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P.O. Drawer 6067
Hilton Head Island, SC 29938

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
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RESOLUTION AND CERTIFICATE OF
AUTHENTICITY OF BY-LAWS AND
ARCHITECTURAL GUIDELINES OF HIDDEN
LAKES PROPERTY OWNERS ASSOCIATION,
INC.

WHEREAS, Hidden Lakes Property Owners Association, Inc. (the "Association") is a non-profit corporation in good standing, organized for the purpose of administering and governing the property known as Hidden Lakes, a community located in Beaufort County, South Carolina, as set forth in the Declaration of Covenants, Restrictions and Easements for Hidden Lakes Subdivision dated February 25, 2002 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, on March 6, 2002 in Book 1551, at Page 149 (the "Declaration"), as may be amended or supplemented from time to time, and as further governed by the By-Laws of Hidden Lakes Property Owners Association, Inc., adopted February 20, 2002 (the "By-Laws"), as may be amended from time to time; and

WHEREAS, the South Carolina Homeowners Association Act, S.C. Code Ann. §27-30-110 et seq. ("SCHAA") mandates that all governing documents, and any amendments thereto, must be recorded with the Register of Deeds;

It is therefore resolved and certified as follows:

1. That the By-Laws of Hidden Lakes Property Owners Association, Inc. attached hereto as Exhibit "A" were duly adopted by the Board of Directors pursuant to the authority granted to the Board in the Declaration and By-Laws;
2. That the Hidden Lakes Architectural Guidelines ("Guidelines") attached hereto as Exhibit "B" were adopted by the Association's duly appointed Architectural Review Board in accordance with the Declaration and By-Laws and ratified by the Board of the Association;

3. That the By-Laws and Architectural Guidelines are in full force and effect and shall remain so until such time as the Board of Directors shall, pursuant to the Declaration, By-Laws, and/or statutory requirements, file with the Register of Deeds for Beaufort County, an amendment, restatement or revocation thereof; and

4. That the undersigned is the duly appointed President (Title) of the Association, and as such, has the requisite knowledge and authority to execute this instrument on behalf of the Board and to record these By-Laws and Architectural Guidelines.

So certified this 9th day of January, 2019.

Witness Berry Kaufman

Witness/Notary Stacey Collins

HIDDEN LAKES PROPERTY OWNERS ASSOCIATION, INC.

By: Sarah Hurst
Its: President

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

I, Stacey Collins, do hereby certify that Sarah Hurst, President (Title) of Hidden Lakes Property Owners Association, Inc. appeared before me this date and acknowledged the due execution of the foregoing instrument on behalf of the Association.

Witness my hand and official seal this 9th day of January, 2019.



Stacey Collins
Notary Public of South Carolina
My Commission Expires: 6-5-25

EXHIBIT "A"

BY-LAWS
OF
HIDDEN LAKES PROPERTY OWNERS ASSOCIATION, INC.

Article I Name, Principal Office, and Definitions

1.1. Name.

The name of the corporation is Hidden Lakes Property Owners Association, Inc. (the "Association").

1.2. Principal Office.

The Association's principal office shall be located in Beaufort County, South Carolina. The Association may have such other offices as the Board may determine or as the Association's affairs require.

1.3. Definitions.

The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that certain Declaration of Covenants, Restrictions and Easements for Hidden Lakes Subdivision on file in the Public Records of Beaufort County, South Carolina, as it may be amended ("Declaration"), unless the context indicates otherwise.

Article II Membership: Meetings, Quorum, Voting, Proxies

2.1. Membership.

The Association shall have two classes of membership, Class "A" and Class "B," as more fully set forth in the Declaration. The provisions of the Declaration pertaining to membership are incorporated by this reference.

2.2. Place of Meetings.

The Association shall hold meetings at the Association's principal office or at such other suitable place the Board may designate.

2.3. Annual Meetings.

The Association shall hold its first meeting, whether a regular or special meeting, within one year after the Association's incorporation. The Board shall set subsequent regular annual meetings so as to occur within 90 days before or after the close of the Association's fiscal year.

2.4. Special Meetings.

The President may call special meetings. In addition, it shall be the duty of the President or the Secretary to call a special meeting if so directed by Board resolution or upon a petition signed by Members representing at least 10% of the total Class "A" votes in the Association.

2.5. Notice of Meetings.

The Association's Secretary shall cause written notice stating the place, day, and hour of any Association meeting to be given in any manner permitted by South Carolina law. Notice may be mailed, or sent by personal delivery, or, if permitted, notice may be posted in a conspicuous, prominent place within the , sent by facsimile, electronic mail, or other electronic communication device, or provided in such other manner, which is reasonably calculated, as determined in the Board's discretion, to provide personal notice to the Members. Notice shall be given at least 10 but less than 60 days before the date of the meeting, by or at the direction of the President or the Secretary or the officers or Persons calling the meeting.

In the case of a special meeting or when a statute or these By-Laws require otherwise, the notice shall state the purpose or purposes for which the meeting is called. No business shall be transacted at a special meeting except as stated in the notice.

If posted, notice shall be deemed delivered when posted. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the Association's records, with postage prepaid. If sent by facsimile, electronic mail, or such other electronic communication device, notice shall be deemed to be delivered when transmitted to the Member at his or her address or number as it appears on the Association's records. Failure to receive actual notice of an Association meeting shall not affect the validity of any action taken at such meeting.

2.6. Waiver of Notice.

Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, either before or after such meeting. A Member's attendance at such meeting shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to

lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless a Member raises an objection on the basis of lack of proper notice before the business is put to a vote.

2.7. Adjournment of Meetings.

If the Association cannot hold a meeting because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, the Association may transact any business which it might have transacted at the original meeting. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting, or if the date for the reconvened meeting is changed, notice of the time and place of the reconvened meeting shall be given to Members in the manner described in Section 2.5.

Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that at least a majority of the votes required to constitute a quorum approve any action taken.

2.8. Voting.

Members shall have such voting rights as are set forth in the Declaration, which provisions are incorporated herein by this reference. Members may vote at a meeting by voice vote or ballot or may vote by mail without the necessity of a meeting, as determined by the Board; provided, the Board shall hold meetings when required by the Declaration, these By-Laws, or South Carolina law. Votes for the election of directors shall be cast by written ballot. All Member votes cast at meetings are subject to the quorum requirements of Section 2.11. The Board may permit votes to be cast electronically (*i.e.*, via the Internet, intranet, or electronic mail) with sufficient verification of authenticity and if permitted by law.

2.9. Proxies.

On any matter as to which a Member is entitled to cast the vote for his or her Lot, such vote may be cast in person or by proxy, subject to the limitations of South Carolina law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws.

Every proxy shall be in writing specifying the Lot for which it is given, signed by the Member or his or her duly authorized attorney-in-fact, dated, and filed with the Association's Secretary prior to the meeting for which it is to be effective. Unless the proxy specifically provides otherwise, a proxy shall be presumed to cover the entire vote which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover

the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

Every proxy shall be revocable and shall automatically cease upon (a) conveyance of any Lot for which it was given, (b) receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member, or (c) eleven months from the date of the proxy, unless a shorter period is specified in the proxy.

2.10. Majority.

As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than 50% of the total eligible number.

2.11. Quorum.

Except as these By-Laws or the Declaration otherwise provide, the presence, in person or by proxy, of Members representing at least 25% of the Association's total Class "A" votes shall constitute a quorum at all Association meetings.

2.12. Conduct of Meetings.

The President or any designee the Board approves shall preside over all Association meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are recorded with the Association's records.

2.13. Action Without a Meeting.

Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if all Members entitled to vote on such matter sign a written consent specifically authorizing such action. The Secretary shall file such consents with the minutes of the Association along with the Secretary's certification that the subscribers to the consent constitute all of the Members entitled to vote. Such consent shall have the same force and effect as a vote of the Members at a meeting.

Article III Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1. Governing Body; Composition.

The Board of Directors shall govern the Association's affairs. Each director shall have one equal vote. Except with respect to directors the Class "B" Member appoints, directors shall be Members or residents; provided, no Owner and resident representing the same Lot may serve on the Board at the same time. A "resident" shall be any natural person 18 years of age or older whose principal residence is a Home within Hidden Lakes. If a Member is not an individual, any officer, director, partner, or trust officer of such Member shall be eligible to serve as a director unless a written notice to the Association signed by such Member specifies otherwise; provided, no Member may have more than one such representative on the Board at a time, except in the case of directors the Class "B" Member appoints.

3.2. Number of Directors.

The Board shall consist of three to five directors, as provided in Sections 3.3 and 3.5. The initial Board shall consist of the three directors identified in the Articles of Incorporation.

3.3. Directors Prior to Turnover Date.

The Class "B" Member shall have complete discretion in appointing directors pursuant to Section 3.5. Such directors shall serve at the pleasure of the Class "B" Member.

3.4. Nomination and Election Procedures.

(a) Nomination of Directors. Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which every eligible person who has an interest in serving as a director may file as a candidate for any position to be filled by Class "A" votes. Except with respect to directors the Class "B" Member appoints, nominations for election to the Board shall be made in accordance with policies and procedures the Board establishes. Such policies and procedures may include, but are not limited to, permitting or requiring that nominations be made through a nominating committee, permitting "write-in" candidates, and permitting nominations from the floor.

If appointed, a nominating committee shall consist of a Chairman, who shall be a Board member, and three or more Members or representatives of Members. The nominating committee shall make as many nominations for election to the Board as it deems appropriate in its discretion, but in no event less than the number of positions to be filled as provided in Section 3.5.

All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(b) Election Procedures. Each Owner may cast the entire vote assigned to his or her Lot for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5. Election and Term of Office.

Except as these By-Laws may otherwise specifically provide, election of directors shall take place at the Association's annual meeting. Notwithstanding any other provision of these By-Laws:

(a) Within 90 days after the time that Class "A" Members other than Builders own 50% of the Total Planned Lots, or whenever the Class "B" Member earlier determines, the President shall call for an election by which the Class "A" Members shall elect one of the three directors. (A director which the Class "A" Members elect is referred to as a "Class "A" Director.") The remaining two directors shall be the Class "B" Member's appointees. The Class "A" Director shall not be subject to removal by the Class "B" Member and shall be elected for a term of two years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within 60 days after the Turnover Date (referred to in the Declaration), the Board shall increase to five directors. The President shall call for an election by which the Class "A" Members shall elect all of the five directors. As of the effective date of such election, the directors appointed by the Class "B" Member shall resign. Initially, three Class "A" Directors shall serve a term of two years and two Class "A" Directors shall serve a term of one year, as such directors determine among themselves.

Thereafter, upon the expiration of the term of office of each Class "A" Director, a successor shall be elected to serve a term of two years. The Class "A" Directors shall hold office until their respective successors have been elected.

3.6. Removal of Directors and Vacancies.

Any Class "A" Director may be removed, with or without cause, by the vote of Members representing a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon

removal of a director, the Class "A" Members shall elect a successor to fill the vacancy for the remainder of the term of such director.

A majority of the directors at a regular or special meeting at which a quorum is present may remove any Class "A" Director who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent (or resides in a Home owned by a Member who is so delinquent) in the payment of any assessment or other charge due the Association. The Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a Class "A" Director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members shall elect a successor for the remainder of the term.

This Section shall not apply to directors the Class "B" Member appoints or to any director serving as Declarant's representative. The Class "B" Member or Declarant shall appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director appointed by or elected as a representative of the Class "B" Member or Declarant.

B. Meetings.

3.7. Organizational Meetings.

The Board shall hold an organizational meeting within 10 days following each annual membership meeting at such time and place as the Board shall fix.

3.8. Regular Meetings.

The Board shall hold regular meetings at such time and place as a majority of the directors shall determine, but the Board shall hold at least four such meetings during each fiscal year with at least one per quarter.

3.9. Special Meetings.

The Board shall hold special meetings when called by written notice which the President, Vice President, or any two directors sign(s).

3.10. Notice; Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall give notice to each director by (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who

would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the Association's records. The Board shall deposit notices sent by first class mail into a United States mailbox at least five business days before the time set for the meeting. The Board shall give all other notices at least four days before the time set for a regular meeting, and at least 72 hours before the time set for a special meeting.

(b) Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11. Telephonic Participation in Meetings.

Members of the Board or any committee the Board designates may participate in a Board or committee meeting by means of conference telephone or similar communications equipment, through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence at such meeting.

3.12. Quorum of Board.

At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless these By-Laws or the Declaration specifically provide otherwise. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, the Board may transact without further notice any business which it might have transacted at the original meeting.

3.13. Conduct of Meetings.

The President or any designee the Board approves by resolution shall preside over all Association meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are recorded with the Association's records.

3.14. Open Meetings; Executive Session.

(a) Subject to Section 3.15, all Board meetings shall be open to all Owners, but attendees other than directors may not participate in any discussion or deliberation unless a director requests that they be granted permission to speak. In such case, the President may limit the time any such individual may speak.

(b) Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.15. Action Without a Formal Meeting.

Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if all of the directors sign a written consent, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote. The Secretary shall file written consents with the minutes of the Board's proceedings. The Board shall post a notice of the Board's action in a prominent place within the Residential Properties within three business days after obtaining all written consents to an action. Failure to give notice shall not render the action taken invalid.

C. Powers and Duties.

3.16. Powers.

The Board shall have all of the powers necessary for administering the Association's affairs and for performing all Association responsibilities and exercising all Association rights set forth in the Association Documents and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those which the Association Documents or South Carolina law require to be done or exercised exclusively by the membership generally.

3.17. Duties.

The Board's duties shall include, without limitation:

- (a) Acting in compliance with the Declaration , as it may be amended;
- (b) adopting, in accordance with the Declaration, an annual Budget establishing each Owner's share of the Association's Operating Expenses;
- (c) levying and collecting Assessments from the Owners;

(d) providing for the operation, care, upkeep, and maintenance of the Association Property in accordance with the Declaration;

(e) designating, hiring, and dismissing personnel necessary to carry out the Association's rights and responsibilities and, where appropriate, providing for compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(f) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve funds may be deposited, in the Board's business judgment, in depositories other than banks;

(g) opening bank accounts on the Association's behalf and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Association Property in accordance with the Association Documents;

(i) enforcing by legal means the provisions of the Association Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association's obligation in this regard shall be conditioned in the manner provided in the Declaration;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the Association's receipts and expenditures;

(m) making available to any prospective purchaser of a Lot, any Owner, and the Institutional Mortgagees having an interest in any Lot, copies of the Association Documents, other books, records, and financial statements of the Association as provided in Section 6.4;

(n) permitting utility suppliers to use portions of the Association Property reasonably necessary to the ongoing development or operation of the Property; and

(o) indemnifying an Association director, officer, or committee member, or former Association director, officer, or committee member to the extent South Carolina law, the Articles of Incorporation, or the Declaration requires such indemnity.

3.18. Compensation.

Directors shall not receive any compensation from the Association for acting as such unless Members representing a majority of the total Class "A" votes in the Association approve of compensation at a regular or special Association meeting. The Association may reimburse any director for expenses he or she incurs on the Association's behalf upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies he or she furnishes to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director made his or her interest known to the Board prior to entering into such contract and a majority of the Board, excluding the interested director, approved such contract.

3.19. Right of Class "B" Member to Disapprove Actions.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove any action, policy, or program of the Association, the Board, and any committee which, in the Class "B" Member's sole judgment, would tend to impair rights of Declarant, any affiliate of Declarant, or Builders under the Declaration or these By-Laws; interfere with development or construction of any portion of the Subdivision; or diminish the level of services which the Association provides.

(a) Notice. The Association shall give the Class "B" Member written notice of all meetings and proposed actions approved at Association, Board, or committee meetings (or by written consent in lieu of a meeting). The Association shall give such notice by certified mail, return receipt requested, or by personal delivery at the address the Class "B" Member has registered with the Association, which notice complies as to Board meetings with Sections 3.8, 3.9, 3.10, and 3.11 and which notice shall, except in the case of the regular meetings the Board holds pursuant to these By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting; and

(b) Opportunity to be Heard. The Association shall give the Class "B" Member the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

The Board shall not implement any action, policy, or program subject to the right of disapproval set forth herein until and unless the requirements of this Section have been met.

The Class "B" Member, its representatives or agents, shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B" Member, acting through any officer or director, agent, or authorized representative, may exercise its

right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. The Class "B" Member may use this right to disapprove to block proposed actions but shall not use it to require any action or counteraction of any committee, the Board, or the Association. The Class "B" Member also shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.20. Management.

The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority or those duties set forth in Sections 3.17(a) (with respect to adoption of the budget), 3.17(b), 3.17(f), and 3.17(h). The Board may employ Declarant or any affiliate of Declarant as managing agent or manager.

The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

The Association shall not be bound, either directly or indirectly, by any management contract executed prior to the Turnover Date unless such contract contains a right of termination which the Association may exercise with or without cause and without penalty, at any time after expiration of the turnover Date upon not more than 90 days' written notice.

3.21. Accounts and Reports.

The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) accounting and controls should conform to generally accepted accounting principles;
- (b) the Association's cash accounts shall not be commingled with any other accounts;
- (c) the managing agent shall accept no remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(d) the managing agent promptly shall disclose to the Board any financial or other interest which he or she may have in any firm providing goods or services to the Association;

(e) commencing at the end of the quarter in which the first Lot is sold and closed, the Board shall prepare financial reports for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any Assessments at the time of the report (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless the Board specifies otherwise by resolution); and

(f) an annual report consisting of at least the following shall be available for Members' review within 180 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. An independent public accountant shall prepare such annual report on an audited, reviewed, or compiled basis, as the Board determines.

3.22. Borrowing.

The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain membership approval in the same manner provided in Section C of Article V of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed five percent (5%) of the Association's budgeted gross expenses for that fiscal year.

3.23. Right To Contract.

The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into

common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, within or outside of the Residential Properties. Any common management agreement shall require the Board's consent.

3.24. Enforcement.

(a) The Association shall have the power to enforce the Association Documents and to impose sanctions for violations of the Association Documents in the same manner set forth in the Declaration for the imposition of fines by the Association. The Board shall comply with the procedures set forth in Section K of Article IV of the Declaration prior to imposition of sanctions.

(b) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, if the Declaration permits, the Board may elect to enforce any provision of the Association Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules, requiring persons violating rules relating to Association Property use to cease such violating use immediately) or if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred. Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed as trespass.

3.25. Board Training Seminar; Board Sponsored Education and Training Opportunities.

The Board shall provide or provide for seminars and continuing educational opportunities designed to educate and inform directors of their responsibilities as directors. Such programs shall include instruction on applicable South Carolina corporate and fiduciary law principles, other issues relating to administering the Association's affairs, and upholding and enforcing the Association Documents. The Board may retain industry professionals, which may include property managers, attorneys, and accountants, as appropriate or necessary for such purpose. Each newly elected, and each re-elected director, shall complete a training seminar within the first six months of assuming the director position. The seminar may be live, video, or audiotape, or any other format.

In a similar manner, the Board may provide or provide for Owner and resident education and training opportunities designed to foster awareness of Hidden Lakes' governance, operations, and concerns. The Board shall provide or provide for training and information classes designed to educate Class "A" Members of the Association's nomination, election, and voting processes, the duties and responsibilities of directors and officers, and the overall governance structure of the Property, as provided in the Association Documents .

3.26. Board Standards.

In the performance of their duties, Association directors and officers shall be insulated from personal liability as provided by South Carolina law for directors and officers of nonprofit corporations, and as otherwise provided in the Association Documents. Directors are required to exercise the ordinary and reasonable care of directors of a corporation, subject to the business judgment rule.

As defined herein, a director shall be acting in accordance with the business judgment rule so long as the director (a) acts within the express or implied terms of the Association Documents and his or her actions are not *ultra vires* (i.e., outside the scope of the director's authority); (b) affirmatively undertakes to make decisions which are necessary for the Association's continued and successful operation and, when decisions are made, they are made on an informed basis; (c) acts on a disinterested basis, promptly discloses any real or potential conflict of interests (pecuniary or other), and avoids participation in decisions and actions when a conflict exists; and (d) acts in a non-fraudulent manner and without reckless indifference to the Association's affairs. A director acting in accordance with the business judgment rule shall be protected from personal liability.

Board determinations of the meaning, scope, and application of Association Document provisions shall be upheld and enforced so long as such determinations are reasonable. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Association Documents.

Article IV Officers

4.1. Officers.

The Association's officers shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among Board members; other officers may, but need not be, Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. The same person may hold any two or more offices, except the offices of President and Secretary.

4.2. Election and Term of Office.

The Board shall elect the Association's officers at the first Board meeting following each annual meeting of the Members, to serve until their successors are elected.

4.3. Removal and Vacancies.

The Board may remove any officer whenever in its judgment the Association's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4. Powers and Duties.

The Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Association's chief executive officer. The Treasurer shall have primary responsibility for preparing the Budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5. Resignation.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

At least two officers, or such other person or persons as the Board may designate by resolution, shall execute all Association agreements, contracts, deeds, leases, checks, and other instruments.

4.7. Compensation.

Officers' compensation shall be subject to the same limitations as directors' compensation under Section 3.18.

Article V Committees

The Board may appoint committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

Article VI Miscellaneous

6.1. Fiscal Year.

The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2. Parliamentary Rules.

Except as may be modified by Board resolution, *Robert's Rules of Order* (the most current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law or the Association Documents.

6.3. Conflicts.

If there are conflicts among the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and these By-Laws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any Institutional Mortgagee having an interest in any Lot, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Association Documents, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within the Property as the Board shall designate.

(b) Rules for Inspection. The Board shall establish rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties the Association owns or controls. The director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

6.5. Notices.

Except as the Declaration or these By-Laws otherwise provide, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Home of such Member;

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section; or

(c) if to any committee, at the Association's principal address or at such other address as the committee shall designate by written notice to the Members pursuant to this Section.

6.6. Amendment.

(a) By Class "B" Member. Prior to the conveyance of the first Lot to a Class "A" Member other than a Builder, Declarant unilaterally may amend these By-Laws. Thereafter, the Class "B" Member or the Board unilaterally may amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots ; or (iii) to enable any Institutional Mortgagee, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; provided, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing.

In addition, so long as the Class "B" membership exists, the Class "B" Member unilaterally may amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon the rights of more than five percent (5%) of the Members.

(b) By Members Generally. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 67% of the Association's total Class "A" votes, and the consent of the Class "B" Member, if such exists. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon recording in the Office of the Register of Deeds for Beaufort County, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months after it was recorded, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant, the Class "B" Member, or the assignee of such right or privilege.

Article VII Transition from Class "B" Control to Class "A" Control of Community

7.1. Purpose.

The time during which Owners assume control and responsibility of the Association is known as the "Transition Period." The Transition Period is a process, whereby control of the Board gradually shifts from the Class "B" Member to Class "A" Members, and the Class "A" Members carry out the responsibilities and functions of the Association as set forth in the Declaration and these By-Laws. During this process, the Class "A" Members, drawing from their experience, education, and training in self-governance, begin to perform the duties of the Board which are outlined in the By-Laws without the assistance of the Class "B" Member or the Class "B" Member-appointed directors.

This Article is intended to guide the Class "B" Member, Class "A" Members, and the Board through the transition process; prepare Class "A" Members to take control of the Board; encourage direct dialogue among all parties in order to anticipate and resolve maintenance and operation issues; and to promote community-wide participation and understanding of the transition process.

7.2. Transition Committee.

The Board shall appoint a three to five member "Transition Committee" at least six months prior to the termination of the Class "B" Member's Control Period. The Transition Committee shall be comprised of a majority of Class "A" Member representatives, and, at a minimum, one Class "B" Member representative.

(a) Transition Agreement.

The Transition Committee shall work in good faith to develop a transition agreement for execution by the Declarant and the Association. Once agreed upon by a majority of Transition Committee members, the transition agreement shall be recommended to the Board for its approval and execution. In the event that a transition agreement is not reached, the Transition Committee shall inform the Board in writing the reasons why it was unable to finalize a Transition Agreement.

The transition agreement may include (i) a five-year financial plan, or alternatively, a one-year financial plan with five-year rollover projections, an evaluation of the physical condition of the Association Property, and a recommendation of which areas are in need of service, repair, or replacement; (ii) an agreement as to which parties are responsible for rendering such service, repair, or replacement and a time line for completing such activities; (iii) a list of all existing contracts and an agreement as to which contracts will be continued; (iv) an agreement as to future Declarant rights and obligations, if any; and (v) any other issue affecting the operation of the Association or the maintenance of the Property.

The following suggestions are listed to guide the Transition Committee in developing a transition agreement:

(i) Inspect all physical structures, recreational areas, and improvements in the Association Property to evaluate their condition and prepare or update the capital improvement plan;

(ii) Place all Association Property services (electric, water, gas, telephone, cable, internet/intranet) in the Association's name;

(iii) Update Association's corporate book, record books, and accounts. A record of all receipts, payments, and expenditures made on the Association's behalf must be maintained;

(iv) Evaluate the Association Documents to ensure that the Association has the necessary power, authority, and infrastructure to operate the Subdivision;

(v) Conclude any pending legal, document, or Association matters, such as deeding any remaining Association Property to the Association, addressing all Declaration enforcement issues, and taking any Assessment collection action;

(vi) Review insurance policies to ensure adequate coverage is being maintained;

(vii) Review property management agreements to develop recommendations on post-developer management of the Association Property ;

(viii) Conduct a financial review of the Association's current budget, assessment rate, reserve accounts, and tax filings and records; and

(ix) Review the Association's real and personal property interests, deeds, and warranties.

(b) Transition Period Education and Training Opportunities.

During the Transition Period, the Transition Committee's vision of transition and strategy for developing a transition agreement should be explained to Owners, and the Owners should be prepared to assume control of the Association. Both objectives may be accomplished by teaching Owners about what transition of control means, what to expect during and after the Transition Period, and how to participate in the process.

During the Transition Period, the Transition Committee shall provide or provide for education and training opportunities for Class "A" Members, focused on the subject of transition. Education or training opportunities shall be held within six months prior to the election during which the Class "A" Members elect the entire Board. Additionally, the Board shall conduct training for the Transition Committee within the first two months of its appointment to assist the Transition Committee in accomplishing its tasks. The Board may retain industry professionals, which may include property managers, attorneys, and accountants, as appropriate or necessary for such purpose. If applicable, the costs and fees for the retention of such industry professionals shall be included in the Operating Expenses of the Association.

(c) Transition Period Notices.

Once formed, the Transition Committee shall keep the Class "B" Member and the Class "A" Members informed of the transition process, including the Transition Committee's agenda, a timeline for creating a transition agreement, and a schedule of transition education, training opportunities, and town hall meetings.

7.3. Town Hall Meetings.

The Transition Committee and the Board shall organize and conduct "town hall" meetings during the Transition Period. Such meetings shall be held for the purpose of promoting open communication among the Transition Committee, the Board, and the Owners. In addition, town hall meetings provide a forum where transition-related issues can be discussed and Owners have an opportunity to ask questions in order to better understand the transition process. For the purposes of preparing the town hall meeting agenda, the Transition Committee may solicit transition related questions from Owners prior to such meetings.

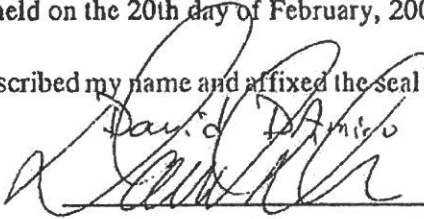
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Hidden Lakes Property Owners Association, Inc., a South Carolina nonprofit corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the board of directors thereof held on the 20th day of February, 2002.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 20th day of February, 2002.



Secretary [SEAL]

EXHIBIT "B"

**HIDDEN LAKES
APPLICATION FOR ARB APPROVAL**

OWNER INFORMATION:

| | | | |
|---------------------|--|----------------------------|--|
| NAME | | | |
| LOT # | | | |
| STREET ADDRESS | | | |
| TELEPHONE | | FAX | |
| DESIRED START DATE: | | PROJECTED COMPLETION DATE: | |

CONTRACTOR INFORMATION:

| | | | |
|---------------------------|--|-----|--|
| NAME | | | |
| S.C. CONTRACTOR LICENSE # | | | |
| STREET ADDRESS | | | |
| CITY/STATE/ZIP | | | |
| TELEPHONE | | FAX | |

DESCRIPTION OF REQUEST:

| Change Description | Refundable Deposit | Initial |
|---|--------------------|---------|
| Major Addition/Renovation: To include major structural changes, i.e. total replacement of roof, siding, change roof line, addition of swimming pool, lanai, sunrooms, screen porch, solar panels, major concrete work, excavation and heavy material delivery. | \$500.00 | |
| Minor Addition: To include deck, porch enclosures, patio, minor driveway extensions, fence or other minor additions. | \$500.00 | |
| Minor Improvement: To include walks, windows, architectural enhancements, arbors, and other minor improvements, sheds. | \$100.00 | |
| Minor Repair/Replacement: To include minor repairs, including but not limited to, brickwork, roofing, siding, and/or repair/replacement that includes material removal or delivery. | \$0.00 | |
| Exterior Painting: - New color | \$100.00 | |
| - Same Color | \$0.00 | |
| Landscaping | \$0.00 | |

NOTE: The Applicant(s) must thoroughly read and comply with the requirements of the architectural guidelines contained in the Covenants, Restrictions and Easements and the ARB approval procedures.

SIGNATURE

DATE:

HIDDEN LAKES ARCHITECTURAL GUIDELINES

This document is provided as a guide for

- (a) the architectural objectives to promote and maintain a high level of design, quality, harmony, and conformity throughout Hidden Lakes
- (b) the submittal and approval procedures, and
- (c) further clarification to the Declaration of Covenants, Restrictions and Easements

I. Development Objectives

Aesthetic and ecological quality of Hidden Lakes requires that all structures and landscaping be compatible with one another, and insofar as possible, be in harmony with the natural surroundings. To achieve this goal, the following guidelines have been adopted and may from time to time be amended.

Architectural controls governing additions and alterations at Hidden Lakes are administered by an Architectural Control Committee (ARB) appointed by the Board of Directors of the Hidden Lakes Property Owners' Association, Inc. Architectural style is to be consistent while maintaining a highly-compatible appearance throughout Hidden Lakes. Vivid color and radically different styles will not be permitted. All architectural styles and exterior colors must be approved by the ARB. Prior decisions or rules regarding matters of design or aesthetics will not be deemed to have set a precedent if the ARB feels that the repetition of such action will have an adverse effect in the community. Each project submitted to the Board will be reviewed toward:

- A. Ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the residential lot, with surrounding residential lots and structures, and does not necessarily block scenic views from existing structures or tend to dominate any general development or natural landscape.
- B. Ensuring that the architectural design of structures and their material and colors are visually harmonious with Hidden Lake's overall appearance with natural landforms and native vegetation, and with development plans, officially approved by the Hidden Lakes ARB and any governmental or public authority, if any, for the areas where the proposed structures are to be located.
- C. Ensuring the plans for landscaping provide visually-pleasing settings for structures on the same lot and on adjoining or nearby lots, and blend harmoniously with the natural landscape and adjacent landscaping.
- D. Ensuring that any structure, building or landscape complies with provisions of the Covenants.

II. Adoption of Rules

The following rules are adopted pursuant to the Declaration of Covenants for Hidden Lakes and Provisions for Hidden Lakes Association, Inc.

III. Administrative Procedures

The ARB may establish, and from time to time amend, its administrative procedures. In general, the procedure will be as follows:

- A. The ARB will meet on the second Monday of each month. Applications/plans must be submitted two weeks prior to this meeting. Other meetings may be called from time to time if necessary.
- B. All changes and/or amendments to this document proposed by the ARB will be ratified by the Property Owners' Association Board of Directors before being affected.

IV. Submittal and Approval Procedure

ARB Guidelines and the Declaration of Covenants and Restrictions for Hidden Lakes Owners' Association, Inc. require that all proposed additional construction, remodeling, improvements, fencing, exterior changes including painting, and the improvement of private areas be approved by the ARB before work of any kind is begun. An ARB Certificate of Plan Acceptance is needed for any major addition or alteration on the structure of the home. Please reference the Declaration of Covenants and Restrictions for Hidden Lakes Owners' for description of construction, remodeling, improvements, fencing and exterior changes including painting. Procedure will be as follows:

- A. Complete the Hidden Lakes Application for ARB Approval along with sketches, drawings and specifications (see Section V) for any proposed additional construction, remodeling, improvements, fencing, landscaping, change or other improvements. **ALL ARB APPLICATIONS MUST BE SIGNED BY THE PROPERTY OWNER.**
- B. Submit the request to Association Services, Inc. along with the required fee made payable to Hidden Lakes POA (if applicable) at least two weeks prior to the desired start date of the improvement or construction.
- C. After ARB review, the homeowner will be contacted by the ARB to arrange an inspection of the proposed project site. Prior to this initial inspection, the proposed project site should be marked with string, flags or turf marking paint. If approved, a Hidden Lakes Certificate of Plan Acceptance will be issued and must be received by the applicant prior to commencement of any clearing, material delivery, or construction.
- D. ARB approval does not include Town of Bluffton/Beaufort County building permits. Applicant is responsible for obtaining and displaying these permits.
- E. The ARB Certificate of Plan Acceptance and applicable building permits must be prominently displayed at the job site and covered with clear plastic to prevent fading and deterioration.
- F. Changes, additions or alterations will be constructed in Accordance with the plans as approved by the ARB. Fines or revocations of permit may be levied by the ARB for noncompliance. Any changes, after final plan approval by the ARB, must be submitted and approved prior to any construction of those changes.
- G. All construction work for which a permit is required will be subject to inspection by the ARB, Beaufort County and the Town of Bluffton.

- H. No work should be done on any part of the building beyond the point authorized in each successive inspection without first obtaining written approval of Beaufort County and the Town of Bluffton. Such written approval will be given only after an inspection has been made of each successive step in the construction as required.
- I. When the work is complete, the homeowner is required to contact Allied Management to request a final ARB inspection. This final inspection will be completed by the ARB or its representative to ensure that the building is completed in Accordance with approved plans, colors and material samples.
- J. Applicable deposits will be refunded within thirty (30) calendar days of an Acceptable final inspection.
- K. Approval will expire if work is not complete within 6 months of said approval.

V. Design Submittal Documentation Requirements

The following items must be submitted to ensure expeditious issuance of an ARB Certificate of Plan Acceptance. Plans not in compliance with this listing will not be placed on the ARB agenda.

- A. Completed Hidden Lakes Application for ARB Approval (see sample provided).
- B. Site Plan: Legal descriptions, lot/phase and street address, existing easements, building setbacks
- C. Submittals require a plot plan with a sketch of the location of the requested item, addition, etc.
- D. Tree Survey (if applicable): No tree with a trunk diameter measuring 6" or more at a distance of 4' above ground level diameter breast height (DBH) shall be removed, by any means, without written approval by the ARB and the Town of Bluffton. An on-ground survey should show the location and type of trees over 6" in diameter and measuring 4' above existing grade, to be removed. This drawing may be combined with a topographic map.
- E. Fence plan will be drawn on a previously-approved site plan. The plan must include an elevation of one section of fence and provide a description of the materials to be used. Fence dimensions and gate locations must be indicated on this drawing.
- F. Color Board - Will include paint sample chip(s) or chart showing exterior and trim colors.
- G. Walks, retaining walls, or other hardscape improvements will be identified by color, material and dimensions, including height above finished grade.
- H. Accessory structures such as playhouses, tool sheds, doghouses, or dog runs are not permitted without specific written approval of the ARB. If approved by the ARB, these structures must be well hidden. All playground equipment must consist of earth tones, including basketball equipment (base, pole, backboard, rim and net), and shall be placed only with written approval by the ARB.
- I. At the request of the ARB, construction plans may be required.

VI. Fees

The fee structure may change depending on administrative need (see ARB application for amounts). Refundable fees are held on deposit until:

- A. Construction is in full and complete compliance with those plans approved by the ARB. Non-compliance with approved plans can result in the ARB remedying the non-compliance and levying a lien upon the land and improvements until reimbursed for its expense.
- B. Any damage to adjacent lots, street, common area or public utilities has been resolved.
- C. Trash, building materials, contractor equipment or temporary buildings has been removed from the lot or adjacent lots.

VII. Fines

- A. The ARB may levy fines for violations of Rules of Hidden Lakes and its decision shall be final.
- B. A violation will be considered a separate offense for each day the violation is permitted to remain uncorrected.
- C. When applicable, fines will be deducted from the refundable deposits.

VIII. Guidelines

This section is for *clarification only*. Homeowners should refer to the Declaration of Covenants, Restrictions and Easements for complete architectural controls.

Article 9 – Easements

- A. Each individual lot will be judged based on its own particular merits, vegetation, trees, views, and compatibility with adjacent properties. The ARB is prepared to make exceptions when necessary. Compliance with building setback requirements will be determined by measurements of the distance from property lines to the closest portion of the building foundation. The following are standards:
 - Front 15'
 - Side 5'
 - Rear 10' (lot lines not adjacent to front lot lines) – where applicable
- B. Setbacks for lots adjacent to environmentally sensitive areas (wetlands, marshes, rivers, and wildlife management areas) will be influenced by the presence of the Ocean and Coastal Resource Management (OCRM) Critical Line and/or the U.S. Army Corps of Engineers and may have a greater setback requirement than the distances stated above.
- C. There is an easement along or around the entire perimeter of any river, creek, lagoon, marsh or wetland. This easement is a non-exclusive easement for ingress, egress, and access to above water bodies by Hidden Lakes Property Owners' Association, Inc. for the purpose of maintenance and repair.
- D. Improvements other than landscaping may be permitted within easements. Landscaping and any improvement permitted by the ARB, placed within an easement by a property owner shall be considered installed at a risk. If a legitimate user of the

easement (utility company or Property Owners' Association) disrupts such landscaping, the legitimate user may not be required to replace it.

Article 12 – Use Restrictions

- A. Guest Parking/Parking Violations: Boats, trailers, trucks, recreational vehicles, commercial and similar vehicles must be stored in an enclosed garage and not be exposed to view.
- B. Light reflectors are not permitted.
- C. Decks, terraces and patios should be designed as an extension of the architecture of the main structure using compatible materials.
- D. Exterior Lighting
 - Exterior lights must be installed to avoid glare from light sources to neighboring properties.
 - Night lighting should be directed downward and confined to drives, paths and steps for safe pedestrian movement.
 - Walkway illumination sources should be concealed into steps, walls, and handrails whenever possible to avoid direct view of light sources.
 - Lighting used to accent vegetation should be subtle, subdued and hidden from view.
 - Colored lighting is not Acceptable with the exception of December to January 15 holiday lighting.
- E. Propane Tanks must be located outside the service yard (if applicable), provided they are located within the setback lines, are underground, and meet the requirements of the National Fire Protection Association (NFPA) Document 58 administered by the Office of the South Carolina Fire Marshall.
- F. Antennas, Satellite Dishes and Accessory Structures
 - Satellite dishes, which do not exceed 2' in diameter or 2' in height, may be erected and maintained on the rear of the property.
 - Other than as noted above, no television antenna, radio receiver, sender, or other similar device shall be attached or installed on the exterior portion of the property within Hidden Lakes.
 - No Exterior speaker, horn, whistle, bell or other sound , which is unreasonably loud or annoying, except security devices used exclusively for security purpose (provided it is in good working condition) shall be located, used or placed upon lands within Hidden Lakes. The playing of loud music within any family dwelling unit or from the patio, balcony, pool or deck thereof shall be considered a nuisance.
 - Closed loop water source heat pump systems are allowed in Hidden Lakes provided the holes bored for the loop are no deeper than sixty (60) feet below the natural existing grade and shall be drilled by a South Carolina licensed well driller.
 - The appropriate utility companies shall provide underground connections to water, sanitary sewer, gas, electricity, telephone and cable TV. The installation of all utilities to homes within Hidden Lakes will be installed meeting the specifications prescribed by the providing utility.

G. Landscaping

Every property owner is responsible for preventing the development of any unclean, unsightly or unkempt condition of building or yards which shall reduce the beauty of the neighborhood as a whole or the specific area. In formal landscaped areas, bed and lawn areas must be maintained. In natural areas, weed growth must be controlled. Any proposed changes in landscaping such as fences, fountains, lighting, game structures, drives, walks, landscape structures, statuary, trellises and arches must be approved.

H. Landscape Accessory Structures

- Accessory structures such as playhouses, tool sheds, doghouses, arbors, or dog runs are not permitted without specific written approval of the ARB. If approved, these structures must be well hidden.
- All playground equipment, including basketball nets, shall be placed only with approval by the ARB
- No exposed clotheslines shall be permitted.

I. Swimming Pools:

- Pool equipment shall be placed inside a service yard.
- Top of pool construction may not be over 1' above existing grade unless integrated into terraced construction and with ARB approval.
- Backwash is not permitted to be discharged into the sanitary sewer system, and must be contained on the lot.

J. Street Address

The street address will be part of the approved mailbox assembly, which must be purchased from the approved supplier as designated by the ARB (Sign-A-Rama or approved supplier). In addition, house numbers are required on the structure of the house and must be readable from the street. Changes from Centex-provided numbers must be approved by the ARB. Street address may not be painted on the curb.

K. Mailboxes and Signage

Single family homes shall be identified only by the property owner's name on the mailbox and the house identification number. The use of any sign, including those for the purpose of identification, commercial contractors, or renting of property is prohibited. Each home is permitted to have one for sale sign installed at any given time.

L. Fences

- Maximum fence height is 6' above grade. It must be white in color. Wooden fences are not allowed.
- *Some wooden fences have been previously permitted and are grandfathered in, however, effective January 1, 2015 no wooden fences will be permitted regardless of prior approval.*
- Walls and fences may be approved provided they are attached to the house as an architectural extension.
- Deer fences are not acceptable. Each owner is asked to consider that deer live on the property when planting their landscaping and use plants less attractive to deer.

M. Flags

Each home is allowed two flags. No flag may be faded or frayed. The ARB has the right to revoke permission at any time.

N. Repainting or Re-staining

An Application for Approval must be submitted to the ARB along with samples. When approved, the applicant will receive a Certificate of Plan Acceptance. Repainting or re-staining may not take place until approval has been issued. This includes exterior repainting and re-staining a house the same color.

O. Improvements

No alteration, including painting or staining affecting the exterior appearance of any building, structure, or landscape shall be made without prior approval. An Application for ARB Approval must be submitted to the ARB, including all drawings necessary to define the proposed improvement, color samples and site stakeout. When approved, a Hidden Lakes Certificate of Plan Acceptance must be issued prior to commencement of any clearing, material delivery or construction.

IX. Disclaimer

The foregoing rules have been adopted to assist the ARB in exercising its powers and performing its duties pursuant to the Declaration of Covenants for Hidden Lakes and Provisions for Hidden Lakes Property Owners' Association, Inc. Compliance with these rules is not intended to guarantee that the proposed improvements will satisfy all the requirements of the Declaration of Covenants, Restrictions and Easements for Hidden Lakes or that the proposed improvements will be structurally sound, or that they will comply with any applicable building code, or that they will be free from damage from wind, rain, flood, or that they will not encroach on easements, or that they will divert surface water in a manner not allowed by law.

In giving any approval, the ARB finds only that improvements are satisfactory to it. Approval of the ARB is not an opinion, approval, warranty, or representation by it as to any of the matters mentioned in the foregoing paragraph.

Hidden Lakes Fine List

In order to help enforce these regulations, the Board of Directors has developed a fining system as follows:

1. Owner is notified of the infraction and given seven days to make correction.
2. A fine of \$25.00 is levied after seven days if no correction is made.
3. An additional fine of \$50.00 is levied after fourteen days if no correction is made.
4. An additional fine of \$100.00 is levied after twenty-one days if no correction is made.
5. Additional fines of \$10.00 per day are levied after thirty days if no correction is made.

All fines will be placed directly on the owner's account and will be treated as any other balance due. (i.e. could incur late fees, legal fees or even cause a lien upon the property if unpaid). Fines incurred by the tenant are the responsibility of the owner and will be billed to the owner's account.

Our purpose is not to impose a hardship on any owner, but to have a standardized procedure for rules enforcement.

Should an owner have questions or problem with a notification or fine, they should contact IMC Resort Services, Inc., who will bring their appeal to the attention of the Board of Directors.

Solar Panels

Solar Panels may be installed, WITH PRIOR ACC APPROVAL, with the following conditions:

- Frames on panels are to be black in color, when and if available
- Mounting rails are to be flush cut and have black end caps
- All roof conduit visible from the street is to be painted to match a color of the shingles
- The above-noted conditions are to be shown on the approved plan, not just the ACC application, to be available to on-site construction personnel
- Conduit attached to the sides of the homes is to be painted to match the color of the home by the homeowner

NEW Approved Shutter and door colors:

New shutter and door colors have been approved! We wanted to give residents a larger variety. Plus, the old ones were basically impossible to find. Check them out here:

<http://hiddenlakessc.com/guideline-contact/important-forms-documents/approved-paint-colors-mailbox-shutters-doors/>

- These are on file at Sherwin Williams in Sheridan Park. If you want to buy the paint from other store, you must go to Sherwin Williams to obtain the swatch of the approved color(s). Please do not guess or assume the match.
- You do not need permission from the ARB or Board to paint your shutters or doors these colors.
- However, if you want to paint your door and then your shutters different colors, the shutters would need to be Black of Night (SW 6993). For example, you CANNOT paint your door a red and your shutters a blue.

Please contact the ARB if you have questions.

Hidden Lakes Replacement Fence Info: (no deposit required) – replacing wooden fence with vinyl by January 1, 2015

If any owner desires to construct a fence on his lot, the owner shall submit a plot plan to the committee with an ARB request form showing the proposed location of the fence upon the lot and the height and type of fence to be installed, and such fence may not be constructed until it has been approved in writing by the committee. No fence may be constructed on the portion of any lot between the front of the lot and the front of the home.

All fences shall not exceed 6' in height and all fences must be white vinyl.