot is owned by one person, his right to vote shall be established by the record title to his lot. If a residential lot is owned by more than one person, or is under lease, the person entitled to cast the vote for the lot shall be designated by a certificate signed by all of the record owners of the particular lot and filed with the Secretary/Treasurer. If a residential lot is owned by a corporation, the person entitled to cast the vote for the lot shall be designated by a certificate of appointment signed by the president or vice-president of the corporation. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until written notice of change in the ownership of the lot concerned is delivered to the Secretary/Treasurer of the Association. Whenever the decision of a lot owner is desired upon any matter, whether or not the subject of a vote at an Association meeting, such decision shall be expressed by the person who would be entitled to cast the vote of such lot owner in a meeting.

C. Proxy.

Votes may be cast in person or by proxy. Proxies must be filed with the Secretary/Treasurer at or before the appointed time of each meeting.

D. Written Voting.

In addition to the foregoing, any proposition may be subjected to a vote of the Association in writing, at the written request of at least ten (10) members, by distribution of a ballot therefor by the Secretary/Treasurer of all members, which ballot shall state the final date and time at which any such ballot may be cast. In addition, any vote taken at a regular or special meeting of the Association may be held open, upon the vote of a majority of the members present at any such meeting, for such time as is deemed appropriate in order to obtain written votes of any members not present at such meeting.

12. Amendment.

Notwithstanding any provision of the Restrictions, these By-Laws may be amended only at a duly constituted annual or special meeting of the Association, the

notice of which states that consideration of such proposed amendment is a purpose of the meeting; provided, however, that at any such meeting, any amendment to or variation of the proposed amendment may be acted upon by the Association. These By-Laws may be amended only by the affirmative vote of members entitled to cast seventy-five per cent (75%) or more of the total vote of the Association.