

# Morgan's Crossing Subdivision By-Laws.

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**BY-LAWS OF  
MORGAN'S CROSSING HOMEOWNERS ASSOCIATION, INC.  
A Nonprofit Corporation  
(the "Association")**

These By-Laws are the By-Laws of the Association, which is the corporation created by Articles of Incorporation filed with the Secretary of State of Georgia on the 27th day of September, 1994. (The "Articles of Incorporation"). All references herein to the "Declaration" shall refer to that certain Declaration of Covenants, Conditions and Restrictions for Morgan's Crossing Subdivision, recorded at Deed Book \_\_\_\_, Page \_\_\_\_, Gwinnett County, Georgia, Records, and all capitalized undefined terms used herein shall have the meanings assigned thereto by the Declaration unless the context clearly otherwise requires. The "Subdivision" referred to herein shall mean Morgan's Crossing Subdivision, Gwinnett County, Georgia.

**ARTICLE I  
Registered Office**

The Association shall have at all times within the State of Georgia a registered office and a registered agent. The Association may have other offices within the State of Georgia as may be determined from time to time by the Board of Directors (the "Board").

**ARTICLE II  
Membership in Association**

2.01 **Eligibility.** Every Owner shall automatically be a member of the Association and such membership shall terminate only as provided in the Declaration.

2.02 **Voting Rights.** Subject to the following provisions of this Section 2.02, the Association shall have two classes of voting membership: Class A and Class B.

(a) **Class A.** Every person who is an Owner, with the exception of the Declarant except as otherwise set forth herein, shall be a Class A member and shall be entitled to one vote for each Lot owned. When more than one person is a Class A member by virtue on an ownership interest in the same Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event of disagreement among such persons and an attempt by two or more of them to cast the vote of such Lot, such persons shall not be recognized and the vote of such Lot shall not be counted. The membership of Class A members shall automatically terminate upon the member's sale of his Lot.

However, no termination of Class A membership shall affect such member's obligation to pay assessments, as provided for in the Declaration, due and payable for any period prior to the date of such termination, and there will be no refund for assessments paid for periods falling after the date of such termination.

(b) **Class B.** The Declarant shall be the sole Class B member. Class B membership shall be a full voting membership and during its existence the Class B member shall be entitled to vote on all matters and in all events.

The Class B member shall be entitled to three (3) votes for each Lot owned by it. The Class B membership shall cease and shall be converted to Class A membership at such time as the first of the following events occur: (a) the expiration of five (5) years from the date of recording of this Declaration; (b) the date as of which seventy-five percent (75%) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed, by either the Declarant or by a builder who purchased \ the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy; or (c) the surrender by the Declarant of the authority to appoint and remove members of the Board of the Association by an express amendment to the Declaration executed and recorded by the Declarant; provided, however, that so long as any Mortgagee of Declarant holds a security interest in any portion of the Property, as security for a Development Loan to Declarant, the Class B membership shall not terminate without the prior written consent of such Mortgagee. If at the time of termination of the Class B membership, Declarant still owns any Lots, then as to each Lot owned by Declarant, Declarant shall be deemed to be a Class A member.

**2.03 Suspension of Membership.** The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property of any person who:

(a) shall be subject to the Right of Abatement, as defined in Section 7.02 of the Declaration by reason of having failed to take the reasonable steps to remedy a violation of breach of the Restrictions within thirty (30) days after having received notice of the same pursuant to the provisions of Section 7.02 of the Declaration;

(b) shall be delinquent in the payment of any assessment levied by the Association pursuant to the provisions of Article IV of the Declaration; or

(c) shall be in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property;

(d) any suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection ( c ) of Section 3.06 of the Declaration, the suspension may be for a period not to exceed 60 days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

**2.04 Regular Meetings.** The members shall annually hold a regular meeting, one of the purposes of which shall be to elect directors. The first regular annual meeting of members may be held, subject to the terms hereof, on any date, at the option of the Board, within one (1) year after the incorporation of the Association. Subsequent to the first meeting, there shall be a regular annual meeting of members held each year within thirty(30)days of the anniversary of the first regular annual meeting. All such meetings of the members shall be held at such place in Gwinnett County, Georgia, and at such time as is specified in the written notice of such meeting. Such notice shall be delivered to all members at least fourteen(14)days and not more than thirty(30)days prior to the date of such meeting. Such notice shall also state the purpose of such meeting.

**2.05 Special Meetings.** Special meetings of the members may be called by the President, by a majority of the Board, by fifty percent (50%) or more of Class A members, or by the Class B member. Special meetings shall be called by delivering written notice to all members not less than ten (10)

days nor more than thirty (30) days prior to the date of such meeting, stating the date, time, place and purpose of the special meeting.

2.06 **Delivery of Notice of Meetings.** Notice of meetings shall be delivered by or at the direction of the Secretary of the Association and may be delivered either personally or by mail to a member at the address given to the Board by said member for such purpose.

2.07 **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 any such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed a 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. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted thereat, unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

2.08 **Voting List.** A list of names and addresses of members entitled to a vote shall be maintained at the registered office of the Association.

2.09 **Quorum.** A quorum of the members for any meeting shall be deemed present throughout such meeting if members present in person or by proxy and holding more than 25% of the votes entitled to be cast at such meeting are present at the beginning of such meeting.

2.10 **Adjournment.** Any meeting of the members may be adjourned from time to time for periods not exceeding forty-eight (48) hours, by vote of the members holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at an adjourned session, and no additional notice of such adjourned session shall be required.

2.11 **Proxy.** Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies must be dated and may be revoked only by written notice delivered to the Association. Presence in person at the meeting for which the proxy is given shall automatically revoke the proxy.

2.12 **Consents.** Any action required or permitted to be taken at a meeting of members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the holders of all interests entitled to vote with respect to the subject matter thereof.

2.13 **Rules of Meeting.** The Board may prescribe reasonable rules for the conduct of all meetings of the Board and members.

**ARTICLE III**  
**Board of Directors**

3.01 **Composition.** The affairs of the Association shall be governed by the Board.

The Board shall be composed of at least three (3) but no more than seven (7) persons. The directors shall be members; provided, however, that no member or his or her spouse or other member of a member's family may serve on the Board at the same time. The precise number of directors shall be fixed from time to time by resolution of the board.

3.02 **Term of Office.** The directors shall be elected as provided in Section 3.7

of this Article. At the annual meeting next held after the adoption of these By-Laws, there shall be elected one (1) director who shall serve for a term of one (1) year and two (2) directors who shall be elected to serve for a term of two (2) years. At each annual meeting thereafter, a number of directors equal to those whose terms have expired shall be elected for a term of two (2) years. At the expiration of any term of two (2) years, any director may be reelected. Each director, except in case of death, resignation, retirement, disqualification or removal shall serve until the expiration of his term or thereafter until his successor shall have been elected and qualified.

3.03 **Removal of Directors.** At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority vote of the members of the Association and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given at least ten (10) days written notice of the calling of the meeting and the purpose thereof and shall be given the opportunity to be heard at the meeting.

3.04 **Vacancies.** Vacancies in the Board caused by any reason, including the addition of a new director or directors, but excluding the removal of a director by vote of the members, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board, for the remainder of the term of the director being replaced. Said director shall serve until a successor shall be elected at the next annual meeting of the members to fill the unexpired portion of the term.

3.05 **Compensation.** Directors shall not be compensated unless and to the extent the members of the Association authorize such compensation at any meeting duly called for that purpose.

3.06 **Nomination.** Nomination for election to the Board shall be made by a nominating committee which shall consist of three (3) members appointed by the President to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The nominating committee may nominate any number of qualified members, but no less than the number of directors to be elected. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and a brief statement about the qualification of each individual so nominated shall be included in the notice of the annual meeting. Nominations shall be also allowed from the floor of the meeting.

Failure to comply with the provisions hereof shall in no way invalidate the election of Directors so nominated.

3.07 **Elections.** Directors to be elected by the members shall be elected, from those nominated, by a majority vote at the annual meeting, a quorum being present.

3.08 **Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every calendar quarter. The Board shall meet within ten (10) days after each annual meeting of the members.

3.09 **Special Meetings.** Special meetings of the Board may be called by the President on three (3) days notice to each director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President, Vice-President, Secretary or Treasurer in like manner and on like notice upon the written request of at least a majority of the directors.

3.10 **Waiver of Notice.** Any director may, in writing, waive notice of any meeting of the Board, either before or after such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.11 **Quorum.** A quorum of directors shall be deemed present throughout any Board meeting at which a majority of the directors are present at the beginning of such meeting.

3.12 **Conduct of Meetings.** The President shall preside over all meetings of the Board and the Secretary shall keep a minute book recording therein all transactions and proceedings occurring at such meetings. Roberts Rules of Order (latest addition) shall govern the conduct of the meetings of the Board when not in conflict with these By-Laws.

3.13 **Action Without a Meeting.** Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the directors consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board.

3.14 **Powers and Duties.** The Board shall exercise for the Association all powers, duties and authority vested therein by these By-Laws, except for such powers, duties and authority reserved thereby to the members of the Association. The Board shall have the following powers, duties and authority to:

(a) promulgate rules and regulations relating to the use, operation and maintenance of the Common Property;

(b) charge reasonable fees in connection with the admission to and use of facilities or services; provided that in setting any such fee the Board

may establish reasonable classifications which shall be uniform within each such class but need not be uniform between such classes;

(c) suspend, pursuant to Section 2.03, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.02;

(d) grant easements or rights of way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency or to any utility company or cable television system.

(e) enforce all applicable provision of valid agreements of the Association relating to the Common Property or any part thereof;

(f) borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed to secure debt, mortgage or other security interest, any or all of the Association's property, including Common Property and revenues from assessments, user fees and other sources; provided, however, that the Common Property may not be mortgaged or pledged except upon the affirmative vote of seventy-five percent (75%) of the Owners.

(g) dedicate or transfer all or any part of the Common Property or interests therein to any municipality or other governmental body, agency or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the association and such grantee, including a provision that such property or interest shall cease to be subject to the Declaration or all or any part of the Restrictions while held by an such municipality or other governmental body, agency or authority;

(h) to approve such other committees selected by the President as hereinafter provided and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(i) to determine the fiscal year of the Association and to change said fiscal year, from time to time, as the Board deems advisable;

(j) subject to the provisions of Article IV hereof, to estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to determine the assessment and maintenance fees payable by the members, to provide the manner of assessing and collecting from the members any special assessments, and to levy fines, if any, provided for in the rules and regulations;

(k) to keep detailed and accurate records of all receipts and expenditures affecting the use and operation of the Common Property;

(l) to act in a representative capacity in relation to matters involving the Common Property, on behalf of the members, as their interesting may appear;

(m) to enforce by legal means the provisions of these By-Laws;

(n) to renew, extend or compromise indebtedness owed to or by the



Association;

(o) at its discretion, to authorize members to use the Common Property for private parties and gatherings and, at its discretion, to impose reasonable charges for such private use;

(p) unless otherwise provided herein, to comply with the instructions of the members as expressed in a resolution duly adopted at any annual or special meeting of the Association; and,

(q) in addition to, and in furtherance of, the powers referred to in these By-Laws, the Association shall (i) have all the powers permitted to be exercised by a non-profit corporation under the Georgia Nonprofit Corporation Code, as now in force or as hereafter amended, and (ii) have and exercise all powers necessary or convenient to effect any and all of the purposes for which the Association is organized, and to do every act not inconsistent with law which may be appropriate to these By-Laws.

**3.15 *Nondelegation.*** Nothing in this Article or elsewhere in these By-Laws shall

be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, or by these By-Laws, have been delegated to or reserved by the members.

**3.16 *Control by Declarant and Appointment of the Board.*** Until such time as Declarant no longer has the right to appoint members to the Board, the Board of the Association shall consist of three (3) members. Notwithstanding any other language or provision to the contrary in these By-Laws, in the Articles of Incorporation, or in the Declaration, the Declarant hereby retains the right to appoint two (2) members to the Board. The rights of Declarant to appoint members of the Board also includes the right to remove and replace its appointees until such time as its right to appoint members to the Board ceases. Declarant shall retain the right to appoint and remove its members of the Board until such time as the first of the following events shall occur: (i) the expiration of five (5) years from the date of the recording of this Declaration; (ii) the date upon which seventy-five percent (75%) of the Lots which may be developed on the Property and on the Additional Property shall have been conveyed, by either Declarant or by a builder who purchased the Lot from Declarant for the purpose of erecting a dwelling thereon, to an individual Owner or Owners for residential occupancy ; or (iii) the surrender by Declarant of the authority to appoint and replace directors by an express amendment to this Declaration executed and recorded by Declarant. Upon the expiration of the Declarant's right to appoint and remove directors of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant, if Declarant then owns one or more Lots. Upon the final expiration of all the rights of Declarant to appoint and replace directors of the Association, a special meeting of the Association shall be called. At such special meeting, the Owners shall elect a new Board of Directors, which shall undertake the responsibilities of the Board, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association, and any agreements or contracts executed by or on behalf of the Association during such period which Declarant has in its possession. Each Owner by acceptance of a deed to or other conveyances of a Lot vests in Declarant such authority to appoint and replace directors and officers of the Association as provided in this Section. The Association may exercise any other right

or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

**ARTICLE IV**  
**Officers**

4.01 **Designation.** At each regular annual meeting of the Board after the members elect the Board, the directors present at such meeting shall elect the following officers of the Association by a majority vote:

- (a) (a) a President, who shall be a director and who shall preside over the meetings of the Board and the members, and who shall be the chief executive officer of the Association;
- (b) (b) a Vice-President, who shall be a director and who shall act as an aide to the President and shall perform the duties of the President in the absence or disability of that officer to act;
- (c) (c) a Secretary, who shall keep the minutes of all meetings of the Board and of the members, and who shall be designated as the officer to mail and receive all notices served by or upon the Board or the Association and to execute amendments to these By-Laws, and who shall, in general, perform all the duties incident to the office of Secretary;
- (d) (d) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such books and records are kept and reported; provided, however, that the duties of the Treasurer may be performed by an employee or independent contractor retained by the Board; and,
- (e) (e) such additional officers as the Board shall see fit to elect. Any two (2) or more offices may be held by the same person, except the offices of the President and Secretary.

4.02 **Powers.** The respective officers shall have the general powers usually vested in such officers; provided, that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

4.03 **Term of Office.** Each officer shall hold office for the term of one (1) year or until his successor shall have been duly appointed or elected and qualified.

4.04 **Vacancies.** Vacancies in any office shall be filled by the Board by a majority vote at a special meeting of the Board. Any officer so elected by the Board to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds.

4.05 **Compensation.** The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the members.

4.06 **Removal.** Any officer elected by the Board may be removed from office, either with or without cause, by a majority vote of the Board.

## **ARTICLE V**

### **Assessments and Maintenance Charges**

- 5.01 **Annual Budget.** The annual budget of the Association shall be prepared pursuant to the requirements of Article 4.04 and 4.05 of the Declaration. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.04 or 4.05 shall be sent to all members, or delivered to their residence not less than thirty(30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of the proxies entitled to cast sixty percent(60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.
- 5.02 **Effect of Nonpayment of Assessments.** Any Assessment which is not paid within thirty (30) days after the Due Date shall bear interest from the Due Date at the rate of twelve percent (12%) per annum or at such rate as the Board may from time to time establish, provided, however, that in no event shall the Board have the power to establish a rate of interest in violation of the laws of the State of Georgia. In the event of default in the payment of any one or more installments of an assessment, the Board may declare any remaining balance of the assessment at once due and payable.

In the event that an Owner shall fail to pay fully any portion of any assessment on or before the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with interest and costs of collection including reasonable attorney's fees, shall be a binding personal obligation of such Owner, as well as a lien on such Owner's Lot enforceable in accordance with the provisions of the Declaration.

## **ARTICLE VI**

### **Contractual Powers**

No contract or other transaction between the Association and any one or more of its directors or between the Association and any corporation, firm or association in which one or more of the directors are also directors, or are financially interested, is void or voidable because such directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because the vote or votes of such director are counted toward such authorization or approval, if the circumstances specified in either of the following subparagraphs exists:

- (a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes thereof, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose, without counting the vote of such director or directors; or,
- (b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Such common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or committee thereof which authorizes, approves or ratifies such a contract or transaction.

## **ARTICLE VII** **Committees**

7.01 **Standing Committees.** At the first meeting of the Board after their election, or as soon as thereafter as is practical, the President shall appoint the following committees to consist of as many members as he deems advisable:

- (a) Nominations Committee;
- (b) Finance Committee; and
- (c) Social Committee

The members of such committees shall hold office until the appointment of Their successors.

7.02 **Special Committees.** The President may, at any time, appoint other committees on any subject on which there are no standing committees.

7.03 **Committee Quorum.** A majority of any committee of the Association shall constitute a quorum for the transaction of business, unless any committee shall by a majority vote of its entire membership decide otherwise.

7.04 **Vacancies.** The various committees shall have the authority to fill vacancies in their membership.

## **ARTICLE VIII** **Indemnification**

8.01 **General.** The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board against contractual and other liabilities to others arising out of contracts made by, or other acts of, such directors, Board, officers, or committee members, on behalf of the members, or arising out of their status as directors, Board, offices or committee members, unless such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board or committee member may be involved by virtue of such persons being or having been such director, officer, Board or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member, or (b) any matter settled or compromised, unless in the opinion of independent counsel, selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member.

8.02 **Success on Merits.** To the extent that the Board, a director or officer of the Association or member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 8.01 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

8.03 **Expenses in Advance of Disposition.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, Board or committee member to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified by the Association as authorized in this Article.

8.04 **Non-Exclusive Remedy.** The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a director, officer or committee member, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such person or entity.

#### **ARTICLE IX**

##### **Use Restrictions and Rule Making**

The Common Property shall be used only for those uses and purposes set out in the Articles of Incorporation, the Declaration and in these By-Laws. The Board shall have the authority to make and enforce reasonable rules and regulations governing the conduct within and upon, and the use and enjoyment of the Common Property, provided that copies of all such rules and regulations be furnished to all members. The Board shall have the power to impose reasonable fines and to suspend a member's right to vote or to use the Common Property for violation of any duty imposed under these By-Laws or any rules and regulations duly adopted hereunder.

#### **ARTICLE X**

##### **Distribution of Assets**

In the event of the dissolution of the Association, the assets thereof shall be distributed to one or more public bodies, corporate or politic, or conveyed to one or more non-profit organizations having purposes similar to those of the Association.

#### **ARTICLE XI**

##### **Amendments**

These By-Laws may be amended, modified or rescinded, from time to time, in the following manner:

11.01 **Notice.** Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

11.02 **Adoption.** Any of these By-Laws may be altered, amended or repealed, or new By-Laws adopted, by the affirmative vote of at least a majority of the total number of votes of all the members.

11.03 **Proviso.** No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted to a mortgagee, if any, of the Association. No amendment that is in conflict with the Articles of Incorporation of the Association shall be adopted.

11.04 **HUD/VA Approval.** Notwithstanding any provision to the contrary contained in (i) these By-Laws, (ii) the Articles of Incorporation of the Association, or (iii) the Declaration, so long as there shall be a Class B Member, the Secretary of Veteran's Affairs and the Secretary of Housing and Urban Development, or their respective designees, shall have the right of prior approval of the amendment of these By-Laws.

## **ARTICLE XII** **Miscellaneous**

12.01 **Notices.** Unless otherwise provided in these By-Laws, all notices, demands, bills, statements or other communications under 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, as follows:

(a) if an Owner, at the address, which the Owner has designated in writing and filed with the Secretary; or

(b) if to the Association, the Board or the Managing Agent, if any, at the principal office of the Association or Managing Agent, if any, or to such other address as shall be designated by the notice in writing to the members pursuant to this Section.

12.02 **Severability.** The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or the effect of the remainder of these By-Laws.

12.03 **Captions.** The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws or the intent of any provision hereof.

12.04 **Gender and Grammar.** The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

12.05 **Audit.** A review of the accounts of the Association shall be made annually by a public accountant, and a copy of the report shall be furnished to

each member who requests a copy in writing.

12.06 **Conflict.** In the event of any conflict between the Articles of Incorporation of the Association, the Declaration and these By-Laws, the Declaration shall control.