

NONPROFIT CORPORATIONS BYLAWS

BYLAWS OF

**GOVERNOR'S ESTATE HOMEOWNERS
ASSOCIATION, INC.**

A NONPROFIT CORPORATION

HOME OWNERS ASSOCIATION (HOA)

**Governor's Estate HOA
P.O Box 935
Bonaire GA, 31005**

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ARTICLE ONE

1.0 INTRODUCTION

1.1 Definition of Bylaws:

These Bylaws constitute the code of rules adopted by Governor's Estate Homeowner's Association, Inc. for the regulation and management of its affairs.

1.2 Purposes and Powers:

This Corporation will have the purposes or powers as may be stated in its Articles of Incorporation and such powers as are now or may be granted hereafter by law.

1.3 Order of Precedence:

The Bylaws of Governor's Estate HOA shall take precedence over any other documents, Covenants, or publications. For any rules or regulations that have conflicting descriptions or regulations, the Bylaws will preside.

ARTICLE TWO

2.0 OFFICES AND AGENCY

2.1 Principal and Branch Offices:

The principal place of business of this Corporation in Georgia will be located at the address specified with the Office of the Secretary of the state of Georgia. In addition, the Corporation may maintain other offices either within or without the State of Georgia as its business requires.

2.2 Location of Registered Office:

The location of the initial registered office of this Corporation in Georgia will be located at the address specified with the Office of the Secretary of the state of Georgia. Such office will be continuously maintained in the State of Georgia for the duration of this Corporation. The Members or Board Members may from time to time change the address of its registered office by duly adopted resolution and filing the appropriate statement with the State.

ARTICLE THREE

3.0 MEMBERSHIP

3.1 Members:

The Association membership shall consist of the owners of lots located on the real property described in Exhibit A to the Declaration of Covenants, Conditions, and Restrictions for the Subdivision Known as Governor's Estate, dated April 20, 2007, and recorded in Deed Book 4278, Pages 149-165, Houston County, Georgia records, as well as any owner of a lot or lots located on all or any portion of any property as may be annexed pursuant to the Declaration. Members of this Corporation are those persons having membership rights in accordance with the provisions of these Bylaws.

3.2 Qualifications of Members:

The lot owners in Governor's Estate Subdivision as outlined in the Restrictive Covenants and the Articles of Incorporation. The membership of each lot owner shall automatically terminate when he ceases to be a lot owner, and upon the conveyance, transfer or other disposition of a lot, said lot owner's membership in the Association shall automatically be transferred to the new lot owner.

3.3 Place of Members' Meetings:

Meetings of Members will be held at Governor's Estate Subdivision, Bonaire, Georgia or at a location identified by the Board Members.

3.4 Annual Members' Meetings:

The lot owners shall annually hold a regular meeting, one of the purposes of which shall be to elect Board Members. The annual meeting of the Members will be held at 2:00 P.M. on the third (3rd) Saturday of March each year. The location will be the "Community Lot" located in Governor's Estate Subdivision; Lot 9B, 117 Wilsons Creek Bend, Bonaire GA, 31005.

3.5 Special Members' Meetings:

Special meetings of the lot owners may be called by the President or by a majority of the Board Members, or by 50% or more of the lot owners. The Board Members shall set the time, date and location of the special meeting. A special meeting shall be called by the Board Members by delivering written notice to all members not less than ten (10) days nor more than thirty (30) days prior to the date of said meeting. The notice shall include the date, time, place and purpose of the special meeting.

3.6 Notice of Board Members' Meetings:

Written or printed notice, stating the place, day, and hour of the meeting and [in the case of a special meeting] the purpose or purposes for which the meeting is called, must be delivered not less than ten (10) nor more than thirty (30) days before the date of the members' meeting. The method of notice delivery will be either personally, by [registered or certified] first class mail, or by email or at the direction of the President, the Secretary, or Members or Board Members or other persons or Members calling the meeting, to each Member entitled to vote at such meeting. If mailed, the notice will be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Houston County Tax Assessors, with postage prepaid. If e-mailed, will be deemed delivered with a delivery receipt.

Waiver of Notice. Waiver of notice of meeting of the lot owners shall be deemed the equivalent of proper notice. Any lot owner may, in writing, waive notice of any meeting of the lot owners, either before or after such meeting. Attendance at a meeting by a lot owner, whether in person or by proxy, shall be deemed waiver by such lot owner of notice of the time, date and place thereof unless such lot owner 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 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.

3.7 Quorum of Members:

Twenty percent (20%) of the voting members shall be present to constitute a formal quorum at a meeting of the membership and for voting requirements.

3.8 Voting Members and Board Members:

Each lot owner shall be entitled to vote as set forth in the Declaration, which vote may be cast by the lot owner, the lot owner's spouse or by a lawful proxy as provided below. When more than one person owns a lot, the vote for such lot shall be exercised as they between or among themselves determine, but in no event shall more than one vote be cast with respect to such lot. In the event of disagreement among such persons and an attempt by two or more of them to cast the vote for such lot, such persons shall not be recognized and the vote for such lot shall not be counted. No lot owner shall be eligible to vote, either in person or by proxy, or be elected to the Board, if that lot owner is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association. The following matters must be approved by a majority of lot owners present in person or by proxy at a duly held meeting of the Association: (a) the merger or consolidation of the Association; (b) the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Association; and (c) the purchase or sale of land or lots on behalf of all lot owners.

3.9 Absentee and Proxy Voting:

At all meetings of the members, each member may vote in person, by absentee ballot or by proxy. All absentee ballots shall be in writing, signed by the member and delivered to the Secretary before noon on the day of the meeting. A signed proxy, authorizing another member to vote for the absent member, shall be presented at the meeting and shall automatically cease upon adjournment of that meeting.

3.10 Percentage Vote:

Majority votes (51% or greater) of the quorum are required to pass or initiate the item(s) being voted.

3.11 Transferability of Membership:

Membership in this Corporation is transferable to the purchaser of any lot in the subdivision. A list of names and addresses of lot owners entitled to vote shall be maintained at the registered office of the Association.

Adjournment. Any meeting of the lot owners may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of the lot owners 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.

Action Without a Meeting. Any action which that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter.

(a) A written ballot shall:

- (1) Set forth each proposed action; and
- (2) Provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall:

- (1) Indicate the number of responses needed to meet the quorum requirements;
- (2) State the percentage of approvals necessary to approve each matter other than election of Board Members; and

(3) Specify the time by which a ballot must be received by the Association in order to be counted.

(d) A written ballot may not be revoked. The Association shall maintain such ballots in its file for a period of at least three (3) years.

(e) Any action that may be taken by the Membership without a meeting pursuant to this subsection may be taken utilizing electronic voting, such as via the internet, subject to any rules that may be passed by the Board, and in compliance with the Georgia Electronic Records and Signatures Act, O.C.G.A. 10-12-1 et al. The results of such actions shall be included in the minutes of the next meeting of the Membership.

Rules of the Meeting. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and lot owners.

3.12 Enforcement of the covenants:

The Association shall have the right (but not the duty) to enforce any of the covenants, conditions, restrictions and easements set out in any such Declaration. Any resident who willfully violates any covenant as in the Governor's Estate HOA and does not take action to resolve the violation within the initial fifteen (15) days will be fined the sum of \$150. A written notice will be issued to the offender; the offender will then have fifteen (15) days to correct the infraction. If no corrective action is taken after the initial fifteen (15) days, a 2nd notice will be sent, along with a \$150 fine notification. After the 2nd notification is served and no sooner than thirty (30) days from the original infraction, a 3rd notice will be sent notifying the offender of any pending legal action.

A summary of this article is as follows:

- a) Any fees associated with correcting or removing the infraction shall be paid by the offending resident to Governor's Estate Homeowners Association, Inc.
- b) Any resident receiving the written notice concerning an infraction may appeal to the Members or Board Members, but must do so in writing within 10 (ten) days of the written notice. Such written notice should be directed to the current President of Governor's Estate Home Owners Association.
- c) After 30 days of non-compliance the Board may begin any and all legal action to collect the debt or enforce the covenant.

3.13 Liens:

Outstanding issues that are not resolved will be turned over to the law office representing Governor's Estate HOA and if not resolved, a lien will be placed on the property(s) at the determination of the Board.

3.14 Special Assessment on Sale:

A Special Assessment in the amount of Seven Hundred Fifty and No/100 (\$750) shall be paid upon each conveyance of each lot in the subdivision, beginning with the conveyance from the Declarant to any purchaser. There shall be exempt from this assessment any conveyance to a general contractor engaged in the business of residential construction who does not intend to occupy the property conveyed. Thereafter, upon each conveyance of any lot, there shall be a special assessment due in the amount of Seven Hundred Fifty and No/100 (\$750) to be paid by the purchaser. The special assessment shall be held and invested by the Association for the purpose and uses hereinafter set forth.

The special assessment shall become due and payable immediately upon sale of any lot, tract or parcel within the subdivision, and shall be deemed delinquent in not paid within ten (10) days following the closing of such sale. In the event of default in payment of a special assessment, the owner(s) of the property shall be obligated to pay interest at the rate of fifteen (15%) per annum on the amount of the default from the due date thereof together with all cost and expenses of collection including reasonable attorney's fees.

3.15 HOA Dues:

The annual assessment will be determined by the Board Members on or before November 30th of the year preceding the due date for the assessment. Notifications will be sent out to all homeowners; declaring the amount and how to pay the assessment. The assessment will be due January 1st of each year and will be considered late after January 10th of that same year. In the event of default in payment of an assessment, the owner(s) of the property shall be obligated to pay interest at the rate of fifteen (15%) per annum on the amount of the default from the due date thereof together with all cost and expenses of collection including reasonable attorney's fees.

The board determines the dues each year based on the criteria set forth in the covenants.

3.16 Prorated HOA Dues:

HOA dues shall be prorated to homeowners that purchase their home during the fiscal/calendar year. HOA dues will be prorated by the month during which the homeowner purchases the home.

3.17 Lot/Land Owners:

Land/Lot owners that own lots without a permanent structure erected thereon shall pay one half (1/2) the Annual Assessment set by the Board. Once a permanent structure is erected on said lot, those Land/Lot owners shall pay the full Annual

Assessment set by the Board. Those Land/Lot owners that shall be exempt are construction companies that own lots for the purpose of building houses.

ARTICLE FOUR

4.0 BOARD MEMBERS:

4.1 Definition of Board Members:

The Members or Board Members are that group of persons vested with the management of the business and affairs of this Corporation subject to the law, the Articles of Incorporation, and these Bylaws. The affairs of the Association shall be governed by the Board.

4.2 Qualifications of Board Members:

The qualifications for becoming and remaining a Board Member of this Corporation are as follows:

- a) Board Members must reside in the State of Georgia.
- b) Board Members must be Members of this Corporation.
- c) Each lot and/or house can only have one Board Member. This does not include Directorial Committees.

4.3 Number of Board Members:

The number of Board Members of this Corporation will not be less than three (3) nor more than nine (9) at any time. Until further amendment of these Bylaws, the number of Board Members presently will be 5. The precise number of Board Members shall be fixed from time to time by resolution of the Board.

4.4 Vacancies on the Board:

Resignation of Board Members will become effective immediately or on the date specified therein and vacancies will be deemed to exist as of such effective date. Any vacancy occurring on the Board Members, and any directorship to be filled by reason of an increase in the number of Board Members, will be filled by a majority of the remaining Board Members or election by the Members at a special meeting to be called by Board.

The new Board Member elected to fill the vacancy will serve for the unexpired term of the predecessor in office.

4.5 Resignation:

Any Board Member may resign from the Board by giving written notice to the president or secretary. The resignation shall take effect at the time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

4.6 Place of Board Members' Meetings:

Meetings of the Board Members, regular or special, will be held at Governor's Estate Subdivision, registered office of this Corporation or at any other place within or without the state of Georgia, as provided or such place or places as the Board Members designates by resolution duly adopted. 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 six months. The Board shall meet within ten (10) business days after each annual meeting of members.

4.7 Notice of Special Board Members' Meetings:

Written or printed notice stating the place, day, and hour of any special meeting of the Board Members will be delivered to each Board Member not less than two (2) nor more than five (5) days before the date of the meeting, either personally or by first class mail, by or at the direction of the President, or the Secretary, or the Board Members calling the meeting. If mailed, such notice will be deemed to be delivered when deposited in the United States mail by registered or certified mail addressed to the Board Member at his address as it appears on the records of this Corporation, with postage prepaid. Such notice need not state the business to be transacted at, nor the purpose of, such meeting.

4.8 Call of Special Board Meetings:

A special meeting of the Board Members may be called by either:

- a) The President.
- b) The Executive Committee.
- c) Majority of the Board Members.

4.9 Waiver of Notice:

Attendance of a Board Member at any meeting of the Board will constitute a waiver of notice of such meeting except where such Board Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any Board Member 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.

4.10 Quorum of Board Members:

A majority of all Board Members will constitute a quorum. The act of a majority of the Board Members present at a meeting at which a quorum is present will be the act of the Board unless a greater number is required under the provisions of the Articles of Incorporation of this Corporation, or any provision of these Bylaws.

Compensation. Board Members shall not be compensated unless and to the extent the members of the Association authorize at any meeting duly called for that purpose.

The President shall preside over all meetings of the Board and the Secretary shall keep a minute book, recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of the Board when not in conflict with the Declaration or these By-Laws.

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 Board Members consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board.

Telephonic and Electronic Participation in Board Meetings. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of conference telephone, or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting. Any action that may be taken at a meeting of the Board Members may alternatively be taken utilizing electronic means, such as the internet and email, subject to any rules that may be passed by the Board, and in compliance with the Georgia Electronic Records and Signatures Act, O.C.G.A. 10-12-1 et al. Any such action shall be considered valid if at least a quorum of the Board Members participated and a majority of the quorum approved the action. The results of such actions shall be included in the minutes of the next meeting of the Board Members.

Executive Session. The President may adjourn any meeting of the Board and reconvene in executive session, and may exclude Members, to discuss matters of a sensitive nature, including but not limited to, pending or threatened litigation, Homeowner violation log discussions and Hearing, and personnel matters.

ARTICLE FIVE

5.0 BOARD MEMBERS

5.1 Roster of Board Members:

The Board Members of this Corporation will consist of the following personnel:

A President
A Vice President
A Secretary
A Treasurer
A Director-at-Large

5.2 Selection of Board Members:

Each of the Board Members of this Corporation will be elected and appointed as set forth above. Each Board Member will remain in office until a successor to such office has been selected and qualified. Such election will take place at the regular meeting of the Board Members.

5.3 Nominations:

The President shall call a Board Member Meeting to appoint a Nominating Committee no later than 30 days before elections. The Nominating Committee shall prepare a slate of nominees (in good standing with the HOA), at a minimum of one nominee for each elective office. At the regular meeting of the Association, the Nominating Committee shall present the slate of nominees. Additions may be made by nominations from the floor. For the initial election, nominations shall be made from the floor at meetings.

5.4 Elections:

The President shall call a Board Member Meeting to appoint an Elections Committee no later than 30 days before elections. The ballot shall clearly indicate the offices to be filled and the candidates for each office. Instructions providing for return of completed ballots to the Chairman of the Elections Committee shall be included on each ballot. Ballots shall be completed and returned to the Chairman of the Elections Committee no later than the due date identified on the ballot. The Elections Committee shall disqualify ballots received after the deadline. Candidates receiving a majority (51% or greater) of the votes cast are declared elected.

5.5 Board Member's Duties:

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

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association;

- (c) to engage the services of an agent (hereinafter sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Common Areas (as defined in the Declaration) or any part thereof for all of the lot owners, upon such terms and for such compensation as the Board may approve, including a Managing Agent which is affiliated with one or more Board Members;
- (d) to administer, manage and operate the Common Areas and any recreational facilities located thereon, and to formulate policies therefore;
- (e) to adopt rules and regulations, with written notice thereof to all lot owners, governing the details of the administration, management, operation and use of the Common Areas and any recreational facilities located thereon, and to amend such rules and regulations from time to time;
- (f) to provide for the operation, care, upkeep, maintenance, repair, replacement and improvement of the Common Areas and any recreational facilities located thereon and payments therefore, and to approve payment vouchers or to delegate such approval to the officers of the Association or the Managing Agent;
- (g) to have access to each lot from time to time as may be necessary for the maintenance, repair or replacement of the Common Areas therein or accessible there from, or for making emergency repairs therein necessary to prevent damage to the Common Areas or to one or more other lots;
- (h) to obtain adequate and appropriate kinds of insurance;
- (i) to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Areas and any recreational facilities located thereon, and to delegate any such powers to a Managing Agent (and any employees or agents of a Managing Agent); (j) to appoint committees and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (k) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (l) to estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to provide the manner of assessing, levying on and collecting from the lot owners the annual and special assessments, and to levy fines against one or more occupants in accordance with the Declaration;
- (m) to keep detailed, accurate records of the receipts and expenditures affecting the use and operation of the Common Areas and any recreational facilities located thereon;
- (n) to enter into agreements or arrangements for premises suitable for use as apartments for maintenance or management personnel, upon such terms as the Board may approve;
- (o) to bid and purchase, for and on behalf of the Association, any lot, or interest therein, at a sale pursuant to a mortgage foreclosure, a foreclosure of the lien for annual assessments, special assessments or both, or an order or direction of

a court, or at any other involuntary sale, upon the affirmative vote of lot owners owning not less than 75% of the lots at a meeting duly called for that purpose, provided that the lot owners shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such lot or interest therein;

- (p) to make such mortgage arrangements and special assessments proportionately among the respective lot owners, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase or lease of a lot, or interest therein, by the Association; provided, however, that no such financing arrangement shall be secured by an encumbrance on any interest in the Property other than the lot, or interest therein, to be purchased or leased;
- (q) to act in a representative capacity in relation to matters involving the Common Area or more than one lot, on behalf of the lot owners, as their interests may appear;
- (r) to enforce by legal means the provisions of the Declaration and these By-laws with respect to the Property (as defined in the Declaration);
- (s) to renew, extend or compromise indebtedness owed to or by the Association;
- (t) at its discretion, to authorize occupants to use the Common Areas and any recreational facilities located thereon for private parties and gatherings and, at its discretion, to impose reasonable charges for such private use;
- (u) unless otherwise provided herein or in the Declaration, to comply with the instructions of a special meeting of the Association; and
- (v) 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 nonprofit corporation under the Georgia Nonprofit Corporation Code, as now in force or hereafter amended, and
 - (ii) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration and these By-Laws.

5.6 President:

At the first regular meeting of the Board after incorporation, the Board Members present at said meeting shall elect the following officers of the Association by a majority vote:

The President will be the Chief Executive Officer of this Corporation and will, subject to the control of the Board Members or Board Committees; supervise and control the affairs of the Corporation. The President will perform all duties incident to such office and such other duties as may be provided in these Bylaws or as may be prescribed from time to time by the Board Members.

5.7 Vice President:

Perform all duties and exercise all powers of the President when the President is absent or otherwise unable to act in case of a vacancy in the office of President, the Vice President shall succeed to that office for the remainder of that term.

5.8 Secretary:

The Secretary will keep minutes of all meetings of Members and of the Board Members, will be the custodian of the corporate records, will give all notices as are required by law or by these Bylaws, and, generally, will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board Members.

5.9 Treasurer:

The Treasurer will have charge and custody of all funds of this Corporation, will deposit the funds as required by the Board Member, will keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, will render reports and accountings to the Board and to the Members as required by the Board Members or Members or by law, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board Members. Two signatures from current Board Members shall be required to write checks on behalf of Governor's Estate HOA. Individual checks exceeding \$1,000 shall require consent from the majority of Board Members.

5.10 Director-at-Large:

The Director-at-Large shall perform such duties as requested by the Association or Board Members, coordinate all activities regarding the care and maintenance of community and be the tie-breaker vote if needed.

5.11 Term of Office:

Each Board Member, except in case of death, resignation, retirement, disqualification or removal, shall serve for a term of two (2) years. However, in order to provide for staggered terms, at the 2013 Annual Meeting of the Board Members two (2) Board Members shall be announced for a three-year term, and three (3) Board Members shall be announced for a two-year term. Thereafter, at each annual meeting Board Members shall be elected for two (2) year terms.

President three year term; Vice President two year term; Treasurer three year term; Secretary two year term; Director at Large two year term.

Each Board Member will hold office for the term for which elected and until a successor has been selected and qualified.

At any regular or special meeting of the Association duly called, any one or more of the Board Members 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 by the members to fill the vacancy thus created. Any Board Member whose removal has been proposed by the Association shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Any Board Member elected by the Members who has three or more consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the Board Members present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.

5.12 Vacancies:

Vacancies in any office shall be by the Board by a majority vote at a special meeting of said Board, as the case may be. 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 replaced.

5.13 Compensation:

Officers shall receive no compensation for their services as officers unless expressly provided for in a resolution duly adopted by the lot owners at a meeting duly called for that purpose.

5.14 Removal:

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

5.15 Conduct of Meetings:

The order of the business at the annual meeting of the homeowners or at any special meeting as far as practicable shall be:

- a) Certifying the proxies.
- b) Proof of notice of meeting.
- c) Reading and disposal of any approved minutes.
- d) Receiving reports of Board Members.
- e) Receiving reports of committees.
- f) Election of Board Member, if necessary.

- g) Old business.
- h) New business.
- i) Adjournment.

ARTICLE SIX

6.0 INDEMNIFICATION

The Association shall indemnify and hold harmless each of its Board Member, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such Board Members, or committee members, on behalf of the lot owners, or arising out of their status as Board Members, or committee members, unless any 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 Board Member, or committee member may be involved by virtue of such persons being or having been such Board Member, 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 Board Members, 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 Board Member, or committee member.

6.1 Success on Merits:

To the extent that the Board Members 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 Paragraph 6.1, above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

6.2 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 Board Members, or committee member to repay such amount unless in this Article.

6.3 Non-Exclusive Remedy:

The indemnification provided by this Article VI 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 Board Members 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 Board Member, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such person or entity.

ARTICLE SEVEN

7.0 INFORMAL ACTION

7.1 Waiver of Notice:

Whenever any notice whatever is required to be given under the provisions of the law, the Articles of Incorporation of this Corporation, or these Bylaws, a waiver of such notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, will be deemed equivalent to the giving of such notice. Such waiver must, in the case of a special meeting of Members, specify the general nature of the business to be transacted.

7.2 Action by Consent:

Any action required by law or under the Articles of Incorporation of this Corporation or these Bylaws, or any action which otherwise may be taken at a meeting of either the Members or Board Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the persons entitled to vote with respect to the subject matter of such consent, or all Board Members in office, and filed with the Secretary of the Corporation.

ARTICLE EIGHT

8.0 COMMITTEES

8.1 Definition of Directorial Committees:

The Board may appoint such committees as the Board shall determine necessary or beneficial, with the powers and duties that the Board shall authorize. Such committees shall include an Architectural Control Committee as provided in the Declaration. The Board shall determine the number of members to be appointed to each committee, and such members need not be Lot Owners. The members of any committee shall serve at the pleasure of the Board. Any Committee member may be removed with or without cause and with or without a successor being named. Committee members may be compensated by the Association for their services as committee members if approved by a majority of the Board Members.

This Corporation may have certain Committees, each of which will consist of two (2) or more Board Members. Such Directorial Committees will have and exercise some prescribed authority of the Board Members in the management of this Corporation. However, no such Committee will have the authority of the Board in reference to affecting any of the following:

- a) Submission to Members of any action for which the approval of Members is required under the law.
- b) Filling of vacancies in the Board.
- c) Adoption, amendment, or repeal of Bylaws.
- d) Amendment or repeal of any resolution of the Board.
- e) Action on matters committed by Bylaws or resolution of the Board to another Committee of the Board.

8.2 Appointment of Committees:

The Board Members, by resolution duly adopted by a majority of the Board Members in office, [will or may] designate and appoint one or more Directorial Committees and delegate to such Committees specific and prescribed authority of the Board Members to exercise in the management of this Corporation. However, the creation of such Directorial Committees will not operate to relieve the Board Members of any responsibility imposed on such personnel otherwise by law. An Architectural Control Committee and a Grounds Keeping Committee are two (2) Committees that shall constantly be enforced by these bylaws. Other Committees shall be determined and set forth by the Board Members. In the event these committees are vacant, these duties shall/may be enforced by the Board Members.

- a) An **Architectural Control Committee (ACC)** shall be formed to approve structures (out buildings, houses, fences, walls, etc). New house plans shall be submitted and approved by the ACC before the construction starts. Additional details are provided in the Governor's Estate Covenant

- b) A Grounds Keeping Committee shall be formed to regulate yard maintenance, neighborhood debris and up keep on developed/undeveloped lots.

ARTICLE NINE

9.0 OPERATIONS

9.1 Fiscal Year:

The fiscal year of this corporation will be the calendar year.

9.2 Execution of Documents:

Except as otherwise provided by law, checks, drafts, promissory notes, orders for the payment of money, and other evidences of indebtedness of this Corporation will be signed by the Treasurer and countersigned by the President. Contracts, leases, or other instruments executed in the name of and on behalf of the Corporation will be signed by the Secretary and countersigned by the President, and will have attached copies of the resolutions of the Board Members certified by the Secretary authorizing their execution.

9.3 Books and Records:

This Corporation will keep correct and complete books and records of account, and will also keep minutes of the proceedings of its Members, Board Member, and Directorial Committees. The Corporation will keep, at its registered office or principal place of business, a membership register giving the names, addresses, and showing classes and other details of the membership of each, and the original or a copy of its Bylaws including amendments to date certified by the Secretary of the Corporation.

9.4 Inspection of Books and Records:

All books and records of this Corporation may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time on written demand under oath stating such purpose.

9.5 Nonprofit Operations-Compensation:

This Corporation will not have or issue shares of stock. No dividend will be paid, and no part of the income of this Corporation will be distributed to its Members or Board Members. However, the Corporation may pay compensation in a reasonable amount to Members or Board Members for services rendered.

9.6 Loans to Management:

This Corporation will make no loans to any of its Members or Board Members or to any of its key management, or other personnel.

9.7 Rights:

No member or Incorporator of this Corporation may have any vested right, interest, or privilege of, in, or to the assets, functions, affairs, or franchises of the Corporation, or any right, interest, or privilege which may be transferable or inheritable, or which will continue if his membership ceases, or while he is not in good standing.

Expelled Members shall have no property rights to assets of the Corporation.

On dissolution, assets of this Corporation remaining after the payment or discharge of all liabilities of the Corporation; the return, transfer, or conveyances of assets held on conditions requiring the same; and the transfer or conveyance of assets received and held subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes shall be distributed to charity as determined by the Members or Board Members.

The Board Members of this Corporation may authorize secured transactions or other dispositions of corporate assets without approval by the Members.

Contractual Powers

No contract or other transaction between the Association and one or more of its Board Members or between the Association and any corporation, firm or association in which one or more of the Board Members are also directors, or are financially interested, is void or voidable because such Board Member or Board Members 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 Board Member or Board Members are counted toward such authorization or approval, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common Board Membership 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 or votes of such Board Member or Board Members; *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 Board Members may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies such a contract or transaction.

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 United States mail, postage prepaid:

(a) If to a lot owner, at the address which the lot 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; or

(b) If to the Association, to Governors Estates Homeowners Association, Inc. address of the current President, or to such other address as the Association may from time to time notify the lot owners in writing pursuant to this Paragraph.

ARTICLE TEN

10.0 AMENDMENT OF ARTICLES OF INCORPORATION

The power to alter, amend, or repeal the Articles of Incorporation of this Corporation is vested in the Members. Such action must be taken as specified in the Articles of Incorporation or pursuant to a resolution approved by a two-thirds majority of the Members or Board Members or pursuant to a resolution approved by a two-thirds majority of the Members.

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

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.

Compilation. A compilation of the accounts of the Association shall be made annually as a common expense by an independent certified public accountant, and a copy of the report shall be furnished to each member who requests a copy in writing. In the event of conflicts between the Declaration, the Articles of Incorporation and these By-Laws, the Declaration and Articles of Incorporation shall control, in that order.

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.

10.1 Modification of Bylaws:

The power to alter, amend, or repeal these Bylaws, or to adopt new Bylaws, insofar as is allowed by law, is vested in the Members.

10.2 Adoption of Bylaws:

IN WITNESS WHEREOF, the undersigned, being all the Board Members of the corporation, have hereunto set forth their hands and seals all as of the 12th day of March, 2013.

BOARD MEMBERS or INITIATION of the HOA

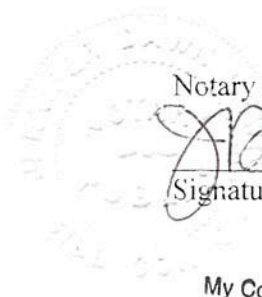
Title

Printed Name:

Signature:

President	Terri Stork	Terri Stork
Vice President	Brian Russ	BWR
Treasurer		
Secretary	Krystyna Owings	KOwings
Director at Large	Carol Brown	Carol Brown
Treasurer	Brad Richcreek	BRC

Notary signature and date, as witnessed to the above Board Member signatures:


Maureen Lewis
Signature

3/14/13
Date

My Commission Expires November 12, 2016.