

**BY-LAWS**  
**OF**  
**ISLAND COTTAGE & BUSINESS CENTER CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I**  
**MEMBERS**

A. All present and future unit owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, the Articles of Incorporation, these By-Laws, and all rules made pursuant hereto and any amendment thereof.

B. Island Cottage & Business Center Condominium Association, Inc. (the "Corporation") is a non-profit Georgia corporation which shall have as members, the Unit Owners of the property known as Island Cottage & Business Center Condominiums (the "Condominiums"), located on St. Simons Island, Glynn County, Georgia, as defined in the Declaration of Condominium for Island Cottage & Business Center Condominium, recorded in Deed Book \_\_\_\_\_, page \_\_\_\_\_, in the office of the Clerk of Superior Court of Glynn County, Georgia (the "Declaration").

C.

(1) The first annual meeting of Association members may be held subject to the terms hereof, on any date, at the option of the Initial Board (as hereinafter defined). Subsequent to such first meeting, there shall be regular annual meetings of the Association members in the month of December. All such annual meetings shall be held at such place in Glynn County, Georgia, and at such time as specified in the written notice of such meeting which shall be delivered to all members at least ten (10) days prior to the date of such meeting.

(2) Special meetings of the Association may be called by the President or by a majority of the directors of the Board, provided that such special meetings shall be called by delivering written notice to the members not less than ten (10) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered.

(3) Notice of a meeting may be delivered either personally or by mail to a member at the address given to the Board by such member for such purpose, or to the member's Unit, if no address for such purpose has been given to the Board. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail, postage paid, addressed to the member at such address.

(4) The aggregate number of votes for the Association shall be equal to the aggregate number of units in the Condominium and shall be divided among the respective Unit Owners in accordance with their respective percentage of ownership interest in the Common Elements, as

defined in the Declaration. If any Unit is owned by more than one person, the voting rights assigned to such unit shall not be divided but shall be exercised as if the unit consisted of only one person, it being the obligation of such multiple owners to determine among themselves the vote to be cast, and to provide appropriate evidence of such assurance.

(5) A quorum for any meeting shall be constituted by the presence of members holding not less than 40 percent of the votes entitled to be cast at such meeting. If a quorum is not present at any meeting of the members, a majority of the members may adjourn the meeting for twenty-four (24) hours, at which time the meeting shall reconvene and any number of members present at such subsequent meeting will constitute a quorum.

(6) At any meeting of the Association, a member entitled to vote may vote either in person or by proxy executed in writing by the member or by the member's duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution.

(7) Unless otherwise expressly provided in the Declaration or herein, any action may be taken at any meeting of the Association upon a majority vote of the votes eligible to be cast at such meeting, subject to the provisions above pertaining to quorum for meeting.

## ARTICLE II BOARD OF DIRECTORS

A. The affairs of the Association shall be managed by its board of directors (the "Board of Directors" or "Board").

B. The Board shall consist of not less than one member nor more than three members. The Initial Board shall consist of a single director, Tony M. Thaw, the Developer of the Condominiums. The Developer shall be authorized to appoint and remove any member or members of the Board; provided, such authority to so appoint and remove shall expire upon the first of the following to occur: (a) the expiration of seven (7) years after the date the Declaration shall be filed for record with the Clerk of Superior Court of Glynn County, Georgia; (b) the date as of which units to which five-sixths (5/6ths) of the undivided interest in the common elements appertain shall have been conveyed by the Developer to Unit Owners other than a person or persons constituting the Developer, unless the Developer at that time has an unexpired option to add any portion of the Additional Property to the Condominium, as provided in the Declaration; or (c) the surrender by the Developer of the authority to appoint and remove members of the Board, as provided in the Declaration.

C. Subject to the rights of the Developer, Director(s) shall hold office from their election or appointment to the next annual meeting of the Association, at which meeting a successor to each Director shall be elected by a majority vote of members in attendance at such meeting; provided, nothing herein shall prohibit a Director from holding office for successive terms.

D. Each Director, except the Developer, shall be a Unit Owner or the spouse of a Unit Owner or, if a Unit Owner is a corporation, limited liability company, partnership or trust, a Director may be an officer, principal, partner, or beneficiary of such Unit Owner. If a Director shall cease to meet such qualifications, such Director's place on the Board shall be deemed vacant.

E. Any vacancy occurring in the Board may be filled only by a person meeting the qualifications set forth above. From and after the date the Developer relinquishes his authority to appoint and remove members of the Board, any member of the Board may be removed from office by the affirmative vote of two-thirds (2/3rds) of the votes represented at a meeting of the Association called for such purpose.

F. A regular annual meeting of the Board shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of the members of the Association. The Board may provide by regulations which the Board may, from time to time, adopt, the time and place for the holding of additional regular meetings of the Board without other notice than such regulation. Special meetings of the Board shall be held on a call by the President or by a majority of the Board, provided that each Director is personally contacted and receives two (2) days notice. All meetings, whether regular or special, of the Board shall be open to all members, except that the portion of any meeting held (a) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such action is probable or imminent, (b) to consider information regarding apportionment, employment or dismissal of an employee or (c) to discuss violations of the rules and regulations of the Association or unpaid assessments owed to the Association, provided that the vote on any such matter shall be taken at a meeting or a portion thereof open to any member.

G. Directors shall receive no compensation for their services.

H. If the Board shall consist of more than one (1) Director, the majority of such Directors shall constitute a quorum.

I. The Board shall have the following powers and duties:

- (1) To elect and remove the officers of the Association as hereinafter provided;
- (2) To administer the affairs of the Association and the Condominium;
- (3) To formulate policies for the administration, management and operation of the Condominium and its Common Elements;
- (4) To adopt rules and regulations, after written notice of the meeting called to adopt same is given to all members, governing the administration, management, operation and use of the Condominium and its Common Elements;

(5) To provide for the maintenance, repair and replacement of the Common Elements, and payment therefore, and to approve payment vouchers or to delegate such approval to the officers of the Association;

(6) To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage and contract for the service of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Condominium and its Common Elements;

(7) To appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(8) To determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(9) To estimate the amount of the annual budget, to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as provided herein and in the Declaration, and to provide for reasonable reserves in accordance with the provisions of these By-Laws, the Declaration, and the Georgia Condominium Act;

(10) To grant easements over certain areas of the Common Elements;

(11) To enter into management agreements, provided, any management agreement shall have a term of not more than three (3) years and shall be terminable for cause upon thirty (30) days notice; and,

(12) To exercise all other powers and duties of the Board as provided in the Georgia Condominium Act, the Declaration, these By-Laws, or such other applicable provisions of the Official Code of Georgia Annotated.

J. 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, except as otherwise provided by law, the Declaration, or these By-Laws.

K. Notice of any special meeting of the Board shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail to each Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage paid, and addressed to the Director at the most recent address on record with the Board. Neither the business to be transacted at, nor the 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. Written notice of any meeting of the Board at which the adoption of the proposed budget or any increase or establishment of an assessment is to be considered shall be mailed to all Board members not less than ten (10) days prior to any such meeting. Nothing in these By-Laws shall be considered to grant to the Board, the Directors or

the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

### **Article III OFFICERS**

A. At each annual meeting of the Board, the Director(s) present at such meeting shall elect the following officers of the Association by a majority vote:

(1) A President, who shall be a Director and who shall preside over the meetings of the Board and of the Association;

(2) A Secretary, who shall keep the minutes of all meetings of the Board and of the Association, and who shall, in general, perform all the duties incident to the office of Secretary;

(3) A Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and,

(4) Such additional officers as the Board shall see fit to elect.

B. The respective officers shall have the general powers usually vested by statute or practice in such officers; provided the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

C. Each officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified; provided, nothing herein shall prohibit an officer from holding office for successive terms.

D. Vacancies in any office shall be filled by the Board by a majority vote at a special meeting of the Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer succeeded. Any officer may be removed for cause at any time by the Board at a special meeting thereof.

E. The officers shall receive no compensation for their services.

### **ARTICLE IV ASSESSMENTS**

A. The Board shall cause to be prepared an estimated annual budget for each physical year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including the establishment of appropriate reserves. To the extent the assessments and other cash income collected from the Unit Owners during the preceding years shall be more or less than the expenditures for such preceding year, the surplus

or deficit as the case may be, shall also be taken into account.

B. On or before the first day of the first month and each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as such Unit Owner's respective monthly assessment for the common expenses for such year, one-twelfth (1/12th) of such proportionate share of the common expenses for such year. Such proportionate share shall be in accordance with the respective ownership interest in the Common Elements, as provided in the Declaration.

C. Copies of said estimated annual budget and any amendments or changes thereto shall be furnished by the Board to each Unit Owner not less than fifteen (15) days before the due date of the first monthly assessment based upon said annual budget or amended or changed annual budget. In the event the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, each Unit Owner shall continue to pay each month the amount of such Unit Owner's respective monthly assessment as may be directed by the Board.

D. If the first fiscal year of the Association, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget.

E. In the event that during the course of any year it shall appear to the Board that the monthly assessments are insufficient or inadequate then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, with copies of such supplemental budget being furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for such Unit Owner's proportionate share of such supplemental budget.

F. It shall be the duty of each Unit Owner to pay such Unit Owner's proportionate share of the common expenses, as assessed in the manner herein provided. If any Unit Owner shall fail or refuse to make any such payment when due, the amount thereof together with such fees and charges as provided in the Declaration and the Georgia Condominium Act, shall constitute a lien on the interest of such Unit Owner in the Condominium. The Association, its successors and assigns, or the Board, or its agents shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the cost of such suit and other fees and expenses, together with legal interest and reasonable attorney's fees. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies provided for in the Declaration, these By-Laws, or the Official Code of Georgia Annotated.

G. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements. Upon receipt of ten (10) days written notice to it or the Association from a Unit Owner, and upon payment of the fee provided in the Declaration or the Georgia Condominium Act, the Board shall furnish to such

Unit Owner a statement of the account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

H. The Board may cause the Association to discharge any materialmen's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Condominium or the Common Elements, rather than a lien only against a particular unit. When less than all the Unit Owner(s) are responsible for the existence of any such lien, the Unit Owner(s) shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorney's fees, incurred by reason of such lien. Any amounts due the Association hereunder shall constitute a lien on the interest of the Unit of the responsible Unit Owner(s), which lien may be perfected and foreclosed as provided in these By-Laws, the Declaration, and the Georgia Condominium Act.

I. All funds collected hereunder shall be held and expended for the purposes designated herein, and, except for such special assessments as may be levied against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments, shall be deemed to be held for the sole benefit, use and account of the Unit Owners in the percentages set forth from time to time in the Declaration.

#### **ARTICLE VIII AMENDMENTS**

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted from time to time by action or approval pursuant to the affirmative votes of two-thirds (2/3rds) of the aggregate votes in the Association.

#### **ARTICLE VI INDEMNIFICATION**

A. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or contemplated action, suit or proceeding, with a civil, criminal, administrative or investigative, other than an action by or in the right of the Association, by reason of the fact that such person is or was a member of the Board, an officer of the Association or a member of any committee appointed pursuant to these By-Laws, against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonable incurred by or imposed on such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner reasonable believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct

was unlawful.

B. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or contemplated action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a member of the Board, an officer of the Association or a member of any committee appointed pursuant to these By-Laws, against expenses, including attorney's fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit provided such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Association.

C. To the extent that a member of the Board, an officer of the Association, or a member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding as referred to above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him in connection therewith.

D. Any indemnification under Section A and B hereinabove shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board, the officer or the member of such committee is proper in the circumstances because such person has met the applicable standard of conduct set forth in said Sections A and B. Such determination shall be made (1) by the Board, by a majority vote of a quorum consisting of those Directors who were not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the Unit Owners.

E. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the member of the Board, the officer or the member of such committee to be indemnified, to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Association.

F. The indemnification provided herein shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled. The indemnification provided herein shall continue as to a person who has ceased to be a member of the Board, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors and administrators of such person.



**ARTICLE VII  
CONSTRUCTION**

A. Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration, said Declaration and the By-Laws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Condominium. If there is any inconsistency or conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control.

B. All words and terms used herein which are also used in the Declaration shall have the same definition as set forth in the Declaration of Condominium for Island Cottage & Business Center Condominiums, which Declaration is recorded in the office of the Clerk of Superior Court of Glynn County, Georgia. The term "member" as used in these By-Laws, means "Unit Owner" as defined in said Declaration.

IN WITNESS WHEREOF, the undersigned has set his hand and seal on this the 8th day of March, 1999.

BOARD OF DIRECTORS

BY. \_\_\_\_\_

Tony M. Thaw