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After Recording Return To:  
William T. McManis  
Cashin, Morton & Mullins  
Two Midtown Plaza, Suite 1900  
1360 Peachtree Street, N.E.  
Atlanta, Georgia 30309-3214

Georgia, Cherokee County  
Filed in office this 6 day of Feb 19 97  
at 10:15 A.M. Recorded in Book 2618 Page 315  
this 7 day of Feb 19 97  
Anna M. Bennett  
Clerk Superior Court # 3175

Reference:  
Residential Covenants: Book 679, Page 501  
Bylaws of Residential Association: Book 679, Page 577,  
Cherokee County, Georgia  
Records

Note: THIS DOCUMENT AMENDS THE RESIDENTIAL  
ASSOCIATION BYLAWS DESCRIBED HEREIN BY  
PROVIDING FOR ELECTION OF DIRECTORS BY VOTING  
MEMBERS RATHER THAN MEMBERS/OWNERS.

**AMENDMENT TO THE BYLAWS ADOPTED UNDER THE MASTER  
DECLARATION OF PROTECTIVE COVENANTS FOR  
TOWNE LAKE RESIDENTIAL AREA**

THIS AMENDMENT is made and adopted effective as of the 1st day of March,  
1996 by the TOWNE LAKE RESIDENTIAL OWNERS ASSOCIATION, INC., (hereinafter  
the "Association"), with the consent of JRC/TOWNE LAKE, LTD., a Texas limited  
partnership (hereinafter referred to as the "Declarant");

**WITNESSETH:**

WHEREAS, on December 17, 1987, West Mill Joint Venture ("Original  
Declarant") filed of record that certain Master Declaration of Protective Covenants for Towne  
Lake Residential Area which was recorded in Book 679, Page 501 et seq., Cherokee County,  
Georgia records (hereinafter as amended from time to time referred to as the "Residential  
Declaration"); and

WHEREAS, Declarant is a successor to the Original Declarant under and pursuant  
to the Residential Declaration; and

WHEREAS, the Association is a non-profit corporation and the property owners  
association formed pursuant to the Residential Declaration; and

WHEREAS, pursuant to the Residential Declaration and the Association's Bylaws  
(attached as Exhibit "D" to the Residential Declaration), the "Voting Members" (as defined in the  
Residential Declaration) have voted to amend the Bylaws to provide for the election of Directors  
(members of the Board of Directors of the Association) by the Voting Members rather than by a  
vote by the Members/Owners, and as more specifically provided hereinbelow;

NOW, THEREFORE, the Bylaws of the Residential Association are hereby amended as follows:

(1) The last sentence in Article II, Section 7 of the Bylaws (which begins on page 2 thereof) which reads: "Owners shall elect directors pursuant to Article III by referendum," is hereby deleted and replaced with the following language: "Voting Members shall elect directors pursuant to Article III hereinbelow."

(2) Article III, Section 5 of the Bylaws (which begins on page 5 thereof) shall be amended as follows:

Section 5. Election and Term of Office. Elected directors shall be elected by the Voting Members at the annual meeting of the Association. A Voting Member shall be entitled to one vote for each Unit within the Parcel (including the Parcel Association) represented by such Voting Member. Cumulative voting is not permitted. Those candidates receiving the largest number of votes shall be elected. In the case of a tie vote, a second runoff vote shall be held only as to the tying candidates. If the runoff vote still results in a tie vote, the winner shall be determined by the flip of a coin.

Notwithstanding any other provision contained herein:

(a) At the next annual meeting of the Association after the time that twenty-five (25%) percent of the Units permitted by applicable zoning for the property described on Exhibits "B" and "C" of the Declaration have been conveyed by Declarant, or whenever the Declarant earlier determines, the Voting Members other than Declarant shall elect one (1) of the three (3) directors. The remaining two (2) directors shall be appointees of the Declarant. The director elected by the Voting Members shall not be subject to removal by the Declarant acting alone and shall be elected for a term of two (2) years or until the happening of the events described in subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the events described in subsection (b) below, a successor shall be elected for a like term.

(b) At the next annual meeting of the Association after the time that fifty (50%) percent of the Units permitted by applicable zoning for the property described on Exhibits "B" and "C" of the Declaration have been conveyed by Declarant, or whenever the Declarant earlier determines, the Board shall be increased to five (5) directors. At such annual meeting, the Voting Members other than Declarant shall elect two (2) of the five (5) directors. The remaining three (3) directors shall be appointees of the Declarant. The directors elected by the Voting Members shall not be subject to removal by the Declarant acting alone and shall be elected for a term of two (2) years. If such directors' terms expire prior to the happening of the events described in subsection (c) below, successors shall be elected for a like term.

(c) At the next annual meeting of the Association after the time that seventy (75%) percent of the Units permitted by applicable zoning for the property described on Exhibits "B" and

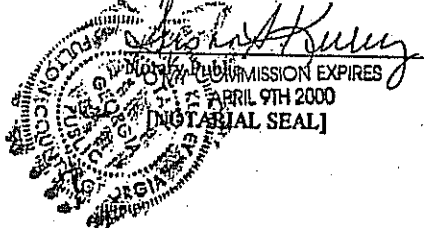
"C" of the Declaration have been conveyed by Declarant, or whenever the Declarant earlier determines, the remaining three (3) directors shall be elected by the Voting Members. Such directors shall be elected to serve a term of two (2) years or until their successors are elected and take office. At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. Directors may be elected to serve any number of consecutive terms.

Directors elected by the Voting Members prior to the time that the Declarant's right to appoint directors and officers terminates shall be elected solely by votes attributable to Units other than Units owned by Declarant and shall take office at the next succeeding Board meeting. At the first meeting at which the remaining three (3) directors (or all five (5) if applicable) are to be elected, and as to all elections of directors thereafter, the Voting Member for Declarant's Parcel (if applicable) shall be entitled to vote the number of Units attributable to such Parcel.

IN WITNESS WHEREOF, the Association has caused this Amendment to be executed and the Declarant has consented thereto, as of the day and year first above written.

Signed, sealed and delivered  
this 28 day of Jan., 1997  
in the presence of

Karl Williams  
Witness



TOWNE LAKE RESIDENTIAL  
OWNERS ASSOCIATION, INC.

By: Brett Blum  
Name Brett Blum  
Title President

[CORPORATE SEAL]



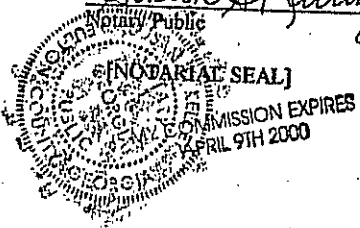
[SIGNATURES CONTINUED ON FOLLOWING PAGE]

BK PG  
2618 318

Signed, sealed and delivered  
this 28 day of Jan 1997  
in the presence of

Key C Williams  
Witness

Susan Kelly  
Notary Public



JRC/TOWNE LAKE, LTD., a Texas  
limited partnership

By: Jefferson Realty Co., a Texas  
corporation, General Partner

By: Brett Blevins  
B. Brett Blevins,  
Vice-President



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Rec. 2.7.97

ANNE M. RENEAU  
CLERK, SUPERIOR COURT OF CHEROKEE COUNTY