

93

BY-LAWS OF
SHOREWOOD HORIZONTAL PROPERTY REGIME NO. I

ARTICLE I
PLAN OF APARTMENT OWNERSHIP

Section 1. Horizontal Property Regime. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereto) located in Forest Beach, Hilton Head Island, in Beaufort County, South Carolina, known as "SHOREWOOD HORIZONTAL PROPERTY REGIME NO. I" has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, and is to be henceforth known as Shorewood Horizontal Property Regime No. I (hereinafter referred to as the "Regime").

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 3. Personal Application. All present or future Co-Owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime. The mere acquisition or rental of any of the Apartments (hereinafter usually referred to as "Apartment") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Apartments will signify that these By-Laws, the provisions of the Master Deed, and the provisions of the Declaration of Covenants, Restrictions and Affirmative Obligations as recorded in Deed Book 78 at Page 306 in the records of the Office of the Clerk of Court for Beaufort County, South Carolina, and also those restrictions, easements and affirmative obligations as may be applicable as recorded in said Clerk's office in Deed Book 214 at Page 1238, Deed Book 218 at Page 749, Deed Book 218 at Page 729, and Deed Book 218 at Page 772.

Exhibit "D"

ARTICLE II
VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. Voting. Voting shall be on a percentage basis and the percentage of the vote to which the Co-Owner is entitled is the percentage assigned to the Apartment or Apartments in the Master Deed.

Section 2. Majority of Co-Owners. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners holding 51% or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of co-owners as defined in Section 2 of this Article shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III
ADMINISTRATION

Section 1. Council Responsibilities. The co-owners of the Apartments will constitute the Council of Co-Owners (hereinafter usually referred to as "Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments, and arranging for the management of the Property pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the Management Agent. Except as otherwise provided, decisions and resolutions of the Council shall require approval by a majority of co-owners.

Section 2. Place of Meetings. Meetings of the Council shall be held at such place convenient to the co-owners as may be designated by the Council.

Section 3. Annual Meetings. The first annual meeting of the Council shall be held at the call of the Grantor herein upon ten (10) days

410
written notice, not later than January 1, 1976. Annual meeting dates thereafter shall be established at the original meeting. At such meetings there shall be elected by ballot of the co-owners a Board of Administration in accordance with the requirements of Section 5 of Article IV of these By-Laws. The co-owners may also transact such other business of the Council as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the co-owners as directed by resolution of the Board of Administration or upon a petition signed by a majority of co-owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the votes present, either in person or by proxy.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each co-owner on record, at least ten but not more than thirty days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meeting. If any meeting of the Council cannot be organized because a quorum has not attended, the co-owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all Annual Meetings of the Council shall be as follows:

- (a) Roll Call
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meetings.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Review of financial statement and monthly Regime charges.
- (g) Election of administrators.
- (h) Election of Management Agent.
- (i) Unfinished business.
- (j) New business.

OFFICES OF
LING, DOWLING,
RS & DUKES, P.A.
AUFORT, S. C.

The order of business at all Special Meetings of the Council shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

ARTICLE IV
BOARD OF ADMINISTRATION

Section 1. Number and Qualification. The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as "Board") comprised of five persons, all of whom must be co-owners of Apartments in the Property.

Section 2. General Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law or by these By-Laws directed to be executed and done by the Council or individual co-owners.

Section 3. Other Duties. In addition to duties imposed by these By-Laws, or by resolutions of the Council, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the common elements.
- (c) Collection of assessments from the co-owners.
- (d) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the common elements.

Section 4. Management Agent. The Board may employ a Management Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

Section 5. Election and Term of Office. At the first Annual Meeting of the Council, the initial term of office of two members of the Board shall be fixed at three (3) years. The term of office of two members of the Board shall be fixed at two (2) years, and the term of office of one member of the Board shall be fixed at one (1) year. At the expiration of the initial

term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Administration caused by reason other than the removal of a member of the Board by a vote of the Council shall be filled by vote of the majority of the remaining members, even though they may constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Council.

Section 7. Removal of Members of the Board. At any regular or special meeting of the Council duly called, any one or more of the members of the Board may be removed with or without cause by a majority of the co-owners, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting.

Section 8. Organizational Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Council, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, providing a majority of the Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer, or other designated person, to each Board member, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board may be called by the President on three days notice to each Board member, given

OFFICES OF
JG. DOWLING,
& DUKES, P.A.
FORT, S. C.

personally or by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two Board members.

Section 11. Waiver of Notice. Before or at any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board Quorum. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of the members present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

Section 13. Fidelity Bonds. The Board may require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

ARTICLE V
OFFICERS

Section 1. Designation. The principal officers of the Regime shall be a President, a Vice President, and a Secretary-Treasurer, all of whom shall be elected by and from the Board. The Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be deemed necessary.

LAW OFFICES OF
DOWLING, DOWLING,
HARRIS & DUKES, P.A.
BEAUFORT, S. C.

Section 2. Election of Officers. The officers of the Regime shall be elected annually by the Board at the Organizational Meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Regime. He shall preside at all Council meetings of the Regime and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime, including but not limited to the power to appoint committees from among the co-owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Regime.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

Section 6. Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Council. He shall have charge of such books and papers as the Board may direct; and he shall have responsibility for Regime funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Regime. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Regime, in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the offices of Secretary-Treasurer.

ARTICLE VI
OBLIGATIONS OF THE CO-OWNERS

50

Section 1. Assessments. All co-owners are obligated to pay periodic assessments imposed by the Regime to meet all Regime expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and other hazards. The assessments shall be prorata according to the value of the Apartment owned, as stipulated in the Master Deed.

Section 2. Real Estate Taxes. It is understood that the real estate taxes are to be separately taxed to each unit owner for his unit and his corresponding percentage of ownership in the common elements. In the event that for any years such taxes are not separately taxed to each unit owner but are taxed on the property as a whole, then each unit owner shall pay his proportionate share thereof in accordance with his respective percentage interest in the common elements.

Section 3. Escrow Account. The transfer of ownership of an individual Apartment within the Regime carries with it the proportionate equity of that Apartment ownership in the Regime Escrow Account. Each Co-owner will be assessed for the Regime Escrow Account in accordance with a set schedule in order to provide for a contingency fund for maintenance and repair of the Regime Property.

Section 4. Maintenance and Repair.

(a) Every co-owner must perform promptly all maintenance and repair work within his own Apartment, which, if omitted would affect the Property in its entirety or in a part belonging to other co-owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the Apartment such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Apartment shall be at the expense of the co-owner.

(c) A co-owner shall reimburse the Regime for any expenditures incurred in repairing or replacing any common elements damaged through his fault.

Section 5. Use of Apartment—Internal and External Changes.

(a) All Apartments shall be utilized for residential purposes only.

(b) A co-owner shall not make structural modifications or alterations in his Apartment or installations located therein without previously notifying the Regime in writing, through the Management Agent, if any, or through the President if no Management Agent is employed and receiving the Regime's approval therefor. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that the Regime has approved the proposed modification or alteration.

Section 6. Use of Common Elements. A co-owner shall not place or cause to be placed in the passages or roads, any furniture, packages, or obstructions of any kind. Such areas shall be used for no other purpose than for normal transit through them.

Section 7. Right of Entry.

(a) A co-owner shall grant the right of entry to the Management Agent or to any other person authorized by the Board in case of any emergency originating or threatening his Apartment, whether the co-owner is present at the time or not.

(b) A co-owner shall permit other co-owners, or their representatives, when so required, to enter his Apartment for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry is at a time convenient to the co-owner. In case of an emergency, such right of entry shall be immediate.

Section 8. Rules of Conduct.

(a) Residents shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, television and amplifiers that may disturb other residents.

02

(b) No residents of the Property shall:

- (1) Post any advertisements or posters of any kind in or on the Property except as authorized by the Regime;
- (2) Hang garments, rugs, or similar objects from the windows or from any of the facades of the Property;
- (3) Dust rugs, mops, or similar objects by beating on the exterior part of the Property;
- (4) Throw garbage or trash outside the disposal installations provided for such purposes in the service areas;
- (5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Apartments in the Property;

(c) No co-owner, resident, or lessee shall install wiring for electrical or telephone installations, television antennae, machines or air conditioning units, or similar objects outside of his dwelling or which protrude through the walls or the roof of his dwelling unit except as authorized by the Board.

ARTICLE VII AMENDMENTS

Section 1. By-Laws. These By-Laws may be amended by the Council in a duly constituted meeting held for such purpose, and no amendment shall take effect unless approved by co-owners representing at least two-thirds of the total value of the Property as shown in the Master Deed.

ARTICLE VIII MORTGAGES

Section 1. Notice to Board. A co-owner who mortgages his Apartment shall notify the Board through the Management Agent, if any, or the President if there is no Management Agent, of the name and address of his mortgagee; and the Regime shall maintain such information in a book entitled "Mortgages of Apartments."

Section 2. Notice of Unpaid Assessments. The Board shall report to the mortgagee of a Apartment any unpaid assessments due to the Regime from the co-owner of such Apartment.

ARTICLE IX
COMPLIANCE

These By-Laws are intended to comply with the requirements of the Horizontal Property Act of South Carolina. In case any of these By-Laws conflict with the provisions of said Statute, it is hereby agreed and accepted that the provisions of the Statute will control.

BOS+D

FILED AT	BEAUFORT COUNTY S. C.	RECORDED IN BOOK
3:30 O'CLOCK	OCT 15 1975	252 .PAGE
P. M		32
<i>De Anita H. ...</i> CLERK OF COURT OF COMMON PLEAS		