

**THIRD AMENDED AND RESTATED
BY-LAWS OF
BIG CANOE PROPERTY OWNERS ASSOCIATION, INC.**

WHEREAS, on October 9, 1972, Big Canoe Company's Predecessor in title, Big Canoe Corporation, filed that certain General Declaration of Covenants and Restrictions of the Big Canoe Property Owners Association and Big Canoe Corporation, which was recorded in Deed Book 23, Pages 162-198, Office of the Superior Court Clerk, Pickens County, Georgia, and in Deed Book 19, Pages 253-289 Office of the Superior Court Clerk, Dawson County, Georgia (as amended and supplemented from time to time, the "**Declaration**"); and

WHEREAS, the By-Laws of Big Canoe Property Owners Association, Inc. were adopted by Resolution of the Board of Directors of the Big Canoe Property Owners Association, Inc. on March 30, 1987 and ratified and approved by a vote of the members of the Big Canoe Property Owners Association, Inc. on May 2, 1987 (as amended from time to time, the "**By-Laws**"); and

WHEREAS, a Second Amended and Restated By-Laws of Big Canoe Property Owners Association, Inc. was adopted on December 4, 2004; and

WHEREAS, pursuant to the terms of Article X of the Second Amended By-Laws, the By-Laws may be amended either by the affirmative votes of two-thirds (2/3) of the Non-Developer Members entitled to vote, 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 by the affirmative vote of a majority of the Directors at any regular or special meeting of the Board of Directors; and

WHEREAS, this Third Amended and Restated By-Laws of Big Canoe Property Owners Association, Inc. was adopted by [_____];

NOW, THEREFORE, the By-Laws are hereby amended, restated, replaced, and superseded in their entirety, and the attached Third Amended and Restated By-Laws of Big Canoe Property Owners Association, Inc. are substituted in their place such that all property subject to the By-Laws shall hereafter be subject to the attached By-Laws.

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THIRD AMENDED AND RESTATED BY-LAWS OF BIG CANOE PROPERTY OWNERS ASSOCIATION, INC.

Article I. Definitions

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

A. "Amenities" shall mean those improved facilities constituting parts of the Common Properties owned by the POA and operated by the POA for the benefit of the community;

B. "Articles" shall mean and refer to the Restated Articles of Incorporation of the Big Canoe Property Owners Association, Inc., filed with the Georgia Secretary of State on May 15, 1987, as may be amended from time to time;

C. "Big Canoe" 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;

D. "Board of Directors" or "Board" shall mean the Board of Directors of the POA;

E. "Common Properties" shall mean and refer to those tracts of land and any improvements thereon as defined in the Declaration;

F. "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 and supplemented from time to time;

G. "Developer" shall mean or refer to Big Canoe Company, LLC, a South Carolina limited liability company, as successor in title to The Byrne Corporation of Georgia, which was the successor in title to Southeast Holding Company, Ltd., a South Carolina Corporation, together with its successors in interest as provided in the Declaration, if any;

H. "Member" shall mean any member of the POA as defined in Article V of the Articles; and

I. "POA" shall mean and refer to the Big Canoe Property Owners Association, Inc., a Georgia non-profit corporation.

Article II.

Meetings of Members

2.1. Annual Meeting.

The annual meeting of the Members of the POA shall be held on the first Saturday of December of each year at 10:00 a.m., at such place as the Board of Directors in its discretion may determine, and as the Board 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 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.

2.2. Special Meetings.

Special meetings of the members shall be held at such 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 (2) or more Directors or by a petition signed by Members entitled to cast at least twenty-five (25%) percent of the votes at any meeting of the Members. Any such written petition by the members must identify the special meeting purpose on each page of the petition and must be for a purpose on which the Association membership is authorized to act under the Articles, these By-Laws or the Declaration. The petition, with original signatures, must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of members have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special membership meeting for all lawful purposes stated in the petition, at a date, time and location selected by the President. The Secretary shall send notice of such special membership meeting in accordance with these By-Laws within thirty (30) days of the date of delivery of the petition to the Secretary. Except as provided herein, no business may be conducted at a special membership meeting unless notice thereof is included in the meeting notice.

2.3. Notice and Purpose of Meetings.

Notice of the date, hour and place of every meeting of Members, ballots for any issue to be put to a vote, proxies, 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 POA shall be responsible for having notices, ballots, and proxies prepared and sent to Members and 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 (2) or more co-owners of property in Big Canoe, notice to any one (1) of such co-owners shall constitute notice to all such co-owners.

It shall be the obligation of every Member immediately to notify the Secretary of the POA 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. Notice of any meeting of Members shall not 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.

Notice of the annual meeting shall also state the purpose of the annual meeting shall be to announce the results of the election of the Elected Directors, to present a report on the state of the affairs of the Association, to make announcements to the Members and to consider any business that may properly be brought before the meeting.

2.4. 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 Articles 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:

Beginning January 1, 2006:

(I) Thirty-five percent (35%) 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 percent (30%) 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 percent (25%) of the eligible votes present either in person or by proxy to constitute a quorum at the reconvened meeting.

2.5. Voting.

A. General. Each member of the POA shall be entitled to cast that number of weighted votes, according to the type(s) of his membership as specified in Article V of the Articles. Votes may be cast in person, by proxy, or written ballot. If more than one person holds title to any property defined in Article III of the Declaration, there shall be only one membership and one vote for the type of membership. When more than one person holds title to any property, the vote for such property shall be exercised as they determine between or among themselves. In no event shall more than one vote be cast with respect to any property. If only one co-owner or only an owner's spouse attempts to cast the vote for a property, it shall be conclusively presumed that such vote is authorized for the property. If the co-owners or an owner and his or her spouse disagree about how to cast the property's vote, and two or more of them attempt to cast the property's vote, such Persons shall not be recognized and such votes shall not be counted. Cumulative voting shall not be permitted.

Except as otherwise required by statute, by the Declaration, by the Articles or by these By-Laws, all matters coming before the Members shall be decided by the vote of those Members holding at least a majority of the total votes cast. For any vote of the Members to be valid, a quorum must be present at the organization of the meeting at which the vote is taken, or for votes cast without a meeting, the number of votes cast must be sufficient to satisfy quorum requirements if a meeting were being held, as applicable. In order to be counted, ballots for votes cast without a meeting must be received by the POA by the date specified in the ballot material, and no voting in any form shall be permitted beyond that date.

B. Entity Members. If an owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director or other designated agent of such corporation, manager or member of such limited liability company, partner of such partnership, beneficiary or other designated agent of such trust, or representative of such other legal entity shall be eligible to represent such entity in the affairs of the Association, including, without limitation, serving on the POA's Board of Directors. Such person's relationship with the Association, and any office or directorship held, shall terminate automatically upon the termination of such person's relationship with the entity that is the owner of the unit. Termination of the person's relationship with the POA will create a vacancy in any elected or appointed position within the POA in which such person may have been serving and such vacancy may be filled in accordance with these By-Laws.

C. Action Taken Without A Meeting. In the Board's discretion, any action that may be taken by the Members at any annual or special membership meeting may be taken without a meeting by written ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the vote cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the vote of approval equals or exceeds that which would be required to approve the matter at a meeting at which the total vote cast was the same as the vote cast by ballot.

All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve

each matter, other than election of Directors; and (c) specify the time by which such ballot must be received by the Board of Directors in order to be counted. A ballot may not be revoked.

Except for amendments to recorded POA Legal Instruments that become effective upon recording, and except for actions that specifically set a later effective date, approval of any action taken by written ballot shall be effective upon the receipt of the affirmative vote necessary to take such action.

D. Proxies. Any Member (or his or her spouse) entitled to vote may do so by written proxy. To be valid, a proxy must be signed, dated, and presented to the Board of Directors at or before registration at the membership meeting for which it is to be used. The Board may accept proxies by whatever means it deems acceptable. A proxy is revoked only if: (1) the Member giving the proxy attends the meeting in person and requests the proxy back during registration for the meeting (attendance alone does not invalidate the proxy); (2) the Member giving the proxy signs and delivers to the Board a written statement revoking the proxy or substituting another person as proxy; or (3) before the proxy is exercised, the Board receives notice of the death or incapacity of the Member giving the proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

2.6. List of Members.

A complete list of Members entitled to vote at a 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 POA 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.

2.7. Suspension of Rights.

If a property is shown on the POA's books and records to be more than thirty (30) days past due in any assessment or charge, if any Member or Occupant of the property is in violation of the POA's Legal Instruments, or if the voting rights for such property have been suspended, neither the Member nor the Member's spouse shall be eligible to: (i) vote, either in person or by proxy; (ii) act as proxy for any other Member; (iii) be issued a written ballot or proxy; (iv) be elected to the Board of Directors; (v) vote as a Director (if serving on the Board of Directors); or (vi) use the Common Properties. In establishing the total number of eligible votes for a quorum, a majority, or any other purposes, such property shall not be counted as an eligible vote.

Article III. Directors

3.1. Joint Venture Concept.

As it relates to the operation of the POA, it is understood and agreed by the non-Developer Members and the Developer Member of the POA that the realization of Big Canoe as a premier planned community requires their cooperation as members of the POA in the nature of a joint venture in the furtherance of the business and purpose of the POA. 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 POA. 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, the Developer Member and the non-Developer Members of the POA recognize that the POA 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.

3.2. Management Powers.

The property, affairs and business of the POA shall be managed by a Board of Directors consisting of the number of persons set forth in Section 3.4.

3.3. General Powers.

The Board is elected by the POA membership to govern the POA on behalf of the property owners of Big Canoe. The responsibility for governance and the authority to manage the affairs of the community rests solely with the Board of Directors. The Board's role is to decide the policies of the POA, which are designed to ensure the enforcement of the Declaration, preserve and protect the assets of the POA, assure that the financial condition of the POA is adequate to meet its mission, goals and objectives, and provide and monitor a process for overall planning both long and short range.

In addition to the power and authority conferred upon the Board of Directors by these By-Laws, by the Articles and by the Declaration, the Board may exercise all such powers of the POA and do all such lawful acts and things as are not by statute, by any legal agreement among the Members, by the Articles, 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 shall fix the amount of assessments against each parcel of property in Big Canoe as specified by the Declaration and shall establish such rules and regulations as the Board shall be required to establish under the Declaration, the Articles, these By-Laws or any statute.

3.4. Composition of the Board.

At the annual meeting to be held in December 2006, the Board will increase to seven (7) directors, six (6) of which will have been elected by the property owners at large, and one

appointed by the Developer. As long as there is a Type "D" member in accordance with Article III, Section 2 of the Declaration, there will be one (1) Developer-appointed Director.

[A Special Election was held in early 2005 to increase the number of Elected Directors from three (3) to four (4) as the first step in transitioning to the seven (7) member Board. Thereafter two (2) Elected Directors will be elected annually (until there is no longer a Type "D" member) in order to achieve, by 2007, the desired seven (7) member composition and to maintain that level ongoing. After there is no longer a Developer Director, the seven- (7-) member composition will be maintained by the Association members electing a third Elected Director every three (3) years.]

TRANSITION OF CONTROL OF BOARD OF DIRECTORS				
Pre-2005 Board	January 1, 2005	January 1, 2006	January 1, 2007	Developer Ceases to be a Type "D" Member
DD	DD	DD	DD	ED
DD	DD	ED	ED	ED
DD	ED	ED	ED	ED
ED	ED	ED	ED	ED
ED	ED	ED	ED	ED
ED	ED*	ED	ED	ED
			ED	ED

DD = Developer Director

ED = Elected Director

* = Elected by special election in early 2005 for a term to expire December 2007

3.5. Election.

The method of election, term of office and filling of vacancies for Elected Directors shall be as follows:

A. Election Committee. The Board of Directors shall appoint and name the members of the Election Committee. The Election Committee shall be responsible for conducting the annual election of Elected Directors.

The Election Committee shall be composed of nine (9) individuals as follows: four (4) Members who are full-time residents of Big Canoe; three (3) Members who are part-time residents of Big Canoe; and two (2) non-resident lot owners. Members shall be appointed for a term of three (3) years. In addition, a member of the Board of Directors will serve as liaison to the Committee. The Chairperson of the Committee shall be appointed by the Board of Directors.

Appointments, when called for, shall be made no later than February 1. The Election Committee shall serve until the appointment of the next Election Committee. Members shall serve at the pleasure of the Board. Any vacancy that shall occur in the Election Committee shall be filled as the Board determines.

The responsibilities of the Election Committee include, but shall not be limited to: (i) promoting the annual election campaign to Members; (ii) qualifying candidates according to published requirements; (iii) coordinating the Primary Election (if the number of candidates warrants a Primary Election); (iv) supervising the Primary Election cycle (if required); (v) actively encouraging community recruitment of candidates prior to and during the candidate qualification period; and (vi) coordinating any Special Election that may be required because of a vacancy on the Board.

B. Elected Director Qualifications. Candidates must meet the following qualifications in order to be considered for the position of Elected Director: (i) own property in Big Canoe for a period of at least twenty-four (24) consecutive months prior to the date of the Primary Election; (ii) be at least twenty-one (21) years of age by the Primary Election date; (iii) be in good standing with the POA at the time of qualifying; (iv) secure a signature from at least twenty-five (25) different Members representing at least twenty-five (25) of the Lots in Big Canoe; (v) be willing to authorize a criminal and credit background check by the POA, if requested.

During the "Candidate Qualification Period," which shall begin on March 1st and end on June 30th of each year, any individual who meets the qualification standards set forth above will be eligible to run for a vacancy on the Board. The Election Committee is responsible for determining each candidate has met all qualifying standards set forth above. If the number of qualified candidates averages more than two (2) per vacancy, a Primary Election will be held. The purpose of the Primary Election is to identify two (2) candidates for each vacancy to compete in the General Election.

On an ongoing basis before and during the Candidate Qualification Period, the Election Committee shall actively encourage community recruitment of candidates.

C. Primary Election. If the number of qualified candidates requires a Primary Election, as described above, ballots will be mailed to all Members with the August POA statement or with a separate mailing if legal requirements dictate. The Election Committee will be responsible for coordinating with the POA to have the Primary Election ballots counted and the results announced by September 20th of each year.

D. General Election. If there were more than two (2) candidates for each vacancy, the candidates who received the most votes during the Primary Election will be included on the General Election ballot. If two (2) vacancies exist on the Board, the four (4) individuals who received the largest number of votes in the Primary Election shall be listed on the General Election ballot. If three (3) vacancies exist on the Board, the six (6) individuals who received the largest number of votes in the Primary Election shall be listed on the General Election ballot.

The Election Committee will recommend to the Board the means and methods for disseminating information about an election and the candidates. The Election Committee shall be responsible for coordinating with the POA to have the General Election ballots counted and the results announced at the annual meeting.

E. Voting. Only Types "A," "B," "C" and "E" Members shall vote for Elected Directors. If the Company is a Type A, B, C, or E Member, it shall be qualified to cast these ballots. A ballot or proxy listing the names of the candidates for Elected Directors and the name of the Developer Director 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. In order to be counted, all ballots must be received by the POA by the date specified in the ballot material, and no voting in any form shall be permitted beyond that date. The candidate(s) receiving the highest number of votes shall be selected to fill the vacancy(ies). The election of the Elected Directors and the designation of the Developer Director shall be announced at the meeting.

F. Term of Office. The regular term of office of Elected Directors shall be three (3) years, commencing at the conclusion of each annual meeting. No Elected Director shall serve for more than two (2) consecutive full terms of three (3) years, but such Elected Director shall be eligible for re-election following one (1) full year of non-service. If an Elected Director was elected in a special election to fill a vacancy, that Director shall be permitted to run for, and if elected, serve two (2) full terms without regard to his or her prior service to fill a vacancy. Any director appointed to fill any vacancy on the Board, as provided in Section 3.5.G, may be elected to serve a successive term following the end of the term of his or her appointment.

The term limitations set forth above shall not apply to the Developer Director.

G. Vacancies. If a vacancy of an Elected Director occurs on the Board for whatever reason, the following procedure shall be used to appoint a replacement. Any single vacancy (regardless of the remaining term) will go unfilled until the next General Election at which time someone will be elected to fill the balance (if any) of such Director's term. While there is an unfilled vacancy, if one (1) or more additional vacancies occur, the Board shall appoint one (1) property owner to fill a vacant position until the next General Election, at which time an Elected Director shall be elected to fill the balance (if any) of all vacated terms. Alternately, at its discretion in the event of multiple Elected Director vacancies, the Board may choose to conduct a Special Election to fill all vacancies for the balance of their respective terms.

In the event that multiple vacancies occur so as to prevent the Board from convening a quorum in order to conduct business, a majority of the remaining directors shall appoint a sufficient number of additional property owners to the Board for a temporary period to permit a quorum to be convened. The Board shall then call a Special Election to fill all of the initial vacancies (*i.e.*, those existing before the appointment of members for a temporary period) for the balance of the terms. The Board shall conduct the Association's business with its temporary members until the newly elected directors are seated.

H. Special Elections. Special Elections will generally follow the above-defined procedures except that the Board reserves the right to expedite the process to meet the needs

requiring the Special Election. The Board shall set the qualifying period. The Board may conduct an election at a time of its choosing following the announcement of the qualified candidates, and even if there are more than two (2) candidates per vacancy, the Board may choose to conduct a General Election first. In this case, if any candidate receives a majority of the votes cast, that candidate would be declared the winner of any single vacancy, or in the event of multiple vacancies, be declared the winner of one (1) of the vacancies. If no candidate receives a majority in the General Election, or if there are multiple vacancies to be filled, a run off election for the two (2) candidates per vacancy who received the most votes will be held on the business day closest to thirty (30) days after the results of the General Election are known.

3.6. 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. Beginning with persons elected at the annual meeting in December 2007, no director shall be an employee or contractor of the Association.

3.7. Meetings.

Meetings of the Board of Directors shall be held at such a place as may from time to time be fixed by resolution of the Board, or as may be specified in the notice of meeting. Regular meetings of the Board shall be held at such times as may from time to time be fixed by resolution of the Board, and special meetings may be held at any time upon the call of the President or the Secretary or any two (2) Directors by facsimile, electronic mail, or other electronic communication device, with confirmation of transmission, or by written notice of the time and place of such meeting, duly served on or sent or mailed to each Director not less than four (4) days before the meeting.

The annual meeting of the Board shall be held without notice immediately after the annual meeting of the Members. Notice need not be given of regular meetings of the Board held at times fixed by resolution of the Board. 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 to any Director who at any time before or after the meeting waives notice of the meeting in writing.

Any Director may participate in a Board meeting by conference telephone or by similar communication equipment by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this paragraph shall constitute presence at such meeting.

3.8. Quorum and Voting.

Four (4) Directors, at a meeting duly called and assembled, shall constitute a quorum for the transaction of business, unless otherwise specifically required by statute, the Articles, the Declaration or these By-Laws, and the act of a majority of the 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 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.

3.9. Action without Meeting.

Any action required or permitted by these By-Laws or otherwise to be taken at any meeting of the Board may be taken without a meeting if written consent setting forth the action so taken shall be signed by a majority of the Members of the Board and such written consent is filed with the minutes of the proceedings of the Board.

3.10. Removal of Directors.

A. Automatic

An Elected Director shall automatically be removed from the Board of Directors without a vote of the Members of the Property Owners Association for the following reasons: (A) unexcused absences from four (4) consecutive monthly Board meetings or a total of five (5) within any twelve- (12-) month period; or (B) ninety (90) days or more delinquency in paying assessments, charges or fines to the POA.

B. Removal by Members

Any one or more Elected Director may be removed, with or without cause, by a majority vote of the membership. A Board member's removal may be proposed by any two (2) other members of the Board or by Members in good standing with the Property Owners Association representing at least five hundred (500) votes. A petition bearing the names of Members demanding the removal shall be presented to the Secretary. The Secretary shall have five (5) days to verify the names on the petition. If the petition is verified, or if the request is from two other Board members, the Secretary shall cause a ballot to be mailed to every Member to vote for or against the removal of the Board member(s). All ballots must be returned within twenty (20) days of the date of mailing.

The Secretary shall be obligated to call a special meeting of the Members to be held at least ten (10) days prior to the due date of the ballots. At such special meeting, the Board member(s) whose removal has been proposed shall be given the opportunity to be heard.

If a Board member(s) is/are removed, either automatically or by a vote of the Members, the vacancy(ies) shall be filled in accordance with Paragraph 3.5G.

3.11. 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 solely as a Type "A," "B", "C", or "E" Member, as the case may be), all of the Directors shall be Elected Directors serving staggered terms. During the next regular election following such time, an additional Member (taking the place of the remaining Developer Director) shall be elected for a term of three (3) years.

Article IV. Committees

4.1. Committees.

In addition to the Election Committee, the Board of Directors may by resolution or resolutions approved by a majority of Directors, appoint committees to assist in its work, including an Audit Committee and a Financial Advisory Committee, which report directly to the Board. Each such committee shall be named by resolution and have such powers as the Board may provide in establishing such committee. Unless otherwise provided, the members of a Committee shall serve at the pleasure of the Board of Directors.

Article V. Office of the General Manager

5.1. General Manager.

A General Manager shall be selected by a majority of the Directors and shall have primary responsibility for the general supervision and administration of the affairs of the POA, subject to policies established by the Board of Directors. The Board will delegate operational responsibility for management of Big Canoe to the General Manager who will report directly to the Board. The General Manager shall be responsible for implementing the policies, goals, and objectives established by the Board, including the implementation and prosecution of the approved Annual Financial Plan. The General Manager shall serve as chief advisor to the Board relative to the general operation of the POA.

The General Manager may also establish advisory committees, which report directly to him or her.

5.2. Annual Financial Plan.

The Board shall establish a calendar for preparation of the Annual Financial Plan and set specific dates for its completion. The Board is responsible for developing and approving the economic and financial parameters to be used by the General Manager in developing the Annual Financial Plan. The Annual Financial Plan shall include an Operating Budget and a Capital Budget, and may include a Special Project(s) Budget. The Operating Budget must be balanced: expenses must not exceed revenues. The Capital Budget may be met by financing. If a Special Project Budget is included in the Annual Financial Plan, full particulars must be disclosed to the Property Owners in a timely manner. The Annual Financial Plan shall make provision for maintaining a Reserve Fund. Once the Annual Financial Plan is formally adopted by the Board, it shall govern all expenditures of the POA. After adoption, changes to the Plan require formal action by the Board.

Article VI. Officers

6.1. Number and Election.

At a minimum, there shall be the officers of President, Secretary, and Treasurer. The President and Secretary must be members of the Board, and they cannot be the same person.

Immediately following the annual meeting, the Board will go into a special session for the purpose of electing a President, Secretary, and Treasurer for the following year. The balloting for each position shall be by secret ballot and shall continue until one (1) Director receives at least a simple majority of the votes cast.

President or Secretary vacancies that occur during a term shall be filled for the remainder of that term by using this secret balloting process.

From time to time the Board may appoint one (1) or more Vice Presidents and such Assistant Secretaries, Assistant Treasurers and such other officers, agents and employees as it deems proper.

6.2. Term and Removal.

All officers shall be elected by and serve at the discretion of the Board, and any officer may be removed from office, either with or without cause, at any time, by the affirmative vote of a majority of the Directors. Any vacancy of any office occurring for whatever reason may be filled by the Board.

6.3. Powers and Duties.

The officers of the POA shall each have such powers and duties as from time to time may be conferred upon them by the Board. 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:

A. The President shall preside at meetings of the Directors and at meetings of the Members of the POA;

B. 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 POA;

C. The Treasurer shall fulfill the requirements of the treasurer's job description as approved from time to time by the Board.

D. Except as otherwise required by law or the Declaration, the Board of Directors by resolution approved by a majority the Directors may authorize in specific instances any officer or

officers of the POA 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 POA, 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 POA, all without additional prior approval of the Board.

Article VII. Indemnification

The POA shall indemnify every Director, officer and committee member against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon such Director, officer or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit or proceeding, if approved by the then Board of Directors) to which he or she may be made a party by reason of being or having been a Director, officer or committee member at the time such expenses are incurred subject to the limitations below.

The Directors, officers and committee members shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such Director, officer, or committee member in the performance of his or her duties, except for his or her own individual willful misfeasance or malfeasance. The Directors and officers shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such Directors or officers may also be members of the POA), and the POA shall indemnify and forever hold each such Director and officer free and clear and harmless against any and all liability to others on account of any such contract or commitment.

Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Director, officer, or committee member, or former Director, officer or committee member, may be entitled. The POA shall, as a Common Expense, maintain adequate general liability and, if obtainable, directors' and officers' liability insurance to fund this obligation.

Article VIII. Fiscal Year

The fiscal year of the POA 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 IX. Corporate Seal

The seal of the POA shall consist of an impression bearing the name of the POA around the perimeter and word "Seal" or "Corporate Seal" and the year of incorporation in the center

thereof. In lieu thereof, the POA 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 POA.

Article X. Amendments

The By-Laws of the POA shall be subject to alteration, amendment or repeal and new By-Laws not inconsistent with any statutory provisions or with any provision of the Articles or Declaration may be made either (A) by the affirmative vote of two-thirds (2/3) of the Members of the Association entitled to vote; provided, if so acted upon at a special meeting, notice of the proposal to make, alter, amend or repeal the By-Laws or adopt new By-Laws shall be included in the notice of the meeting; or (B) by the affirmative vote of a majority of the Directors at any regular or special meeting of the Board of Directors; provided, 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.

Notwithstanding the above, Sections 3.1, 3.4 and 3.5 shall not be altered, amended or repealed without the Developer's written consent. In addition, the POA is prohibited from amending these By-Laws in any way that purports to alter any rights of the Developer granted in all the Governing Documents as of January 1, 2005. Both of these prohibitions shall expire with the termination of the Type "D" membership.

Article XI. Electronic Communications

A. Records and Signatures. Whenever the Declaration, By-Laws or Articles require that a document, record or instrument be "written" or "in writing," the requirement is deemed satisfied by an electronic record if the Board of Directors has affirmatively published regulations permitting an electronic record or document as a substitute for a written item. Whenever these By-Laws require a signature on a document, record or instrument, an electronic signature satisfies that requirement only if: (i) the Board of Directors has affirmatively published regulations permitting an electronic signature as a substitute for a written signature; (ii) the electronic signature is easily recognizable as a secure electronic signature that is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (iii) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document and that the electronic document has not been modified since the signature was affixed.

B. Verification and Liability for Falsification. The Board of Directors may require reasonable verification of any electronic signature, document, record or instrument. Absent or pending verification, the Board of Directors may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not clearly authentic. Neither the Board of Directors nor the POA shall be liable to any owner or any other person for accepting or acting in reliance upon an electronic signature or electronic record that the Board of Directors reasonably believes to be authentic or for rejecting any such item that the Board of Directors

reasonably believes not to be authentic. Any owner or person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic signature shall fully indemnify the Association for actual damages, reasonable attorneys fees actually incurred and expenses incurred as a result of such acts.

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.

IN WITNESS WHEREOF, the undersigned hereby certifies that the within and foregoing Third Amended and Restated By-Laws of Big Canoe Property Owners Association, Inc., were approved by resolution of the Board of Directors on _____, 2006, [and ratified and approved by the Associations members as of _____, 2006.]

BY: BIG CANOE PROPERTY OWNERS
ASSOCIATION, INC.

By: _____
Name: _____
Its: President

Attest: _____
Name: _____
Its: Secretary

[SEAL]