BY-LAWS OF
BIG CANOE PROPERTY OWNERS ASSOCIATION, INC.
AS AMENDED AND RESTATED
(MAY 2, 1987)

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BIG CANOE PROPERTY OWNERS ASSOCIATION, INC.
AS AMENDED AND RESTATED

ARTICLE I.
DEFINITIONS

The following terms as used in these By-Laws shall have the following respective meanings:

(1) "Amenities" shall mean those improved facilities constituting Parts of the Common Properties owned by the Corporation and operated by the Corporation for the benefit of the community. The current amenities are listed on Exhibit "A" to these By-Laws and may be increased or deleted only as provided in the Declaration and these By-Laws;

(2) "Common Properties" shall mean and refer to-those tracts of land and any improvements thereon as defined in the Declaration;

(3) "Corporation" shall mean and refer to the Big Canoe Property Owners Association, Inc., a Georgia non-profit corporation:

(4) "Declaration" shall mean the General Declaration of Covenants and Restrictions of the Big Canoe Property Owners Association and Big Canoe Corporation dated October 9, 1972, as amended from time to time;

(5) "Developer" shall mean or refer to Southeast Holding Company, Ltd., a South Carolina corporation, together with its successors in interest as provided in the Declaration, if any;

(6) "Development Community" shall mean that certain real estate development community being developed under the name "Big Canoe" by the Developer situated in Dawson and Pickens Counties, Georgia as it now or hereafter exists;

(7) "Member" shall mean any member of the Corporation as defined in Article V of the Restated Articles of Incorporation of the Corporation.

ARTICLE II.
MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the Members of the Corporation shall be held at the principal office of the Corporation on the first Saturday of December of each year at 10:00 a.m., or such other place, date or time as the Board of Directors in its discretion may determine, and as the Board of Directors in its notice of annual meeting may direct. In the event that such annual meeting is not held at the time specified above, through oversight or otherwise, the Board of Directors shall by resolution designate the time, place and date for a meeting to be held in lieu thereof, which time and date shall be as soon thereafter as is convenient, and any business transacted or elections held at such meetings shall be valid as if transacted or held at the annual meeting. At meetings of the Members, the order of business shall be as determined by the Chairman of the meeting.

Section 2. Special Meetings. Special meetings of the Members shall be held at the principal office of the Corporation or at such other place as may be designated in the notice of said meetings upon call of the Board of Directors, the President, the Secretary or at the request in writing of two or more Directors or of Members being entitled to cast at least twenty-five (25%) percent of the votes at any meeting of the Members.

Section 3. Notice and Purpose of Meetings. Notice of the date, hour and place within or without the State of Georgia of every meeting of Members, and in the case of any special meeting, notice of the purpose or purposes for which such meeting is called, shall be in writing and shall be delivered not less than ten (10) days nor more than thirty (30) days prior to the date of the meeting either personally or by first class mail, by or at the direction of the President, the Secretary, or the Directors or Members calling the meeting, to each Member of record entitled to vote at such meeting. The Secretary of the Corporation shall give notice as herein provided of a properly called meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with first class postage thereon prepaid, addressed to the Member at his last known address. The record date determining Members entitled to receive such notice shall be the first day in the calendar month in which said notice is mailed. Where any membership is composed of two or more co-owners of property in the Development

Community, notice to any one of such co-owners shall constitute notice to all such co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Corporation in writing of any change of address. Notice of any meeting of Members shall not be required to be given to any Member who shall attend such meeting in person or by proxy, except where such Member attends a meeting solely for the purpose of stating, at the beginning of the meeting, an objection or objections to the time or place of the meeting, or to the manner in which it has been called or convened, or to the transaction of business. Nor shall notice of any meeting of Members be required to be given any Member who signs a waiver of notice, in person or by proxy, either before or after the meeting, and neither the business transacted nor the purpose of the meeting need be specified in the Waiver. When a meeting is adjourned to another time or place, unless after the adjournment the Board fixes a new record date for the adjourned meeting, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken.

Section 4. Quorum. The presence either in person or by proxy of the hereinafter enumerated percentage of votes entitled to be cast at any meeting of the Members shall constitute a quorum at such meeting, except as otherwise may be provided by the Restated Articles of Incorporation and the Declaration. When a quorum is once present to organize a meeting, the Members present may continue to do business at the meeting or at such adjournment thereof notwithstanding the withdrawal of enough Members to leave less than a quorum. The percentages of votes that will constitute a quorum are as follows:

(a) So long as there is a Type "D" Member:

(i) Seventy-five (75%) percent of the eligible votes must be represented either in person or by proxy at the first call of a meeting.

(ii) If a quorum is not present to organize a meeting, persons representing a majority of the votes represented at the meeting may adjourn such meeting for up to forty-five (45) days to a designated date announced at the time of such adjournment and at the reconvening of said meeting the requirement shall be sixty-five (65%) percent of the eligible votes present either in person or by proxy to constitute a quorum at the reconvened meeting. (iii) If a quorum is not

present at the reconvened meeting, persons representing a majority of the votes represented at the reconvened meeting may adjourn such reconvened meeting for up to an additional forty-five (45) days and at the reconvening of said adjourned meeting, the requirement shall be fifty-five (55%) percent of the eligible votes present either in person or by proxy to constitute a quorum at the reconvened meeting.

At any such adjourned meeting or any adjournment thereof, any business may be transacted which might have been transacted at the meeting originally called.

(b) After there is no longer a Type "D" Member:

(i) Thirty-five (35%) percent of the eligible votes must be represented either in person or by proxy at the first call of a meeting.

(ii) If a quorum is not present to organize a meeting, persons representing a majority of the votes represented at the meeting may adjourn such meeting for up to forty-five (45) days to a designated date announced at the time of such adjournment and at the reconvening of said meeting the requirement shall be thirty (30%) percent of the eligible votes present either in person or by proxy to constitute a quorum at the reconvened meeting.

(iii) If a quorum is not present at the reconvened meeting, persons representing a majority of the votes represented at the reconvened meeting may adjourn such reconvened meeting for up to an additional forty-five (45) days and at the reconvening of said adjourned meeting, the requirement shall be twenty-five(25%) percent of the eligible votes present either in person or by proxy to constitute a quorum at the reconvened meeting.

Section 5. Voting. Each Member of the Corporation shall be entitled to cast at any meeting of the Members those number of votes, according to the type or types of his membership, as specified in Article V of the Restated Articles of Incorporation of the corporation. Such votes may be cast in person or by proxy, and entitlement to cast votes at any meeting shall be determined as of the record date for such meeting by an examination of the public records of Dawson and/or Pickens

Counties, Georgia. Cumulative voting shall not be permitted. Except as otherwise required by statute, by the Declaration, by the Restated Articles of Incorporation or by these By-Laws, all matters coming before any meeting of the Members shall be decided (i) so long as there is a Type "D" Member, by vote of those Members holding at least three- quarters of the total votes cast at any meeting, and (ii) after there is no longer a Type "D" Member, by the vote of those Members holding at least a majority of the total votes cast at any meeting: a quorum being present at the organization of such meeting.

Section 6. List of Members. A complete list of Members entitled to vote at an ensuing meeting of the Members, arranged - in alphabetical order with the number and type of votes held by each, shall be prepared by the Secretary or other officer of the Corporation having charge of membership ledgers, and shall be produced and kept open at the time and place of the meeting and during the whole time of said meeting shall be open to the examination of any Member. If the requirements of this Section have not been substantially complied with, the meeting shall, on the reasonable demand of any Member in person or by proxy, be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this Section shall not affect the validity of any action taken at such meeting.

Section 7. Suspension of Rights. The membership rights of any Member may be suspended by action of the Board of Directors during any period when dues, charges or assessments chargeable by the Corporation remain due and unpaid; but, upon payment thereof, such rights and privileges shall be automatically restored. Such rights shall include the use and enjoyment of the Common Properties and all voting rights; provided, however, that the Board of Directors shall not suspend the right to use the roads belonging to the Corporation, subject to the non- discriminatory rules and fees, if any, established by the Corporation for such use.

ARTICLE III.
DIRECTORS

Section 1. Joint Venture Concept. As it relates to the operation of the Corporation, it is understood and agreed by the Non-Developer Members and the Developer Member of the Corporation that the realization of Big Canoe as a premier planned community requires their cooperation as members of the Corporation in the nature of a joint venture in the furtherance

- of the business and purpose of the Corporation. It is recognized that the Developer has a substantial investment and must be free to undertake to develop and market profitably its property without undue hindrance or interference from the Corporation. It is further recognized that the Developer, its - predecessors and successors, has invested and will continue to invest substantial sums at Big Canoe and that the present and - future Non-Developer Members have invested and will continue to invest substantial sums in connection with the construction and ownership of personal residences at Big Canoe. Accordingly, S the Developer Member and the Non-Developer Members of the Corporation recognize that the Corporation must be operated in a fashion so as to recognize and protect such investments for the betterment of the Big Canoe community as it may be developed.

Section 2. Management Powers. The Property, affairs and business of the Corporation shall be managed by a Board of Directors consisting of six (6) persons. The Directors shall each be 21 years of age or over and shall be divided into two classes of three, each to be designated or elected and to serve in the manner hereinafter provided. The Board of Directors shall consist of three (3) Class A Directors serving terms of one year each and three (3) class B Directors serving terms of three years each.

Section 3. General Powers. In addition to the power and authority conferred upon the Board of Directors by these By-Laws, by the Restated Articles of Incorporation and by the Declaration, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute, by any legal agreement among the Members, by the Restated Articles of Incorporation, by the Declaration or by these By-Laws, directed or required to be exercised or done by the Members or the Developer. Without limiting the generality of the foregoing, the Board of Directors shall fix the amount of assessments against each parcel of property in the Development Community as specified by the Declaration and shall establish such rules and regulations as the Board shall be required to establish under the Declaration, the Restated Articles of Incorporation, these By-Laws or any statute.

Section 4. Class A Directors. Class A Directors shall consist of three (3) individuals and shall be designated "Developer Directors". Developer Directors shall be designated by the Developer prior to each annual meeting and the names thereof shall be placed on the ballot or proxy sent to the Non-Developer Members in connection with the election of Non-

Developer Directors, although the Non-Developer Members shall not have the right to approve or vote upon the Developer Directors. Each Director shall be designated to serve for the calendar year commencing on January 1st following his designation and shall serve until his successor is designated. Any vacancy which shall occur in the Class A Directors shall be filled by the Developer to serve for the remainder of the vacated term.

Section 5. Class B Directors. Class B Directors shall consist of three (3) Members and shall be designated "Non-Developer Directors". The method of election, term of office and filling of vacancies for Non-Developer Directors shall be as follows:

A. Nominating Committee. The Non-Developer Directors by April 1 of each year shall appoint a Nominating Committee composed of four persons who, at least sixty (60) days prior to the date of the next annual meeting, shall nominate at least two persons and not more than four persons for each Non- Developer Director to be elected for the term commencing January 1 of the ensuing year. The Nominating committee shall also nominate not less than two nor more than four Members to fill any vacancy as hereinafter provided.

B. Voting. Only Non-Developer members shall vote for Non-Developer Directors. A ballot or proxy listing the names of the nominees for Non-Developer Directors and the names of all Developer Directors designated to serve by the Developer for the upcoming year shall be mailed to all Members and transmitted with the notice of. The annual meeting as provided in these By-Laws. Ballots may be used by the Members to elect the Non-Developer Directors, but may not be used with respect to any other matters to be voted upon by the Members. If ballots are used for the election of Non-Developer Directors, they must be received by the corporation no later than three (3) days prior to the date fixed for the annual meeting, and no additional votes for Non-Developer Directors will be counted at the meeting. The Non-Developer nominee receiving the highest number of votes for each Director position to be filled shall be the elected director for such position. The election of the Non-Developer Directors and the designation of the Developer Directors shall be announced at the meeting.

C. Term of Office. The regular term of office shall be three (3) calendar years. The Non-Developer Directors shall serve staggered terms; initially the Nominating committee will

nominate at least two and not more than four persons to serve for each of the terms of one, two and three years respectively. Thereafter in each year the Nominating committee will nominate not less than two nor more than four persons to fill one vacancy for a regular tern of three calendar years. No Non- Developer Director shall serve for more than two consecutive full terms of three years but such Non-Developer Director shall be eligible for re-election following one full year of non- service.

D. Vacancies. Any vacancy in Non-Developer Directors shall be filled for the unexpired tern by the current remaining Non-Developer Directors from nominations presented to such Non-Developer Directors by the Nominating Committee as provided in section 5A of these By-Laws at the meeting of the Board of Directors next following the creation of the vacancy; provided that if such meeting is within one week of the time the vacancy occurs, the same shall be presented at the next monthly meeting of the Board of Directors. The person thus appointed shall serve until the next annual meeting of the Members. The Nominating Committee shall make nominations to fill the unexpired term for election at the next annual meeting and such names shall be placed on the ballot or proxy unless such term expires at such next annual meeting, in which case such position will be filled for a regular three-year term as heretofore provided in this Section 5.

Section 6. Compensation. The Directors shall receive such reasonable remuneration or compensation for their services and reimbursement for their out-of-pocket expenses when they incur travel expenses in attending annual or special meetings, as the Members may from time to time determine. The fees paid Directors as such shall not be construed to preclude any Directors from serving the Corporation in any other capacity and in receiving additional compensation therefor.

Section 7. Meetings. Meetings of the Board of Directors shall be held at such a place, either within or outside the state of Georgia, as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board of Directors and special meetings may be held at any time upon the call of the President or the Secretary or any two Directors by telegraphic or written notice of the time and place of such meeting, duly served on or sent or mailed to each Director not less than four days before the meeting. The annual meeting of the Board of Directors shall

be held without notice immediately after the annual meeting of the Members. Notice need not be given of regular meetings of the Board of Directors held at times fixed by resolution of the Board of Directors. No notice of any meeting need be given any Director who attends such meeting, unless any such Director attending at the beginning of such meeting states any objection or objections to the place or time of the meeting, to the manner in which it has been called or convened or to the transaction of business. Further, notice shall not be required to be given any Director who at any time before or after the meeting waives notice of the meeting in writing.

Section 8. Quorum and Voting. A majority in number of each of the Class A Directors and the Class B Directors, at a meeting duly called and assembled, shall constitute a quorum for the transaction of business, unless otherwise specifically required by statute, the Restated Articles of Incorporation, the Declaration or these By-Laws, and the act of a majority in number of each of the Class A and the Class B Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained. Upon the establishment of a unified Board as provided in section 11 of this Article III, a majority of Directors shall constitute a quorum and the act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Action without Meeting. Any action required or permitted by these By-Laws or otherwise to be taken at any meeting of the Board of Directors or of the Executive or any other committee established by the Board may be taken without a meeting, if written consent setting forth the action so taken shall be signed by all of the Members of the Board or such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or the committee, as the case may be.

Section 10. Removal of Directors. The Developer may remove and replace any Developer Director with or without cause. Any Non-Developer Director may be removed from office with or without cause by the vote of Members other than the Developer representing not less than a majority of the votes cast by the Non-Developer Members at a meeting. Any vacancy so created shall

be filled as heretofore provided in Section BD of this Article III.

Section 11. Unification of the Board of Directors. At the annual meeting next following such time as the Developer ceases to be a Type "D" Member (and thereupon voting as a Type "A", "B" or "C" Member, as the case may be), all of the Directors shall be of one class serving staggered terms. At such annual meeting an additional three Members (taking the place of the Developer Directors) shall be elected for terms of one, two and three years, respectively, as heretofore provided for the initiation of staggered terms for the Class B Directors and in accordance with. The nominating process provided in Section 5A of these By-Laws. Thereafter there shall be at least two but not more than four persons nominated for each Director to be elected at each annual meeting for a regular three-year term and vacancies shall be filled under the procedures heretofore established for the Class B Directors. Upon unification, the Board of Directors shall be a Board of one class of Directors with any Director being eligible for appointment to any committee.

ARTICLE IV.
EXECUTIVE AND OTHER COMMITTEES

Section 1. Executive and Other Committees. The Board of Directors may by resolution or resolutions approved by a majority of each of the Class A Directors and Class B Directors, designate an Executive Committee and one or more other committees, each of which committee must contain an equal number of Class A Directors and Class B Directors and which may act only by a majority of both classes of its Members. Should it be determined that an Executive Committee should be appointed, such committee shall have and may exercise all the powers of the Board of Directors in the management of the business and affairs when the Board is not in session. Any other committee shall be named by resolution and have such powers as the Board may provide in establishing such committee so long as such committee is also composed of an equal number of Class A and Class B Directors and action of such committee requires a majority of both classes of its members. No committee shall have the power to (1) amend the Restated Articles of Incorporation or the By-Laws, (2) adopt a Plan of Merger or Consolidation, (3) sell, lease, mortgage, exchange or otherwise dispose of all or substantially all of the assets and property of the Corporation, (4) voluntarily dissolve or revoke a voluntary dissolution of the Corporation, (5) impose assessments against the property other than those approved by the entire Board, (E) take any

action which is declared by the Declaration, the Restated Articles of Incorporation, these By-Laws, or any statute to be taken by a greater than the majority of each Class of membership of the Board of Directors, or (7) modify, amend or adopt the Annual Operating Plan and Budget of the Corporation. Upon unification of the Board of Directors, there shall be no requirements for action other than by majority of the entire Board.

Section 2. Records of Committees. All committees shall keep records of their transactions which shall be presented at the next meeting of the Board of Directors. The Board of Directors at each meeting shall have the power to disapprove, rescind, modify or nullify any act of the Executive Committee or any other committee. Any act or transaction of the Executive Committee or any other committee so presented which is not disapproved, modified, rescinded or nullified shall be taken as approved and confirmed by the Board of Directors.

ARTICLE V.
OFFICE OF THE GENERAL MANAGER

Section 1. General Manager. A General Manager shall be elected by a majority of each of the Class A Directors and the Class B Directors and shall have primary responsibility for the general supervision and administration of the affairs of the Corporation, subject to policies established by the Board of Directors. The General Manager may be employed for a period of more than one but not in excess of five years. The Board of Directors by resolution shall define his duties and responsibilities; provided, however, that the General Manager shall be responsible for the implementation and prosecution of the approved Annual Operating Plan and Budget. The present duties and responsibilities of the General Manager are as prescribed in Exhibit "B" to these By-Laws.

Section 2. Annual Operating Plan and Budget. The General Manager shall have the responsibility to develop and propose an Annual Operating Plan and Budget for each ensuing year including rules and regulations of the Corporation or affecting the Common Properties. In the formation of such plan and budget, the General Manager shall be assisted by two representatives, one such representative to be appointed by the Class A Directors and one to be appointed by the Class B Directors. It shall be the responsibility of the General Manager to develop prior to October 1st in each year an Annual Operating Plan and Budget for the ensuing year jointly with and approved

by the two representatives to be proposed to the Board of Directors for adoption. If the General Manager and the two representatives cannot agree on an Annual Operating Plan and Budget, each unresolved issue shall be reduced to writing by the majority favoring such issue as a proposal to the Board of Directors for resolution. The Board of Directors shall then consider such proposals at its next monthly meeting and if none is scheduled, then a special meeting shall be called by the Secretary of the Corporation within the shortest time permitted under these By-Laws. Only in the event a particular proposal is not resolved by the Board of Directors at the time of such meeting shall such proposal be submitted to arbitration as set forth in Article VII of these By-Laws. The Board of Directors shall adopt the Annual Operating Plan and Budget and proceed on the basis of the new Annual Operating Plan and Budget, except for the contested issues, unless (i) the contested issues are monetary amounts already in the prior year's budget, in which case the contested issues shall be included in the new Annual Operating Plan and Budget as adjusted by any increase in the Consumer Price Index (Atlanta, All Items) for the twelve months prior to October 1 in the year in which the issue arises, until the contested issues are resolved by arbitration as provided herein, or (ii) the contested issues involve obligations owed to third parties for providing substantially the same goods and services as were provided to the Association during the prior year, in which case the contested issues shall be included in the new Annual Operating Plan and Budget based on the market rate for said goods and/or services, without the Consumer Price Index limitation on increases of said rates, until the contested issues are resolved by arbitration as provided herein.

Section 3. Balanced Budget. The Corporation shall operate on a "pay as you go" Annual Operating Plan and Budget providing for balanced income and expenses and the establishment of appropriate reserves. Any unexpected deficit shall be provided for in the next succeeding year's Annual Operating Plan and Budget or may be funded from appropriate reserves.

ARTICLE VI.
OFFICERS

Section 1. Number. The Board of Directors, at its first meeting after the election thereof held in each year, shall elect a President (who shall be a member of the Board), secretary and Treasurer, and from time to time may appoint one or more Vice Presidents and such Assistant Secretaries, Assistant Treasurers and such other officers, agents and

employees as it deems proper. Any two or more offices may be held by the same person except the offices of President and Secretary. The President shall be selected by the Developer Directors in one year and the Non-Developer Directors in the next year and such office shall be alternated between a person selected by the Developer Directors and a person selected by the Non-Developer Directors each year thereafter. The initial President shall be selected by the rto be determined by toss of coin &t the meeting to confirm the settlement and ratify these By-Laws] and such office shall alternate in subsequent years as herein provided. The offices of Secretary and Treasurer shall likewise alternate in their selection in that in those years where the office of President is selected by the Developer Directors, the offices of Secretary and Treasurer shall be selected by Non-Developer Directors. In those years when the office of President is selected by the Non-Developer Directors, the offices of Secretary and Treasurer shall be selected by the Developer Directors.

Section 2. Term and Removal. All officers shall be elected by and serve at the discretion of the Board of Directors and any officer may be removed from office, either with or without cause, at any time, by the affirmative vote of a majority of each of the Class A Directors and the Class B Directors; provided, however, such removal shall be without prejudice to the contract rights of such officer, if any. Any vacancy of any office occurring for whatever reason may be filled by the Board of Directors.

Section 3. Powers and Duties. The officers of the Corporation shall each have such powers and duties as from time to time may be conferred upon them by the Board of Directors. The Vice President or Vice Presidents, the Assistant Secretary or Assistant Secretaries and Assistant Treasurer or Assistant Treasurers shall, in the order of their respective seniorities, in the absence or disability of the President, Secretary or Treasurer, respectively, perform the duties of such officer and shall generally assist the President, Secretary or Treasurer, respectively. Without limiting the foregoing:

(1) The President shall preside at meetings of the Directors and at meetings of the Members of the Corporation;

(2) The secretary shall issue notices for and keep minutes of all corporate meetings and shall have charge of the

corporate seal and other corporate books and records of the Corporation;

(3) The Treasurer shall have custody and control of all funds and of all financial records of the Corporation; and

(4) Except as otherwise required by law or the Declaration, the Board of Directors by resolution approved by a majority of each of the Class A Directors and the Class B Directors may authorize in specific instances any officer or officers of the Corporation in the regular course of business to negotiate and execute contracts to buy, sell, lease or exchange any and all of the real estate or other property of the Corporation, and to negotiate and enter into loans to be secured by notes, pledges deeds to secure debt, mortgages and/or other instruments encumbering the property of the Corporation, all without additional prior approval of the Board of Directors.

Section 4. Compensation. Compensation of officers shall be set by the Board of Directors.

ARTICLE VII.
SETTLEMENT BY ARBITRATION OF PARTICULAR DISPUTES

The Corporation is an integral part of the development and operation of the Development Community. Properties at Big Canoe are being offered and sold in interstate commerce and subject to federal regulation and the existence and operation of Big Canoe and the Corporation affects interstate commerce. It is deemed essential that internal procedures be established to resolve certain issues in the event the Directors are deadlocked thereon and are unable to break the deadlock. Not being able to anticipate each and every issue that may arise in the operation of the Corporation, it is intended that any issues that do arise should be addressed in a spirit of fairness and cooperation within established procedures.

Section 1. Arbitration - Required Submission In Certain Cases. In the event the General Manager together with the Developer representative and the Non-Developer representative are unable to agree on a particular issue in or affecting the Annual Operating Plan and Budget to be submitted to the Board of Directors, including any capital expenditures or reserves, or rules and regulations of the Corporation or affecting the Common Properties, the issue in the form of a proposal shall be brought. Before the Board of Directors for

resolution as provided in section 2 of Article V of these By-Laws ("Initial Proposal"); and, in the event the Board of Directors is unable or fails to resolve the issue at the meeting at which such issue is to be considered, such issue (except those issues set forth in Section 6 of this Article VII) shall be submitted to arbitration under the procedures hereinafter set forth in this Article.

Section 2. Arbitrators. There shall be a panel of three pre-chosen arbitrators. Arbitrators shall serve for a term of one year and until their successors are elected as provided in this Section. Such arbitrators shall be impartial persons who are not and, within the six months prior to their appointment were not, consultants, advisors, employees, debtors or creditors of the Developer or the Corporation and who shall be unrelated to any of the Directors of the Corporation or the Developer. Each shall be known as thoroughly experienced in the operation and development of planned communities such as Big Canoe and the original panel shall consist of:

Edward P. Spears
Edward B. Coleman

Any vacancy occurring for any reason shall be filled and the annual election of arbitrators shall be made by the Board of Directors of the Corporation only upon majority vote of each of the Class A Directors and the Class B Directors.

Section 3. Legal Proceedings. No party shall prosecute or commence any suit, action or proceeding touching upon any of the matters referred to arbitration pursuant to this Article, except to enforce a final decision by the arbitrator.

Section 4. Procedure.

A. Selection of Arbitrator. The Directors shall use every effort to resolve an issue presented as the Initial Proposal to the Board as contemplated in these By-Laws, but if there is a deadlock, the Directors contesting the Initial Proposal shall name from the panel provided in Section 2 above one arbitrator to determine the issue and shall so advise the Directors making the Initial Proposal within ten (10) days from the date of said deadlock or failure to act at the meeting at which such issue was to be considered.

B. Submission. The Directors making the particular Initial Proposal shall reduce the issue to writing citing all

relevant facts and proposing the action (which may differ from the Initial Proposal) "First Arbitrable Proposal" and shall submit the same to the arbitrator within ten (10) days following the giving of notice of designation of the arbitrator, copies of which shall be contemporaneously provided to the Directors contesting the Initial Proposal. Within ten (10) days of submission of the First Arbitrable Proposal, the Directors contesting the Initial Proposal shall reduce to writing their position stating any facts which they deem relevant and proposing their action ("Second Arbitrable Proposal") and submit such position to the arbitrator and the Directors making the First Arbitrable Proposal. The arbitrator shall thereupon, within five (5) days after submission of the contesting Second Arbitrable Proposal, designate a time and place for a hearing. Such notice shall be given at least one week prior to the date fixed for the hearing by registered or certified mail, return receipt requested, to each of the Directors at the address for notices kept by the Secretary of the Corporation, unless the same shall be waived by consent of such Director.

C. Counsel. All parties shall have the right to representation by counsel.

D. Oath. Prior to commencement of any hearing, an oath shall be administered to the arbitrator and all testimony shall be under oath or affirmation.

E. Attendance. The necessity of attendance of any persons at hearings, including witnesses, shall be determined by the arbitrator. All parties to the arbitration and their counsel are entitled to attend any hearing. The arbitrator, however, shall determine the procedures, rules and regulations for such hearing, including, but not limited to, the right to call witnesses, whether evidence will be heard, the nature of such evidence, and the quality of the evidence to be admissible.

F. Powers of Arbitrator. The arbitrator shall be entitled to review any and all documents and discuss the matter with any party or witness at the hearing, but only at the hearing, to the fullest extent possible without resort to subpoena and the arbitrator shall have the power without resort to subpoena to direct the appearance of any persons employed or associated with the Corporation or the Developer and the production of any records in the possession or control of such persons.

G. Other Considerations. The arbitrator shall consider all agreements between the Corporation and the Developer as well as the Declaration and these By-Laws and shall not award a position which violates any such agreements or the Declaration or these By-Laws. In addition, the arbitrator shall consider the Annual Operating Plan and Budget of the Corporation, including those adopted for prior years.

H. Evidence. The procedure shall be informal and the arbitrator shall determine in his sole discretion the relevance and weight of evidence not being bound by the rules governing the admissibility of evidence.

I. Award. After hearing, the arbitrator shall promptly render his decision in writing solely by choosing either the First Arbitrable Proposal or the Second Arbitrable Proposal and the same may be entered as a judgment in any court of competent jurisdiction. The decision shall be final and binding on all parties and not subject to review or appeal in any forum whatsoever or to reconsideration by the arbitrator.

Section 5. Construction. As a non-profit corporation, the Corporation has adopted this By-Law for the purpose of providing a procedure for internal settlement of any dispute among its Directors pursuant to the Provisions of 9 USCA 1 et seq., and under the powers of the Georgia Non-Profit Corporation Code. In the event this By-Law should for any reason be held invalid, the Corporation shall proceed under O.C.G.A. Sec. 14-3-102, as the same may be amended from time to time, and shall request the Court to name one of the three arbitrators to serve as provisional director for the purpose. of resolving the particular issue.

Section 6. Non-Arbitrable Issue. Notwithstanding the foregoing, the following issues shall not be arbitrable: whether to build a recreational amenity in Currently Covenanted Property as defined in the Declaration; whether to put an issue to arbitration that is contemplated hereunder; specific provisions of the Declaration giving the Developer a guaranteed right to specified golf tee times and racquet starting times; any specific rights granted to any entity, person or class of persons by the Declaration; the provisions of the Amenity Agreement between the Corporation and the Developer bearing date of May 14, 1987 except as expressly provided therein; the limitations on the right of the Developer to require the Corporation to purchase or accept conveyance of additional amenities; the specific provision in the Declaration affecting

Public and Commercial Units in Currently Covenanted Property; those provisions for the rights of the owners of any inn facility to have guests of that inn facility use the amenities; selection of the General Manager; the selection of an arbitrator; and the provisions of any separate agreement between the Corporation and Developer which, by the terms of that agreement, are specified as non-arbitrable. The omission of any particular matter from this list of non-arbitrable matters shall not be interpreted as implying that said omitted matter is arbitrable, since this list is not intended to be complete.

ARTICLE VIII.
INDEMNIFICATION

The Corporation shall indemnify its officers, directors, employees and agents to the extent provided in and subject to the limitations of O.C.G.A. Sec. 14-2-156 as permitted by O.C.G.A. Sec. 14-3-110 as such sections may be amended from time to time; provided, however, that the Members of the Corporation may approve additional indemnifications pursuant to O.C.G.A. Sec. 14-2-156 (f) or to the extent otherwise permitted by law.

ARTICLE IX.
FISCAL YEAR

The fiscal year of the Corporation shall be such period as the Board of Directors shall determine, and unless otherwise so determined, shall begin on the first day of January of each year and end on the last day of December of each year.

ARTICLE X.
CORPORATE SEAL

The seal of the Corporation shall consist of an impression bearing the name of the Corporation around the perimeter and the word "Seal" or "Corporate Seal" and the year of incorporation in the center thereof. In lieu thereof, the Corporation may use an impression or writing bearing the words "Corporate Seal" enclosed in parenthesis or scroll which shall also be deemed the seal of the Corporation.

ARTICLE XI.
AMENDMENTS

The By-Laws of the Corporation shall be subject to alteration, amendment or repeal and new By-Laws not inconsistent

with any statutory provisions or with any provision of the Restated Articles of Incorporation or Declaration may be made either (1) by the affirmative votes of both a majority of the Non-Developer Members entitled to vote and by the Developer, provided if so acted upon at a special meeting, that notice of the proposal so to make, alter, amend or repeal the By-Laws or adopt new By-Laws be included in the notice of the meeting; or (2) by the affirmative vote of a majority of each of the Class A Directors and the Class B Directors at any regular or special meeting of the Board of Directors. Provided, however, the Directors shall not be entitled to alter, amend, or repeal any By-Law affecting the number, classes, election, powers and duties of the Board of Directors; the process for joint development of the Annual Operating Plan and budget; the arbitration provisions (except matters of arbitration procedure); and any other By-Law which a majority of the Non-Developer Members and the Developer specify shall not be altered, amended or repealed by the Directors. Provided further, that upon and after unification as provided in Section 11 of Article III hereof any amendment to the Articles of Incorporation or these By-Laws shall require the affirmative approval of two-thirds of the votes cast at any Annual Meeting or Special Meeting called for that purpose.

ARTICLE XII.
CONFLICTS

In case of any conflict between these By-Laws and the Declaration, the Declaration shall control. However, the Declaration shall be subject to repeal, amendment or rescission as specified in the Declaration.

Adopted by Resolution of the Board of Directors of the Corporation on the 30th day of March 1987.

Ratified and approved by a vote of the members of the Corporation on the 2nd day of May 1987.