

**BY-LAWS OF
BRIARCLIFF WOODS BEACH CLUB, INC.**

ARTICLE I

NAME

The name of the Corporation shall be "Briarcliff Woods Beach Club, Inc."

ARTICLE II

OBJECT

The purpose and object of said Corporation shall not be for business or profit; but its purpose shall be for providing recreational facilities for its members. The Corporation shall not be controlled by or under common control of any other organization; no part of the net earnings of the said Corporation shall inure to be benefit of any of its members; no alcoholic beverages will be permitted on the premises except at regularly scheduled club sponsored functions and Board approved special functions for adult members.

ARTICLE III

MEMBERS

Section 1.

The members of this Corporation are limited to one member of each family residing in residences within the boundaries as defined by the Board of Directors of the Corporation, and shall be limited to 350 memberships.

Section 2.

Any person desiring to become a member in this Corporation shall make application to the Board of Directors. The Board shall determine whether or not said applicant shall be allowed to become a member and shall also determine at what price and upon what terms.

Section 3.

Any member, who became a member prior to February 1, 2001, who shall move his residence in excess of five miles from the pool site, may, no later than 30 days after his relocation, offer in writing his membership to the Board of Directors, for \$275. In order for the offer to be binding

upon the Corporation, the withdrawing member must have paid all dues and other charges through the date on which the offer is made, except that if the offer is made between January 1 and March 15 of any year, the withdrawing member need not pay dues or other annual charges for the year in which the offer is made. Within 30 days of receipt of such an offer, the Corporation shall repurchase the membership and pay the withdrawing member \$275. Membership in the Corporation is otherwise not transferable.

With respect to members joining the Corporation after February 1, 2001, all of the same provisions shall apply, except that the purchase price to be paid by the Corporation for the membership shall be \$100.

Section 4.

The voting power and property rights and interest of all members shall be equal. Each member shall be entitled to one vote at any regular or special membership meeting and may be represented at such meetings and vote by proxy. Provided, however, that any developer, builder or improver of residential property within the boundaries of this Corporation as established by the Board of Directors may purchase from the Corporation memberships to be held by said builder and transferred to purchasers of said builder's homes upon approval by the Board of Directors, and said builder may hold and vote said membership individually, irrespective of the provisions of Section 1 of Article III herein above. Any membership held by any builders after May 1, 1963, will bear the average dues received from all members.

Section 5.

The Board of Directors shall establish the dues for each year which shall be assessed against each member and each member of his or her family over 1-year of age, residing in the household.

For the purpose of this section, anyone residing in a member's home other than a member of his family, who shall use the facilities of the Corporation, shall pay the amount of annual dues prescribed for each member.

Any annual dues limit set by the Board of Directors shall not include the fee chargeable to other persons residing with a member, as set out above.

"Member of Family" means the husband and wife and all minors, unmarried children residing within a member's home.

"Other Persons residing with a member" shall be defined as those persons who are or intend to reside therein for a considerable or extended period of time.

Section 6.

Dues notices shall be mailed to members by February 1 of each year, and dues will be due on March 1. Dues will be past due on March 15 after which a late fee equal to 10% of the dues will be due. If dues are not paid by April 15, the member's membership will be forfeited automatically. A member may be reinstated upon terms and conditions set by the Board of Directors.

All other financial obligations owed for Club sponsored functions are due and payable as scheduled. Failure to satisfy any debt owed the Club shall subject the member to suspension or expulsion.

Section 7.

The Board of Directors shall establish and collect a workday charge which will be assessed against each member and which will be refunded after the member or his/her representative has contributed a minimum of four (4) hours per year toward the maintenance of the grounds or buildings.

This assessment will be refunded to those members who either work for a minimum of four hours during a scheduled workday or who, at other times, perform such services (e.g. maintenance of equipment, special projects, etc.) at the request of the Board of Directors. Duties as an officer or director shall not accrue toward the minimum hours of work unless they are directly related to the maintenance of the grounds and building.

This fee shall not exceed FIFTY (\$50.00) dollars per family membership and shall be collected in conjunction with the dues. Failure to pay this assessment will carry the same penalties as nonpayment of dues.

Section 8.

The Board of Directors shall establish and collect an annual Renewal or Replacement Fee per family membership. This fee shall not exceed fifty (\$50.00) dollars and shall be collected in conjunction with the dues. Failure to pay this assessment will carry the same penalties as nonpayment of dues. This money shall be used only for renewal or replacement of existing club properties and facilities or payments toward loans for renewal or replacement of existing club properties and facilities and may not be used for any other purposes without a majority vote of the membership. Money collected and not spent in a particular year will be added to the money collected in the following year.

Section 9.

Any member may be expelled and any member of his family may be denied use of the Corporation facilities for acts and conduct prejudicial to the best interest of the Corporation and members thereof. Any member may be removed from membership by a majority vote of the members present at any annual meeting or at any special meeting of the members called for the purpose for conduct deemed prejudicial to this Corporation, provided that such members shall have first been served with written notice of the accusations against him and shall have been given an opportunity to produce his witnesses, if any, and to be heard at the meeting at which said vote is taken. Upon expulsion, the membership of said member shall be forfeited, together with all rights and interest in this Corporation and its property. The determination of the members shall be final in this report.

Section 10.

Each member shall be issued a certificate as evidence of membership in the Corporation. Said certificate shall be transferable only upon approval of the Board of Directors. The proposed transferee must file an application for membership, which application shall be approved by the Board of Directors before the transfer is permitted.

Section 11.

Guests of members are limited to persons who do not reside within the geographical area. This rule is applicable to both adults and children; provided, however, that said rule may be waived as approved by the Board of Directors, including rules for use of club facilities by prospective new member families. The number of guests to a member family may be limited by the Board.

ARTICLE IV
OPERATING FEES

Section 1.

(a) The Board of Directors shall establish admission fees for guest of members for the ensuing year.

(b) There shall be no assessments levied against the members except by an affirmative vote of two-thirds of those members present at any annual or special meeting of the members.

(c) No dues or part thereof shall be refunded in the event that operations are required to be suspended for any purpose. No dues or part thereof shall be refunded upon termination, suspension or transfer of a membership.

ARTICLE V
MEMBERSHIP MEETINGS

Section 1.

Annual meeting shall be in January of each year for the election of directors. All meetings shall be held in the clubhouse until otherwise notified.

Section 2.

A special meeting of the members shall be called by the Board of Directors on the written request of twenty-five (25%) percent of the members, or by an affirmative vote of majority of the Board of Directors.

Section 3.

At least ten (10) days before the date of any annual or special meeting of the membership, the Secretary shall cause written notice thereof to be delivered or mailed to each member at the address appearing for such member on the records of the Corporation. A notice shall, in the case of a special meeting, specify the purpose of the meeting. The business so specified shall be the only such business to be transacted at the special meeting.

Section 4.

Ten (10%) percent of the membership, if in attendance at any annual or special meeting, shall constitute a quorum, after due and proper notice as required in Section 3. For purposes of this section, only those persons in attendance or represented by general proxy in person shall be counted.

Section 5.

Ten days prior to any annual or special meeting, the members list of the Corporation shall be closed and the list of members eligible to vote shall be made up. A member may vote in person or by proxy designated in writing.

ARTICLE VI
GOVERNMENT

Section 1.

The Corporation shall be governed by a Board of Directors which shall be composed of fifteen (15) members. Each director shall be elected for a period of three years. In each annual election, five directors shall be elected to succeed those whose term has expired.

Until sufficient time has elapsed to permit the above provision to be implemented, directors serving at the time these By-Laws may be adopted shall be elected for such period as required to complete a three year term for such director. No elected director shall serve more than three years and shall not be eligible for reelection after serving until the expiration of at least one year.

Section 2.

The directors shall be elected at the annual meeting of the members held in January of each year. Voting shall be without cumulation and shall be by ballot or by vote.

Section 3.

When a vacancy occurs on the Board of Directors, such vacancy may be filled by appointment by the remaining directors. The director thus appointed shall fill the unexpired term.

Section 4.

At least thirty (30) days prior to the annual meeting in January, the Board of Directors shall appoint a nominating committee which shall propose members of the Corporation for election to the Board of Directors. The nominating committee shall present its selection to the members with the ten (10) day notice of the annual January meeting, with a proxy vote blank. Nominations may be made from the floor at the annual meeting.

ARTICLE VII
MEETINGS AND DUTIES OF DIRECTORS

Section 1.

Each year the Board shall establish the time and frequency of its regular meetings. Special meetings may be called by the President, or any two (2) directors, by giving five (5) days' notice, written or verbal, to each director. A majority of the Directors shall constitute a quorum.

Section 2.

The duties of the Directors shall be to control and manage the business of the Corporation, and to report to the membership as to the financial condition periodically. It is expected that each and every Director will use sound business logic in handling the various duties. No capital expenditure, other than repair or replacement of existing facilities, in excess of \$5000 shall be made without approval of the

membership in a meeting called for that purpose. The Board of Directors shall adopt, no later than April 30th of each year, a club budget for that calendar year. Such budget shall either show a surplus or be balanced (income equal to expenditures) for the year. The board may not adopt a budget showing a deficit (expenditures exceeding income) unless that budget had been approved by the membership at the annual or a special meeting of the membership. The budget approved by the board of directors shall be available for review by any member upon written request.

ARTICLE VIII **OFFICERS**

Section 1.

The officers of the Corporation shall be President, a Vice-President, a Treasurer, and a Secretary, all of whom shall be elected by the Board of Directors from their own membership at their first meeting after the election of Directors by the general membership.

Section 2.

The President shall preside over all meetings of the members and or the Board of Directors. He shall perform such other duties as customarily pertain to the Office of President, or as he may be directed to perform by resolution of the Board of Directors. He shall, along with the Vice-President, and Treasurer, be authorized to sign all checks and such other instruments as the Board of Directors may direct.

Section 3.

The Vice President shall have and exercise all the powers, authority and duties of the President during the absence of the latter, or in his inability to act. In addition, he shall perform such duties as may be assigned to him by the Board of Directors. He shall have the power to sign checks, and such other instruments as the Board of Directors may direct.

Section 4.

The Treasurer shall have custody of all funds, securities, fiscal papers, and other tangible assets of the Corporation. He shall collect the revenues of the Corporation and pay its bills as authorized by the Board of Directors. He shall provide and maintain full and complete records of assets and liabilities of the Corporation. He will prepare and submit at each regular meeting of the Board of Directors a

financial statement of the condition of the Corporation as of the last day of the preceding month. He shall prepare such tax reports as local, state and federal agencies may require. He shall have the power to sign checks, along with the President and Vice-President.

Section 5.

The Secretary shall keep minutes of all meetings and shall give required notice of all meetings. He shall have custody of all books, records and papers, except those in the possession of the Treasurer.

Section 6.

Officers and Directors shall be reimbursed for reasonable out-of-pocket expenditures made on behalf of the Corporation, but shall not be otherwise compensated.

Section 7.

Vacancies among the Officers shall be filled by the Board of Directors.

Section 8.

All checks must be signed by any two of the authorized Officers.

Section 9.

A clerical assistant to the Officers and the Board of Directors may be hired by the Board at a salary not to exceed \$100 per month. The assistant would attend all Board meetings but not have a vote. Duties of the assistant would be limited to club functions as specified by the Officers and Board of Directors.

ARTICLE IX **COMMITTEES**

Section 1.

Committees shall be appointed each year by the Board of Directors. A member of the Board of Directors shall serve as Chairman of each committee. Recommendations shall be made by the committees to the Board of Directors for appropriate action. The committees shall have no authority to act except where such authority is delegated by the Board of Directors.

ARTICLE X **SURRENDER OF MEMBERSHIP**

Section 1.

In the event an assessment is authorized by the membership as hereinbefore provided, any member may elect to forfeit his membership together with all the rights and privileges thereof, and thereby avoid the payment of his proportionate share of said assessment.

ARTICLE XI
AMENDMENTS TO THE BY-LAWS

Section 1.

Amendments to these By-Laws shall be adopted by the affirmative vote of a majority of the members represented at a duly held meeting; provided that the text of such proposed amendments be mailed to the members at least ten (10) days prior to such meeting.

ARTICLE XII
FINANCING

Section 1.

The \$108,000 loan closed with Dekalb Federal Savings and Loan Association on February 6, 1978 may not be increased or extended, nor may the Security therefore be reduced, without gaining the release of all liability of the guarantors of the Note evidencing the loan.

Article XIII
INDEMNIFICATION

Each person who is or was a director or officer of the Corporation shall be indemnified by the Corporation, and entitled to advancement of expenses of litigation, to the fullest extent permitted under the Georgia Nonprofit Corporation Code against those expenses (including attorneys' fees), judgments, fines and amounts paid in settlement which are allowed to be paid, reimbursed or advanced by the Corporation under the Georgia Nonprofit Corporation Code and which are actually and reasonably incurred in connection with any action, suit or proceedings, pending or threatened, whether civil, criminal, administrative or investigative, in which such person may be involved by reason of his being or having been a director or officer of this Corporation. Such indemnification shall be made only in accordance with the Georgia Nonprofit Corporation Code and subject to the conditions thereof.

As a condition to any such right of indemnification, the Corporation may require that it be permitted to participate in

the defense of any such action or proceedings through legal counsel designated by the Corporation and at the expense of the Corporation.

The Corporation may purchase and maintain insurance on behalf of any such persons whether or not the Corporation would have the power to indemnify such officers and directors against any liability under the Georgia Nonprofit Corporation Code.

I hereby certify that the foregoing By-Laws were duly amended by the Membership of the Corporation at the Annual General Meeting held on January 22, 2001 and that the attached represent a true and correct copy of the By-Laws of the corporation, as amended.

Secretary