

I CERTIFY THIS TO BE A TRUE AND CORRECT
COPY OF THE BY-LAWS OF CYPRESS CLUB
HOMEOWNERS' ASSOCIATION.



Secretary

BY-LAWS
OF
CYPRESS CLUB HOMEOWNERS ASSOCIATION, INC.

1. NAME AND LOCATION

The name of the association is CYPRESS CLUB HOMEOWNERS ASSOCIATION, INC. ("Association"). The principal office of the Association (until otherwise designated by the Board, as hereinafter defined) shall be located at 1640 Powers Ferry Road, Building 16, Marietta, Georgia 30067, but meetings of members and directors may be held at such other places within the State of Georgia as may be designated by the Board.

2. DEFINITIONS

Unless otherwise set forth herein, the terms used in these By-Laws shall have the same meanings ascribed to such terms as set forth in the Declaration of Covenants, Restrictions and Easements for Cypress Club dated as of June 23, 1997, with respect to a new community known as Cypress Club, which has been executed by Venture Homes, Inc., as Declarant, and by duly authorized officers of the Association, and is filed for record in the office of the Clerk of the Superior Court of Cobb County, Georgia, in Deed Book 10449, Page 89, Cobb County, Georgia records, as such Declaration may be amended from time to time, and which Declaration is incorporated herein by reference.

3. MEETINGS

3.1 Annual Meeting of Members. The regular annual meeting of the Members shall be held not later than six (6) months past the end of the fiscal year of the Association, on a date (which is not a legal holiday) and at such place within the State of Georgia as shall be designated in the call of meeting pursuant to Section 3.3. If no such date is designated, the annual meeting shall be held on the first Wednesday in August, if not a legal holiday, and if a legal holiday, then on the next business day succeeding. The Members shall at such annual meeting elect a Board of Directors for the ensuing year, in the manner provided in Section 4.1, and shall have authority to transact any and all business which may be brought before such meeting.

3.2 Special Meeting of Members. Special meetings of Members shall be held, at such place within the State of Georgia as shall be designated in the call of the meeting. Special meetings may be called by the President at any time and must be called by the President when so requested in writing by any two directors or by twenty-five percent (25%) of the Membership.

3.3 Notice of Meetings. Written notice of the place, date and time of every annual or special meeting of Members shall be mailed to each Member at least fifteen (15) days before such meeting. Each Member shall register his address with the Association and notices of meetings shall be mailed to him at such address. If for a special meeting, such notice shall state the purpose or purposes of the meeting. It shall not be necessary that notice of an annual meeting specify the business to be transacted at such meeting, but such notice shall specify the number of directors to be elected at such annual meeting.

3.4 Quorum. Unless otherwise provided in the Declaration, a quorum at any meeting of Members, whether annual or special, shall consist of the presence at such meeting, in person or by proxy, of Members entitled to cast one-tenth of the votes of the Membership. Unless otherwise provided in the Articles of Incorporation of the Association, or in the Declarations or in these By-Laws, a majority of the votes entitled to be cast by all Members present at a meeting shall be necessary and sufficient to decide and act upon any question which shall come before the meeting. No business shall be transacted at any meeting unless a quorum is present.

3.5 Voting. Voting rights of Members shall be as set forth in the Declaration. Where any Member is a group or entity other than one individual person, the vote on behalf of such Member shall be exercised only by such individual person as shall be designated in proxy instrument duly executed by or on behalf of such Member and delivered to the Secretary of the Association.

4. DIRECTORS

4.1 Number. The affairs of the Association shall be managed by an initial Board of three (3) directors, who need not be Members of the Association. Once the control of the Association passes to the Members as provided in the Declaration, the affairs of the Association shall be managed by a Board of not less than three (3) nor more than nine (9) directors.

4.2 Election by Members. At the first annual meeting after control of the Association has passed to the Membership, the Members shall elect three (3) directors to serve until the next annual meeting. The number of directors may be increased by amendment to this provision by the By-Laws.

4.3 Removal. Once the control of the Association passes to the Members as provided in the Declaration, any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve

for the unexpired term of his predecessor.

4.4 Compensation. No director shall receive compensation for any service he may render to the Association. Directors may be reimbursed for actual expenses incurred in the performance of duties for the Board.

4.5 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

4.6 Nomination. Nomination for elected members to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

4.7 Election. Election to the Board shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

4.8 Regular Meeting of Directors. Regular meetings of the Board shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

4.9 Special Meeting of Directors. Special meetings of the Board shall be held at such place within the State of Georgia as shall be designated in the call of such meetings. Special meetings of the Board may be called by the President at any time, in his discretion, and must be called by the President whenever so requested in writing by two members of the Board.

4.10 Notice of Meetings. Notices of special meetings of the Board shall be given by the President or the Secretary to each member of the Board, not less than three (3) days' before the time at which such meetings are to convene. Such notices may be

given by telephone, or by any other form or written or verbal communication. It shall not be necessary for notices of special meetings of the Board to state the purposes or objects of the meetings. The directors may waive notice of any meeting. Action may be taken by the directors without a meeting if such action is consented to in writing by all of the directors.

4.11 Quorum. A quorum at any meeting of the Board shall consist of a majority of the members of the Board. Unless otherwise provided in the Articles of Incorporation of the Association, or in these By-Laws, or in the Declaration, a majority of those present at any meeting at which a quorum is present may decide any questions which may come before the meeting.

4.12 Powers. The Board shall have power to: (a) adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties of the infraction thereof; (b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association and to suspend the voting rights and right to use of the recreational facilities of a Member after notice and hearing for infraction of published rules and regulation, as provided in the Declaration; (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provision of these By-Laws, the Articles of Incorporation, or the Declaration; (d) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board; and (e) employ such employees or hire such independent contractors as they deem necessary to assist the Board in carrying out its duties.

4.13 Duties. It shall be the duty of the Board to: (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote; (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed; (c) as more fully provided in the Declaration, to: (1) fix the amount of the annual special and specific assessments as provided in Section 4 of the Declaration; (2) send written notice of each assessment to every Member subject thereto as provided in Section 4 of the Declaration; and (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Member personally obligated to pay the same, all as provided in Section 8 of the Declaration; (d) issue, or to cause an appropriate officer to

issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid (the Board having the authority to charge a reasonable fee for the issuance of such certificates), which certificate, if it states that an assessment has been paid, being conclusive evidence of such payment; (e) procure and maintain adequate insurance on property owned by the Association, as provided in Section 11.1 of the Declaration; (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; (g) cause the Common Property to be maintained; and (h) maintain any and all landscaping treatments previously installed by the Declarant, to the extent that such landscaping is not otherwise maintained by the appropriate county or municipal entity having jurisdiction over the roads for Cypress Club.

5. OFFICERS AND THEIR DUTIES

5.1 Enumeration of Offices. The officers of this Association shall be a president, who shall at all times be a member of the Board, a secretary, a treasurer and such other officers as the Board may from time to time by resolution create.

5.2 Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

5.3 Annual Elections. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

5.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

5.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

5.7 Multiple Offices. The offices of secretary and

treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 5.4.

5.8 Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(c) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; when directed by the Board, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

6. MISCELLANEOUS

6.1 The Declaration. All provisions contained in the Declaration with regard to rights, powers and duties of the Association, the Members thereof (including, without limitation, classes of Members and qualifications and rights of the Members of each class), and the Board thereof, are hereby incorporated into these By-Laws by this reference, with the same effect as if such provisions were fully set forth herein.

6.2 Committees. The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and the Nominating Committee, as provided in these By-Laws. In addition, the Board shall appoint other committees and sub committees as deemed appropriate in carrying out its purpose.

6.3 Books and Records. The books and records of the Association shall be open for inspection by any Member of the

Association during reasonable business hours.

6.4 Indemnification. The Association shall indemnify any person made a party to any action, suit or proceeding, whether civil or criminal, by reason of the fact that he, his testator, or intestate, is or was a director, officer or employee of the Association, against the reasonable expenses, including attorneys' fees, actual and reasonably incurred by him in connection with the defense of the action, suit, or proceeding or in connection with any appeal in it. This right of indemnification shall not apply (1) in relation to matters as to which the director, officer or employee shall be adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty to the Association or (2) in relation to matters in any such actions suit, or proceeding that are settled or compromised. The right to indemnification covered by this section shall not restrict the power of the Association to make any indemnification permitted by law, subject to applicable limitations in the Articles of Incorporation and the Declaration.

6.5 Fiscal Year. The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

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

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

6.8 Notices. Unless otherwise specified in the Declaration of By-Laws, all notices, demands, bills, statements, or other communications required or permitted to be sent under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail, postage prepaid: (a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the last known address of the Member; or (b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members. If there are multiple Co-owners of a Lot, notice to one (1) shall be deemed notice to all.

6.9 Amendment. These By-laws may be amended by the Board, subject to the limitations of Georgia law, the Declaration and the Articles of Incorporation of the Association. HUD/VA has the right to veto any Amendment to these By-Laws so long as there is a Class B membership as set forth in the Declaration.

6.10 Fining Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

6.11 Demand. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction or possible imposition of a fine, not to exceed twenty five (\$25.00) dollars per day per violation, if such violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of such fine, if the violation is not continuing. The Board or its designee may demand immediate abatement in such circumstances which, in the Board's determination, pose a danger to safety or property

6.12 Notices. Within ninety(90) days of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is subsequently violated, the Board may, upon notice, impose a fine as set forth hereinabove. The notice shall state: (i) the nature of the alleged violation; (ii) that the alleged violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine; (iii) that any statement, evidence, and witnesses may be produced by the alleged violator at the hearing; and (iv) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of the notice.

6.13 Hearing. If a hearing is requested, it shall be held before the Board in executive session, and the alleged violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

6.10.4 Annexation of additional property, mergers and consolidations mortgaging of Common Area, dissolution and amendment of the Articles of Incorporation requires prior approval of HUD/VA as long as there is a Class B membership as set forth in the Declaration.

6.10.5 If the Association is dissolved, the assets shall be dedicated to a public body, or conveyed to a non-profit organization with similar purposes.

END OF BY-LAWS