

BY-LAWS OF  
SAVANNAH BEACH AND RACQUET CLUB CONDOMINIUM  
ASSOCIATION, INC.

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ARTICLE I  
Name

The name of the Association shall be the Savannah Beach and Racquet Club Condominium Association, Inc.

ARTICLE II  
Offices

The principal office of the Association shall be located at Savannah Beach and Racquet Club Condominium, Savannah Beach, Georgia. The Association may have other offices within and without the State of Georgia as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Association shall have and continuously maintain in the State of Georgia, a registered agent whose office shall be identical with the registered office. The registered office may be but need not be identical with the principal office of the Association and the address of the registered office may be changed from time to time by the Board of directors.

ARTICLE III  
Purpose

The purpose of this Association shall be to provide a collective government form of administration for the Unit Owners of the Savannah Beach and Racquet Club Condominium to manage and control said Condominium and the activities of the Unit Owners therein and of all persons using or occupying the facilities of the said Condominium and all things pertinent to and/or related thereto and to carry out all activities, promulgate all Rules and Regulations and to have all responsibilities and purposes that are given to the Savannah Beach and Racquet Club Condominium Association in the Declaration of Condominium Savannah Beach and Racquet Club (hereinafter called the Declaration), in the Articles of Incorporation, in The Georgia Condominium Act, Chapter 85-16E Ga. Code Ann., Georgia Laws, 1975, (hereinafter called the Act) and in these By-Laws, and to be the Association for this Condominium as defined and called for in the Act and the Declaration.

ARTICLE IV  
Definitions

All terms and phrases used herein shall, unless the context otherwise requires, have the same definition and meaning as set forth in the Declaration and/or in The Act, as the case may be.

ARTICLE V  
Members

Each and every Unit Owner of a Unit or an interest in a Unit in the Condominium shall be a Member of this Association. Further, there shall be appurtenant to each Unit in the Condominium the number of votes assigned in the Declaration which shall be voted collectively by the voting member of that Unit as set forth in the Declaration. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Unit, such subsequent transferee shall automatically become a member hereof and likewise the vote appurtenant to the Unit shall automatically pass and the membership of the transferor immediately terminated whether any membership certificate or voting certificate be transferred or not; provided, however, the Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person shown as Unit Owner of a Unit in its records until notified of such transfer by delivery of written notice thereof to the secretary of the Association.

ARTICLE VI  
Application

All present and future Unit Owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the facilities of the Condominium or occupying any Unit thereof shall be and is hereby subject to all matters, Rules and Regulations set forth in these By-Laws, Rules and Regulations promulgated by the Board of Directors hereof, and all things set forth in the Declaration and in The Act.

A mere acquisition or rental of a Unit or use of the facilities of the Condominium shall signify these By-Laws and all Rules and Regulations and provisions contained within the Declaration, The Act, or promulgated by the Board of Directors are accepted, ratified and shall be complied with.

ARTICLE VII  
Voting Majority

Section 1. There is hereby assigned to each Unit the number of votes as described and assigned in the Declaration which shall be voted by the Voting Member thereof as described in the Declaration. The vote so assigned to each may not be split in any fashion. If one person is the Unit Owner of a Unit, he shall be the Voting Member. If a Unit be owned by more than one person, they shall designate one of them as the Voting Member and notify the Secretary in writing of such designation. In the event a corporation owns a Unit, the corporation shall designate one agent thereof as the Voting Member and so notify the Secretary in writing. In the case of multiple or corporate ownership of a Unit, the vote appurtenant thereto shall not be exercised until written designation of the Voting Member has been delivered to the Secretary. The Voting Member so designated shall remain the Voting Member, entitled to cast the vote of that Unit on all matters to come before the Association for vote until the Secretary be given written notice of change. The vote assigned to



each Unit represents the percentage value of that Unit as opposed to the Association as a whole as then comprised.

Section 2. As used in these By-Laws, the term Majority of Unit Owners shall mean those Unit Owners who are voting members holding 51 percent of the total vote of all the Unit Owners of the Condominium as then constituted and thereby represent 51 percent of the basic value of the Submitted Property as a whole. Unless otherwise required herein, in the Declaration or in The Act, majority vote shall constitute 51 percent of the total outstanding votes of all Unit Owners and shall be required to adopt any decisions affecting the Condominium.

Section 3. Except as otherwise provided or required in these By-Laws, the Declaration or The Act, the presence in person or by proxy of a Majority of Unit Owners, as is defined above, shall be required to constitute a quorum.

Section 4. Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board of Directors and must be filed with the Secretary at least 15 days before the appointed time for a regular meeting and at least one day before the appointed time for a special meeting.

Section 5. Membership in the Corporation is not transferable or assignable (except as the same may be assigned by way of proper proxy properly executed). Transfer of a Unit Owner's Unit or his interest therein in any fashion shall automatically terminate his membership herein and all his voting rights.

#### ARTICLE VIII Administration

Section 1. The Association shall be managed and governed by a Board of Directors (herein called the Board) consisting of seven (7) members; provided, however, if there be fewer different Unit Owners than seven, the number of Directors shall be equal to the number of different Unit Owners; provided, however, there shall always be an odd number of Directors. Provided, further, the initial Board of Directors appointed by the Declarant as the initial Board of Directors shall consist of three (3) members who shall serve until the Declarant calls a meeting of the Unit Owners to relinquish control and until their successors are elected and qualified. If there be an even number of different Unit Owners less than seven, there shall be one less director than the number of different Unit Owners. The Board of Directors to replace the initial Board of Directors appointed by the Declarant shall be nominated and elected at the organizational meeting called by Declarant to relinquish control. Of the total Directors to be then elected, the number of nominees equal to one-half of the Board to be elected plus one and receiving the most votes shall be elected to the Board for a two-year term; the nominees receiving the next highest number of votes equal to the remaining positions on the Board shall be elected for a one-year term. Directors elected at subsequent elections shall be elected for a term of two years, and shall be elected at the regular Annual Meeting of the Association. At such regular Annual Meetings, the Voting Members shall vote for the number of Directors necessary as there are

vacancies on the Board; provided, however, there shall be no cumulative voting. The candidates receiving the most votes shall be declared elected as members of the Board to fill the Board positions vacant at that time. Board members shall serve until their successors are elected and qualified.

Section 2. Any Director (other than members of the initial Board appointed by Declarant) who shall cease to be a Unit Owner or who shall be delinquent in payment of any common expenses or Assessments (as defined in the Declaration and/or in The Act) shall automatically cease to be a Member of the Board.

Section 3. Each Board Member (other than members of the initial Board appointed by Declarant) must be a Unit Owner (or the voting member for a corporate Unit Owner) and in good standing, current in payment of all fees, Assessments and common expenses.

#### ARTICLE IX Board of Directors

Section 1. Consistent with these By-Laws, the Board shall:

A. Transact all Association business and prescribe the Rules and Regulations for the use of the Condominium and all facilities and property thereof and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation.

B. Annually set the Common Expenses for the operation of the Condominium.

C. Fix, impose and remit penalties for violations of these By-Laws and Rules and Regulations of the Association.

D. Serve without compensation.

E. Elect from the Board within thirty (30) days after each Annual Meeting a President, Vice President, Secretary and Treasurer, all of whom shall serve without remuneration. In the event of a vacancy in any one of these offices during the year, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term. In the event of a vacancy on the Board, the President shall have the power to appoint with the approval of the majority of the Board, a member in good standing to fill the vacancy until the next Annual Meeting.

F. Carry out all other duties and obligations imposed and exercise all rights granted it by the Declaration and Exhibits thereto, The Articles of Incorporation and The Act.

Section 2. There shall be at least one regular meeting of the Board quarterly at a time designated by the President. The President or two members of the Board may call special meetings of the Board as are deemed necessary or desirable and in the best interest of the Association.



Section 3. Notice of regular and any special meetings of the Board of Directors shall be given at least twenty-one (21) days previously thereto by written notice delivered personally or sent by mail to each Director at his address as shown in the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice for such meeting except for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. Neither business to be transacted nor other purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-Laws.

Section 4. A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting Association business and the affirmative vote of a simple majority of the entire Board shall be necessary to pass any resolution or authorize any act of the Association unless a different vote is required herein, in the Declaration, its Exhibits and/or The Act. Absentee voting is permitted provided such Director register his vote in writing with the Secretary within twenty-four hours after the termination of such meeting.

Section 5. Any action required by law to be taken at any meeting of the Directors or any action which may be taken in a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by two thirds of the Directors.

Section 6. The Board of Directors shall annually on or before November 15 of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the common expenses of the Condominium and such other expenses as are deemed necessary or appropriate expenses of the Condominium. The Board of Directors shall thereafter on or before December 1 deliver (which delivery may be by mail) the budget for the up-coming year together with statement of the amount(s) due from each Unit Owner for that year and the date or dates upon which payment or payments are due to the Unit Owners. Thereafter, should any increase or decrease be determined appropriate by the Board of Directors in Assessments to be paid by Unit Owners, the Board shall notify all Unit Owners so affected at least thirty days prior to the time such Assessment so changed shall be due. The Association shall have a lien upon each Unit together with the Common Elements and Common Surplus appurtenant thereto for payment of all Assessments not paid when due in the amount of such unpaid Assessments together with the interest thereon from the date due together with the cost of collection thereof including a reasonable attorney's fees. Such shall be collected and/or lien foreclosed upon in the manner provided for in the Declaration and Exhibits thereto and/or in The Act.

ARTICLE X  
Officers

Section 1. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by and from the Board. The Directors may appoint assistant treasurers and secretaries and such other officers as in their judgment may be necessary. No two offices may be held by the same person unless there be less directors than officers to be elected in which case one may hold more than one (1) office.

Section 2. The officers of the Association shall be elected annually by the Board of Directors immediately following the annual meeting of the Association and shall serve for the twelve month period next succeeding. New offices may be created and filed at any meeting of the Board of Directors. Each officer shall hold office until his successor shall be duly elected and shall qualify.

Section 3. The President shall be the principal executive officer of the Association, shall preside at all meetings of the Board and all meetings of the membership, shall appoint committees and shall have general charge of and shall control the affairs of the Association according to such rules and regulations as the Board shall determine.

Section 4. There shall be a Vice-President who shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President. The Vice-President shall also be chairman of the Operations Committee.

Section 5. There shall be a Secretary who shall record and keep possession of the minutes of the meetings of the Board and meetings of the Council and who shall perform or have performed the correspondence of the Board and shall have such further duties as may be assigned to the Secretary by the Board.

Section 6. There shall be a Treasurer who shall keep the funds of the Condominium and shall disburse them to meet the ordinary and usual expenses of the Condominium and for other purposes as required by the Declaration, The Act and/or upon order of the Board of Directors after such disbursement order has been entered in the minutes of the Board at a duly constituted meeting and shall have such other duties as may be assigned to him. He shall render a financial report to each regular meeting of the Board and to the Annual Meeting of the Association.

Section 7. If required by the Board of Directors, the assistant treasurer, if any, shall be bonded at the expense of the Association. The assistant treasurers and the assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors upon a two-thirds majority vote whenever in its judgement the best interests of the Association will be served thereby, but such



removal shall be without prejudice of the contract rights, if any, of the officers so removed.

Section 8. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

#### ARTICLE XI Meetings

Section 1. There shall be an Annual Meeting of the Association held during the first quarter of the calendar year and at a time and place designated by the President. Notice of the annual meeting shall be given to all Unit Owners by mail at least twenty days prior to the date of the meeting.

Section 2. Special meetings of the Association may be called by the Board. Also, upon request of voting members totaling 50 percent of the total votes of the Association in writing made to the Secretary stating the purpose therefor, a special meeting shall be called by the Secretary of the Association to be held within forty days thereafter. Special meetings of the Association may be held at the call of the President upon five days notice by mail to all members. Such notice shall state the purpose for which the special meeting is called and no other business shall be transacted at said meeting.

Section 3. Voting members holding fifty-one percent of the total votes of the Association must be present personally or by proxy to constitute a quorum at all Annual and Special meetings of the Association. Should voting members holding fifty-one percent of the vote not be present or constitute a quorum at an Annual Meeting of the membership, a special Board meeting may be called by the President or the Secretary and by action of two-thirds of the entire membership of the Board of Directors a quorum may be declared provided there are voting members holding at least one third (1/3) of the total outstanding votes of the Association present and that the business to be conducted at such meeting does not require that a greater number of voting members be present.

Section 4. Any action required by law to be taken at a meeting of the Association or any action which may be taken in a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by voting members holding not less than 67 percent of the entire votes entitled to vote on the subject matter thereof and further provided the same is not otherwise prevented by these By-Laws, the Declaration or The Act.

Section 5. When notice to Unit Owners is required, the mailing of such notice to the last known address of the Unit Owner in the Corporation's records shall constitute notice.

Section 1. Each Unit Owner is obligated to pay all annual, monthly and special Assessments and charges levied or imposed by the Association and/or through its Board of Directors for such purposes as are enumerated in the Declaration, in The Act and in these By-Laws. Such charges or Assessments so levied shall be paid on or before the date(s) affixed by resolution of the Board. Written notice of the change in any Assessment and the date the payment shall be paid shall be sent to each Unit Owner at the address given by such Unit Owner to the Secretary of the Association. All common Assessments shall be prorated dependent upon each Unit Owner's percentage of ownership in the Common Elements as is determined and set forth in the Declaration and the Exhibits thereto. Such Assessments shall include monthly payments to a general operating reserve in a reserve fund for replacements and all other things as required or set forth in Declaration, The Act and/or these By-Laws.

Section 2. The amount of Assessment levied shall be paid on or before the date due. If not so paid, the amount of such Assessment plus any other charges thereon including a late payment charge of 10 percent of the payment due or \$10.00, whichever is greater, but in no event more than the maximum limit provided by law and cost of collection, including attorney's fees if permitted by law, shall constitute and become a lien on the Unit Owner's Unit and share of the Common Elements and Common Surplus appurtenant thereto. Such lien rights shall be as provided for and in accordance with the terms and provisions of the Declaration and The Act. The notice of Assessment which shall state the amount of such Assessment and such other charges and give the number of the Unit which has been assessed shall be mailed to the Unit Owner thereof. Upon payment of such said Assessments and charges or other satisfaction thereof, if notice of a lien has been recorded, the Board shall, within a reasonable time, cause to be recorded a notice stating the satisfaction of said lien. The priority of the lien hereinabove set shall be as provided in the Declaration and/or The Act.

Section 3. The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Association in like manner as a mortgage and in accordance with the provisions of the Act and in such event, the Association may be a bidder at the foreclosure sale. The Association through its Board or duly authorized agent may also pursue any other remedy against any Unit Owner owing money to it which is available to it by law or in equity for the collection of debt.

Section 4. Upon request and payment as provided in the Act, the Board shall within the time set by the Act furnish a statement certifying that all Assessments then due have been paid or indicating the amount then due.

Section 5. The Association through its Board shall suspend any Unit Owner not paying Assessments when due and such Unit Owner and any lessee, guest or invitee or other person planning to occupy that Unit Owner's Unit by reason of permission of that Unit Owner or use the facilities of the Condominium shall be refused entrance into the Condominium and use of the facilities thereof



until all Assessments and penalties to which such Unit Owner is subject have been paid.

Section 6. Each and every Unit Owner shall perform promptly all maintenance and repair work required of individual Unit Owners by the Declaration, The Act or these By-Laws or which is within his own Unit which, if omitted, would affect the Condominium in its entirety or in a part belonging to some other Unit Owners(s). The Association shall be responsible for all maintenance and repair work required of the Association in the Declaration, these By-Laws and/or The Act.

A Unit Owner shall reimburse the Association if there be any expenditures incurred in repairing and/or replacing any Common Elements or facilities damaged by such Unit Owner, his family, guests, invitees or lessees.

Section 7. Each Unit, other than any Unit owned by Declarant and Unit 100, shall be utilized for residential purposes only, provided, however, such shall not prevent rent or lease of his Unit by a Unit Owner to a lessee or rentor to use for residential purposes.

Section 8. No Unit Owner shall make any structural modifications or alterations in his apartment or upon any Common Elements without the approval of the Association through the Board of Directors.

Section 9. No Unit Owner, his family, guests, invitees, or lessees shall place or cause to be placed in any common area or facilities any furniture, package(s) or object(s) of any kind. Such areas shall be used for no purpose other than normal transit through them and/or use of the facilities provided.

Section 10. Each Unit Owner shall and does hereby grant right of entry to the Board or its duly authorized agent in the case of any situation provided for in the Declaration or the Act whether such Unit Owner is present at the time or not.

Section 11. No occupant of a Unit shall post any advertisements or posters of any kind in or on the Condominium property except as authorized by the Board or as is permitted in the Declaration; provided, however, this provision shall not be applicable to Declarant or its assigns during the period it is managing, renting or selling units.

Section 12. Occupants of units shall use extreme care about making noises or the use of musical instruments, radio, television and/or amplifiers that may disturb other occupants and in the event so notified by the Board or its duly authorized agent such occupant shall immediately cease and desist such activity.

It is prohibited to hang garments, rugs, etc. from the windows or from any sides or from any of the buildings or parts thereof.

It is prohibited to dust rugs, etc. from the windows or to clean rugs, etc. by beating on the exterior part of any of the buildings.

It is prohibited to throw or place garbage or trash outside the disposal installation(s) provided for such purposes.

Section 13. No Unit Owner, occupant or lessee of a unit shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or roof of any building except as authorized by the Board.

Section 14. Nothing herein contained shall limit in any manner the power of the Association and/or Board to issue or promulgate such Rules and Regulations as are deemed necessary or desirable for the use, occupancy and enjoyment of the Condominium by the Unit Owners and/or occupants thereof. Further, all obligations imposed by the Declaration, its Exhibits and/or the Act are hereby incorporated by reference as further obligations as fully as if herein set forth.

Section 15. The Board of Directors shall have the right to enter into such agreements as it deems desirable to provide common services or to lease equipment for the use and enjoyment of the Unit Owners or any one or more Unit Owners. Such rights shall include but not be limited to the right to enter into lease and/or use and/or purchase agreements with third parties to provide recreational equipment and facilities and/or to install, sell and/or lease to the Condominium a MATV system and/or cable television system and/or television sets. Furthermore, Declarant, shall have the right to enter into such agreements on behalf of and for the Association, its Board and the Unit Owners which agreement(s) shall be binding upon the Association and each and every Unit Owner to the extent permitted by the Act.

#### ARTICLE XIII Mortgages

Section 1. Any Unit Owner who mortgages his Condominium Unit or any interest therein shall notify the Board of Directors of the name and address of his mortgagee and the Board shall maintain such information in a book entitled "Mortgagees of Condominium Units".

Section 2. The Board shall, at the request of such mortgagee, report any unpaid Assessments due from the Unit Owner of such Condominium Unit so mortgaged.

Section 3. Any and all Institutional Mortgagees shall have the rights and powers granted unto them by the Declaration and/or The Act and nothing herein contained shall supersede such rights and powers. In the event any right or duty or power herein delegated or granted unto the Association or Board by these By-Laws is given to an Institutional Mortgagee by reason of the Declaration and/or The Act or should that Institutional Mortgagee by reason of the Declaration and/or The Act have any voice in such decisions, then such Institutional Mortgagee is hereby given and granted such rights and powers and vote in such decisions as are thereby granted.



ARTICLE XIV  
Rules and Regulations

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The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issued as it may in its sole discretion determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any units, common areas of facilities contained within the Condominium, subject, however, to such restrictions upon such as contained in the Declaration, its Exhibits and The Act together with any Rules and Regulations issued thereunder. Such Rules and Regulations shall be binding upon and enforceable upon all Unit Owners, their families, guests, invitees and/or lessees, and all occupants of Units.

ARTICLE XV  
Contracts, Checks, Deposits, Agreements and Funds

Section 1. The Board of Directors may authorize any officer or officers or agent or agents of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and/or the Unit Owners thereof. Such authority may be general or confined to specific instances.

Section 2. All checks, drafts or orders for the payment of notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by the resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer (or duly authorized assistant treasurer) and by the President (or Vice President).

Section 3. All funds of the Association and/or received by it from or on behalf of the Unit Owners shall be deposited from time to time to the credit of the Association at such banks, insurance companies, trust companies or other depository as the Board may select or as the circumstances and purposes of such deposits may require.

Section 4. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any of the special purposes of the Association.

ARTICLE XVI  
Certificates of Membership

Section 1. The Board shall provide for the issuance of certificates evidencing membership in the Association of each Unit Owner which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President and by the Secretary and shall be sealed with the seal of the Association, if any. All certificates shall be consecutively numbered. The name and address of each Unit Owner and the date of issuance of the certificates shall be entered on the records of

the Association. If any certificate may become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may determine.

Section 2. Upon purchase of the Condominium Unit, a certificate of membership shall be issued in the name of the Unit Owner thereof and delivered to him by the Secretary. Such certificate shall be non-transferable and shall be immediately surrendered to the Board upon termination of ownership for any reason. Further, should such Unit Owner fail to surrender such certificate upon termination of ownership such termination shall automatically terminate membership in the Association and such membership certificate shall become null and void.

Section 3. Any Unit Owner failing to pay Assessments when due may have his membership in the Association and his use of his Unit and the facilities of the Condominium suspended by the Board. Any Unit Owner thus suspended shall immediately be notified in writing by the Secretary.

#### ARTICLE XVII Books and Records

Section 1. The Association and the Board shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Association, of the Board and committees having any authority of the Board and/or the Association and shall keep at the registered office a record giving the names and addresses of the Unit Owners who are voting members.

Section 2. For purposes of voting at all meetings of the Association, that person designated as Voting Member for a particular apartment shall be conclusively so presumed to be the Voting Member therefor until the Secretary be notified of a change in the Voting Member. The name of the Voting Members entitled to vote at any meeting may not be changed at such meeting without the express permission of the Board. For purposes of this section, deposit of notice in the United States mail prepaid or personal delivery shall constitute delivery.

#### ARTICLE XVIII Miscellaneous

Section 1. Each person elected and qualified as a Director or Officer shall be indemnified by the Association against expenses actually and necessarily incurred by and in connection with the defense by such person of any action, suit or proceeding in which he is made a party by reason of his being a Director or Officer except as to matter as to which he is adjudged to be liable for gross negligence or wilful misconduct. The right of indemnification shall inure to each Director or Officer when such matter occurred during the time that such person was a Director or Officer even though such action takes place after such Director or Office has been succeeded in office by someone else. Such payment by the Association to the extent not paid by insurance shall be included as a part of the Common Expenses.



Section 2. Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.

Section 3. Robert's Rules of Order shall apply in any meeting of the Board or of the Association unless in conflict with the By-Laws, Declaration or The Act in which case these By-Laws, the Declaration and/or The Act shall control.

ARTICLE XIX  
Compliance

These By-Laws are set forth to comply with the requirements of the Act. In case any of these By-Laws conflict with the provisions of The Act, the Provisions of The Act shall apply. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control.

ARTICLE XX  
Amendments

These By-Laws may be amended by a vote of 67 percent of the total vote of the Condominium, which represents 67 percent of the total value of the Submitted Property, unless some other or greater vote is required herein, in the Declaration and/or in The Act. The percentages and vote set forth in the Declaration and Exhibits thereto are based upon the value of each Unit in relation to the entire Condominium property.

ARTICLE XXI  
Dissolution

Termination of the Condominium shall automatically dissolve this Association. It may also be dissolved in the manner provided by law. Upon dissolution those funds held by the Association for the Unit Owners shall be turned over to the Association's successor as governing entity of the Condominium, or if the Condominium be terminated, after payment of all debts and expenses, divided as provided according to the percentage ownership interests of the Unit Owners in the Common Elements and disbursed as provided in The Act and/or the Declaration, provided, however, the residual of any property of any nature owned by the Association not held by it on behalf of the Unit Owners or any of them, shall, if appropriate, be turned over to one or more organizations which, themselves, are exempt from Federal Income Tax as organizations described in Sections 501(e) (3) and 170(c) of the Internatl Revenue Code and from Georgia Income Tax, or to the Federal, State or Local Government for exclusively public purposes.

THIS AGREEMENT, made and entered into this 30th day of July, 1981, by and between RECEPTION CORPORATION, a South Carolina corporation, with its principal office in the City of Columbia, South Carolina (hereinafter referred to as "Reception"), and SAVANNAH BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC., on behalf of itself and each and every Unit Owner thereof, County of Chatham, State of Georgia (hereinafter referred to as "Lessee").

## W I T N E S S E T H :

Reception and Lessee do hereby mutually agree as follows:

1. Reception will furnish and lease unto Lessee, and Lessee does hereby lease from Reception, for the term and under the terms and conditions herein set forth, the number and type of television sets and/or equipment herein specified. Said equipment shall be delivered by Reception (with the exception of conduit which is to be supplied by Lessee at its expense), in rooms located upon premises owned or leased or otherwise lawfully operated by Lessee located on Savannah Beach, County of Chatham, State of Georgia. Reception shall not be liable for delay in, or failure to make, delivery of equipment or installation caused by circumstances beyond its reasonable control, including, but not limited to, acts of God, fire, flood, wars, accidents, labor or different contingencies. The number and types of television sets and/or equipment leased under the terms hereof are as follows and are the model, type and design selected by the Lessee as suitable, in its judgment, for lessee's purpose.

(a) One (1) 19-inch Solid State General Electric Television for each Condominium Unit included in the Condominium Association;

(b) One locking furniture swivel for each television set so provided; and

(c) Cable, antenna systems, distribution equipment and amplification equipment for signal distribution.

All equipment to be prepaid by Reception.

2. SERVICE: Reception shall keep and maintain, or cause to be kept and maintained, at its sole expense, said leased equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Lessee, his agents and/or employees. Reception shall promptly replace any defective set or injured part or parts thereof; provided, however, that in the event replacement of any defective set or sets shall occur, such substituted equipment shall be subject to all the terms hereof.

It is the obligation of the Lessee to notify Reception of any deficiency in service as rendered by Reception or its service representative. Reception shall not be liable to Lessee for any loss, damage or expense of any kind or nature directly or indirectly caused by the television equipment covered hereby, or



because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business or damage whatsoever or howsoever caused, and Reception shall in no event be liable for any special or consequential damages. Lessee further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing or replacement of equipment covered hereby.

3. NON-ASSIGNMENT OF LEASE: The equipment leased hereunder shall not be transferred, delivered or sublet to any other person, firm or corporation, and this agreement shall not be assigned by Lessee except upon prior written consent of Reception.

4. LOCATION: Lessee shall not remove said equipment or any part thereof from the premises where installed nor sell or encumber any of said leased equipment. Lessee further agrees to make no alteration in or repairs to said equipment except through the authorized service representative of Reception.

5. TERM: The term hereof shall be for a period of eighty-four (84) months beginning on the date of the completion of the delivery of the equipment on the premises of Lessee, said date to be confirmed in writing by Lessee upon request of Reception.

6. RENT PAYMENTS: As rental for said equipment, Lessee shall pay to Reception, at Columbia, South Carolina, during the full term hereof, the sum of Twelve and No/100 (\$12.00) Dollars per set delivered per month, the first of which shall be due on or before the first day of the month following the delivery of equipment. In the event that Lessee requests partial delivery of equipment, Lessee agrees to pay billing on an interim basis, with such billing based on rates for equipment in use, and upon completion of delivery, the full term of this lease shall commence.

7. OWNERSHIP: The equipment, together with wiring, reception and distribution facilities, leased under the terms hereof shall at all times be the sole property of Reception, its successors and assigns, and Lessee shall have no property interest therein, except under any conditions herein contained. Said equipment shall remain personal property and, no matter how connected with or attached to the premises of Lessee, will not become a part of the realty or fixtures therein, and Lessee, if so requested by Reception, will obtain written consent of any other party holding a mortgage, encumbrance or lien on the premises of Lessee, or of any purchaser of the premises of Lessee in the event of sale of same, that said equipment shall remain personal property. Lessee shall not at any time during the term hereof transfer, assign, mortgage or otherwise encumber any interest in said personal property.

8. DELIVERY: Should Lessee and/or his agent order delivery of equipment and installation on specified dates and the Lessee's premises are not ready for installation of same, Lessee assumes full responsibility for storage, insurance and any redelivery charges on equipment.

9. INSPECTION: Lessee grants unto Reception the right to inspect said equipment at all reasonable times during the full term hereof.

10. INDEMNITY: Lessee shall be responsible to all third parties, including paying guests, for any injury received as a result of the installation of said television sets in or about the premises of Lessee and shall carry public liability insurance to save said Reception harmless in the event of such injury, except such personal injury or property damage as may be occasioned solely by negligent acts or omissions of agents or employees of Reception.

11. INSURANCE: Reception agrees during the term of this lease to replace or repair any of its equipment, including television sets in guest rooms, which is stolen, burglarized, damaged by fire or maliciously damaged while on the premises of Lessee, excepting television sets or equipment in storage awaiting use of service, providing, however: (a) Lessee reports within 48 hours of occurrence any such loss or damage to Reception and to local law enforcement authorities--notice of loss to be sent to Reception by Certified Mail; (b) Lessee furnishes in such report all available information regarding such loss, including name and address of last occupant of room and room number in which loss occurred (if applicable), auto license number and other pertinent information which would assist in recovery of loss; (c) Lessee and its employees, agents and representatives cooperate fully with Reception and local law enforcement authorities in their subsequent efforts to effect recovery and prosecution if necessary. Lessee agrees to notify Reception immediately in the event of subsequent recovery of property covered by any and all loss reports.

Lessee agrees at all times to maintain and exercise due care, caution and watchfulness in the protection and accounting for the equipment under lease. Failure to cooperate in providing such care, caution and watchfulness shall make the terms and provisions of Item 11 "INSURANCE" null and void and Lessee shall be responsible for the replacement of and/or repair to equipment for which such insurance is provided.

In the event loss or damage proves to have been caused by employees, agents or representatives of Lessee, or if Lessee fails to comply with (a), (b) or (c) above, it shall be the responsibility of the Lessee to pay Reception for its cost of replacement or repair of Reception's equipment involved in such loss. In the event that service by Reception is not included in this agreement, Lessee agrees to maintain the theft equipment installed hereunder; otherwise, theft and burglary insurance will be null and void in the event of any losses while the equipment is inoperative.

12. TAXES: Lessee agrees to be responsible for the collection and payment of any local, state and federal fees, sales, use or property taxes or penalties that may be applicable now or any time during the term of this lease to the property covered hereby or the use or rental thereof.

13. RENEWAL: At the expiration of the term hereof, this lease agreement shall be automatically renewed for additional



terms of two (2) years, unless either party hereto should give written notice to the other party hereto at least sixty (60) days prior to the expiration of the term hereof, or at least sixty (60) days prior to the expiration of any additional term of two (2) years thereafter, of the desire of such party to terminate this agreement.

14. **DEFAULT:** In the event that any payment of rental shall have become due as herein provided and shall remain unpaid for ten (10) days, or in the event of any other breach of the terms or conditions of this lease by Lessee, which breach shall not have been cured within ten (10) days after notice thereof by mail postage prepaid to Lessee's last known address, or should Lessee be adjudged as bankrupt or there be filed against Lessee a petition under the bankruptcy laws, or if any insolvency proceeding is initiated by or against Lessee, or if any equipment covered hereby is attached, seized or taken under any judicial process, all of the entire remaining unpaid rental payments shall, at the option of Reception, become immediately due and payable. If Lessee does not (a) pay the entire remaining rental payments under the lease or (b) cure its breach of the provisions of this lease, then and in that event Reception shall have the right, without giving further notice to Lessee, to remove the property thereby without liability and Lessee shall forthwith pay any and all damages, including attorneys' fees, suffered by Reception. Further, in the event of non-payment, Reception shall be, and hereby is, subrogated to the lien rights of the Condominium as to each Unit Owner failing to pay his share of Common Expenses necessary to make the rental payments herein required to the extent of the amount(s) due and owing to Reception, but unpaid, which shall include the right to file notice of and perfect a lien(s) against such Unit Owner(s) as granted to the Condominium Association by the Georgia Condominium Act.

Lessee agrees to pay late charges of five (\$.05) cents per dollar in addition to the regular monthly payment or installment if payments hereunder are not made within ten (10) days after due date, but not exceeding One Hundred and No/100 (\$100.00) Dollars, or the lawful maximum, if any. Reception's failure to exercise a right or remedy under this lease or to require strict performance by the Lessee or any provision of this lease shall not waive or diminish Reception's right thereafter to demand strict compliance with any such right or provision or with any other rights or provisions. Waiver by Reception of any default by the Lessee shall not constitute waiver of any other or subsequent default.

15. **SURRENDER:** Upon expiration of this lease, Lessee shall remove the leased equipment from the premises referred to herein and surrender such equipment in good operating condition to Reception or its assignee and if the Lessee fails to so remove and surrender the leased equipment, Reception shall have the right to enter any premises where the leased equipment may be located and take possession and remove all such equipment either with or without permission and without prejudice to any other rights or remedies of Reception.

If Reception determines, upon termination or expiration of the lease agreement, that, as a result of causes other than its failure to provide service as expressly required

herein, the equipment covered hereby is not in good operating condition, reasonable wear and tear excepted, the Lessee shall upon demand by Reception either: (a) restore the equipment in good operating condition at its sole expense or (b) reimburse Reception for the reasonable expense of so restoring the equipment.

16. Should the equipment leased herein be covered by a Conditional Sales Contract, Chattel Mortgage or Security Agreement on which Reception is the purchaser or obligor, it is understood and agreed that this lease is subject and subordinate to the terms and conditions of said Conditional Sales Contract, Chattel Mortgage or Security Agreement.

17. NOTICE: Any notice required to be given by one party hereto to the other party hereto shall be in writing and sent by Certified Mail, addressed, postage prepaid, to the mailing address of the other party hereto as shown herein.

18. AMENDMENTS: This agreement constitutes the entire and only agreement between the parties with respect to leasing the equipment covered hereby and any representation, promise or conditions with respect to said leasing not set forth in this agreement or such amendments as may be accepted in writing by the designated officers of either party, shall not be binding on either party.

19. SOUTH CAROLINA LAW: Should any question arise as to the validity, construction, interpretation or performance of this lease agreement in any court of any State of the United States, or of Canada, it is agreed that the law of the State of South Carolina shall govern without reference to the place of execution or performance of same.

The invalidity of any provision of this agreement shall not affect the validity of any other provision hereof. This agreement and any amendment hereto shall become binding upon the parties hereto when executed by a duly authorized officer or agent of Lessee.

20. Lessee on behalf of itself and each and every of the Unit Owners does hereby grant to Reception during the term hereof and any renewals each and every such easement through, over, under and across the Submitted Property, the structures on and to be located thereon, including individual Units, as may be necessary and/or appropriate, for the purposes of location, installation, maintenance and service of the cable, antenna systems, distribution equipment and amplification equipment herein leased, as well as the locking furniture swivels and television sets.

21. ASSIGNS: All rights, remedies and powers reserved or given to Reception shall inure to the benefit of Reception's assigns.

22. INTERIM BILLING: Lessee shall be billed per terms herein on the first day of the month following delivery of each television increment, and when units are delivered, the 84-month lease term will commence.



IN WITNESS WHEREOF, the parties hereto have executed this agreement, on and as of the day and year first above written, one duplicate original copy being retained by each of the parties hereto.

SIGNED, SEALED & DELIVERED  
In The Presence Of:

SAVANNAH BEACH AND RACQUET CLUB  
CONDOMINIUM ASSOCIATION, INC.

By

*[Signature]*

Witness

Notary

Commission Expires: 12-17-86

Witness

Notary

Commission Expires: 12-17-86

RECEPTION CORPORATION

By

*[Signature]*



ARTICLES OF INCORPORATION OF  
SAVANNAH BEACH AND RACQUET CLUB CONDOMINIUM  
ASSOCIATION, INC.

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The Articles of Incorporation of Savannah Beach and Racquet Club Condominium Association, Inc., a nonprofit corporation organized pursuant to the applicable provisions of the Georgia Nonprofit Corporation Code, are as follows:

ARTICLE I

The name of the Corporation is the Savannah Beach and Racquet Club Condominium Association, Inc.

ARTICLE II

The Corporation is organized pursuant to the provisions of the Georgia Nonprofit Corporation Code.

ARTICLE III

The Corporation shall have perpetual duration.

ARTICLE IV

The Corporation is organized to construct, operate, maintain, repair, renovate, restore, replace, manage and administer any and all playgrounds, parks, swimming pools and tennis courts, commons, streets, rights-of-way, street lighting facilities and apparatus, sidewalks, footways, buildings and other structures located on the property under its jurisdiction, including such additional property as is hereafter made subject to the Corporation's jurisdiction; to maintain unkempt lands, trees, shrubbery, flowers or other vegetation; to supplement municipal services; to fix and collect annual and special assessments to be levied against and with respect to the condominium units located on the property under its jurisdiction, and on such additional property as is hereafter made subject to the Corporation's jurisdiction, which assessments shall be a lien and permanent charge on such condominium units as well as the personal obligation of the owners of the units with respect to which such assessments are levied; to enforce any and all covenants, restrictions and agreements applicable to any properties within its jurisdiction; to buy, hold, lease, sell, rent, manage and otherwise deal in properties of every kind and description, whether real or personal, without any limitation or restriction whatsoever; to compensate its officers or employees; to borrow money, issue bonds, promissory notes and other obligations and evidences of indebtedness, and to secure the same by mortgage, deed, security deed, pledge or otherwise; and, insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will do the following: promote, directly or indirectly, the recreation, health, safety or welfare of or be for the common benefit and enjoyment of the condominium unit owners and other residents of the property within its jurisdiction, including such additional property as is here-



after made subject to the Corporation's jurisdiction; enhance, preserve or maintain the traditions and appearance of the condominium, its common elements and surroundings; and be necessary, proper, useful or incidental to the carrying out of the functions for which the Corporation is organized.

#### ARTICLE V

The Corporation shall have all those general powers specified in Sections 22-2202(a) and (b) of the Georgia Nonprofit Corporation Code and in Section 85-1638(e) of the Georgia Condominium Act, including the powers: (1) to do everything necessary, proper, advisable or convenient for the accomplishment of any of the purposes herein set forth and to do every other act and thing incidental thereto or connected therewith, provided the same not be forbidden by the laws of the State of Georgia; and (2) to exercise and enjoy all other powers, rights, and privileges granted to corporations formed under the Georgia Nonprofit Corporation Code and all of the State of Georgia, as in force from time to time, or which may be conferred by all acts heretofore or hereafter amendatory of or supplemental to said laws.

#### ARTICLE VI

The Corporation is formed exclusively for the purposes for which a corporation may be organized under the Georgia Nonprofit Corporation Code and not for pecuniary gain or profit. No part of the assets, income or profit of the Corporation shall be distributed to, or inure to the benefit of, its directors, officers or members except to the extent permitted under the Georgia Nonprofit Corporation Code.

#### ARTICLE VII

The condominium over which the Corporation shall have jurisdiction is the Savannah Beach and Racquet Club Condominium, Chatham County, Georgia.

#### ARTICLE VIII

The affairs of the Corporation shall be managed by a Board of Directors. The method of election, number, qualification requirements and term of office of the directors shall be as determined by the By-Laws of the Corporation.

#### ARTICLE IX

The initial registered office of the Corporation shall be at Eight Piedmont Center, Suite 210, Atlanta, Fulton County, Georgia 30305. The initial registered agent of the Corporation at such address shall be Bradley V. Taylor.

## ARTICLE X

The number of directors constituting the initial Board of Directors shall be three (3). The names and corresponding addresses of the directors who shall serve on the initial Board of Directors are as follows:

Donald R. Tomlin, Jr.  
P.O. Box 11634  
Columbia, SC 29211

Patrick L. Tomlin, Jr.  
P.O. Box 11634  
Columbia, SC 29211

Robert J. Veres  
P.O. Box 11634  
Columbia, SC 29211

## ARTICLE XI

The qualifications and rights of the members of the Corporation shall be set forth in the By-Laws of the Corporation.

Filed For Record At 1:42 O'Clock P M. On The  
31 Day Of July 1981  
Entered in Record Book 117-B Page 174  
On The 31 Day Of July 1981

CLERK SUPERIOR COURT, CHATHAM CO., GA.



620

AMENDMENT TO THE BY-LAWS OF THE  
SAVANNAH BEACH AND RACQUET CLUB CONDOMINIUM ASSOCIATION

Article XIV (Exhibit 3, page 11) shall be amended as follows: Owners shall have the right to rent their units subject to the following restrictions...

"All long term rentals, which are defined for purposes of this rule as those rentals exceeding 30 consecutive days, shall be restricted to no more than two (2) adults who must be 18 years of age or older. Children who are under 18 years of age are specifically prohibited from residing in a Savannah Beach and Racquet Club unit pursuant to a long term rental agreement either written or oral. Violation of this rule shall subject owner/tenant to all appropriate penalties as provided by these by-laws."

SAVANNAH BEACH AND RACQUET CLUB  
CONDOMINIUM ASSOCIATION

BY: Eric E. Hogan Pres.

ATTEST: Ralph A. Johnson, Secy

WITNESS

NOTARY PUBLIC

Wm. D. McGLAUGHN  
Notary Public, Chatham County, Ga.  
My Commission Expires July 25, 1992

Filed For Record At 1:42 O'Clock P M. On The  
7 Day Of June 1989  
Recorded In Record Book 142 Folio 420  
On The 7 Day Of June 1989

CLERK SUPERIOR COURT, CHATHAM CO., GA.

RECEIVED FOR RECORD  
1989 JUN -7 PM 1:42  
DORIS S STEPHENS  
CLERK, S.C.C.G.A.

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