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STATE OF SOUTH CAROLINA )  
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COUNTY OF BEAUFORT )  
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AMENDED AND RESTATED  
BYLAWS OF  
GOLFMASER I OWNERS'  
ASSOCIATION, INC.

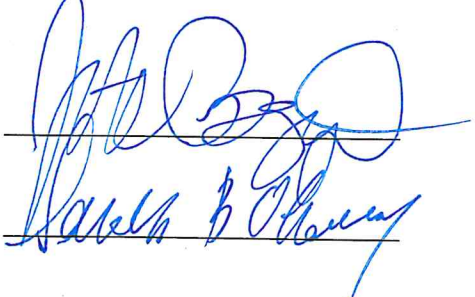
WHEREAS, on November 8, 2019 the Golfmaster I Owners' Association, Inc. ("Association") held its Annual Meeting during which, among other items, the Association owners voted to amend and restate the Association's Bylaws as set forth below; and

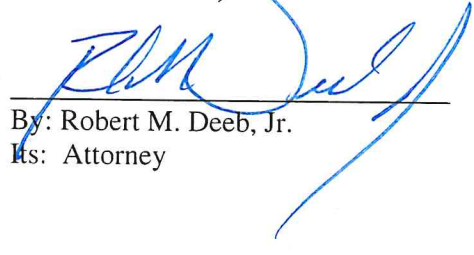
WHEREAS, at said Annual Meeting 92.948% of the ownership interests in the Association approved the Amended and Restated Association Bylaws as set forth below and as attached hereto.

NOW, THEREFORE, the Association hereby makes of public record the Amended and Restated Association Bylaws attached hereto.

IN WITNESS WHEREOF, the undersigned attorney for the GOLFMASER I OWNERS' ASSOCIATION, INC. acknowledges this AMENDED AND RESTATED BYLAWS which Bylaws supersede and replace all other versions and amendments to the Association's Bylaws effective November 8, 2019.

WITNESSES:

  
\_\_\_\_\_  
Notary Public

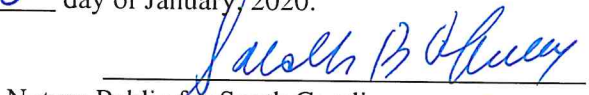
GOLFMASER I OWNERS'  
ASSOCIATION, INC.  
  
\_\_\_\_\_  
By: Robert M. Deeb, Jr.  
As: Attorney

STATE OF SOUTH CAROLINA )  
 )  
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 )  
COUNTY OF BEAUFORT )

ACKNOWLEDGMENT

I, the undersigned Notary, do hereby certify that Robert M. Deeb, Jr. attorney for GOLFMASER I OWNERS' ASSOCIATION, INC. personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 9 day of January, 2020.

  
\_\_\_\_\_  
Notary Public for South Carolina  
My Commission Expires: 9-9-2021

# GOLFMASTER I OWNERS' ASSOCIATION, INC.

## BYLAWS

The following By-Laws shall govern the operation of **GOLFMASTER I OWNERS' ASSOCIATION, INC.**, a South Carolina nonprofit corporation hereinafter referred to as the "Association."

### 1. GENERAL PROVISIONS

**1.1 Horizontal Property Regime.** Certain real property, buildings, amenities, improvements and structures located in Shipyard Plantation, Hilton Head Island, Beaufort County, South Carolina known as **GOLFMASTER VILLAS** has been submitted to the provisions of the Horizontal Property Act of South Carolina by Master Deed recorded in the Beaufort County Register of Deeds Office on December 23, 1981 in Book 338 at Page 1618, as amended in Book 347 at Page 300, Book 353 at Page 1947, Book 353 at Page 1953, and Book 383 at Page 1968 (collectively "Master Deed") which property is referred to in the Master Deed as **GOLFMASTER VILLAS HORIZONTAL PROPERTY REGIME** ("Regime").

**1.2 Association.** In conjunction with the creation of the Regime and pursuant to the provisions of the Master Deed, the Golfmaster I Owners' Association, Inc. ("Association") was incorporated under the laws of the State of South Carolina. The offices of the Association shall be on Hilton Head Island, South Carolina, or such other place as designated by the Board of Directors of the Association.

**1.3 By-Laws Applicability.** The provisions of these By-Laws are applicable to the Regime and the Association. All terms used herein and not otherwise defined shall have the meaning ascribed to them in the Master Deed. These By-Laws are established pursuant to and subject to the provisions of the South Carolina Nonprofit Corporation Act and the South Carolina Horizontal Property Act ("Act").

**1.4 Personal Application.** All present or future Co-Owners, tenants, future tenants, or their employees, or any other person who might use the Regime in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed, as they may be amended from time to time. The acquisition or rental of any of the Villas as defined in the Master Deed, or the mere act of occupancy of any Villa, will signify that these By-Laws and the Master Deed, are accepted, ratified, and will be complied with.

### 2. VOTING, MAJORITY OF CO-OWNERS, QUORUM, PROXIES

**2.1 Eligibility.** Any person who acquires title to a Villa is deemed to have consented to be a Member of the Association. There shall be one membership for each Villa owned. Transfer of Co-ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership shall become vested in the transferee. If title to a Villa is vested in more than one person, then all of the persons so owning such Villa shall agree upon the designation of one of the Co-Owners of such Villa to act as a Member of the Association. If Co-ownership is vested in a corporation, limited liability company, trust or other legal entity, said legal entity shall designate an individual officer or agent to act as the Member of the Association.

**2.2 Voting.** Voting shall be on a percentage basis and the percentage of the vote to which the Co-Owner is entitled is the statutory percentage assigned to the Villa or Villas in the Master Deed. During any period in which a Co-Owner is in default in the payment of any assessment or other charge levied by the Association, the voting rights of such Co-Owner shall be suspended until such assessment or charge has been paid. Voting rights may also be suspended following a violation of any provisions of the Master Deed, these By-Laws, or any of the rules and regulations of the Association.

**2.3 Majority of Co-Owners.** As used in these By-Laws, the term "majority of Co-Owners" shall mean those Co-Owners holding more than fifty (50%) percent of the total Percentage Interests of the Co-Owners eligible to vote in accordance with the statutory percentages assigned in the Master Deed.

**2.4 Quorum.** Except as otherwise provided and elsewhere in these By-Laws, the presence in person or by proxy of a majority of Co-Owners eligible to vote shall constitute a quorum.

**2.5 Proxies.** Votes may be cast in person, by written notice, or by proxy. Proxies must be filed with the Secretary of the Association before the appointed time of each meeting.

**2.6 Majority Vote.** The vote of a majority of the Co-owners present at a meeting at which a quorum is present shall be binding upon all Co-owners for all purposes except where the Master Deed, By-Laws or law requires a higher percentage.

### **3. GOLFMMASTER I OWNERS' ASSOCIATION**

**3.1 Association Responsibilities.** The Co-Owners constitute the Association, which Association has the responsibility for monitoring the Board of Directors in the administration of the Regime and for taking all actions required to maintain and operate the Regime in accordance with the laws of the State of South Carolina.

**3.1.1** Individually, the Co-owners shall monitor the performance of the Board of Directors, provide the Board with suggestions and constructive criticism, and seek election to the Board when appropriate.

**3.1.2** Collectively, the Co-owners shall exercise their rights under sections 3.3, 3.4, 3.5, 3.10, 4.7, and 7.11 below, as appropriate.

**3.2 Place of Meetings.** All meetings, annual and special, of the Association shall be at the offices of the Association, or at such other place and at such time convenient to the Co-Owners, as shall be designated by the Board of Directors of the Association or the Management Agent and stated in the Notice of Meeting.

**3.3 Annual Meetings.** The annual meetings of the Association shall be held at the call of the President once a year on the second Saturday in November, or at such other time as a majority of the Board of Directors may agree upon. At such meetings there shall be elected by ballot of the Co-Owners a Board of Directors in accordance with these By-Laws, and there shall be a report by the President or Secretary-Treasurer on the activities and financial condition of the Association. The Co-Owners may also transact such other business of the Association as may properly come before them.

**3.4 Special Meetings.** It shall be the duty of the Secretary to call a special meeting of the Co-Owners as directed by: (1) resolution of the Board of Directors; (2) at the request by a majority of the Directors; (3) or upon a petition signed by Co-Owners holding at least twenty-five percent (25%) of the total voting power of the Association and having been presented to the Secretary. A notice of any special meeting shall state the time and place of such meeting and the purpose or purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

**3.5 Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, to each Co-Owner of record, at least fifteen (15), but not more than forty-five (45) days prior to

such meeting. The mailing of a notice in the manner provided in this Section 3.5 shall be considered notice served. The notice of meeting shall include any matters the Co-Owners intend to raise at the meeting if a request is submitted to the Secretary or President in writing at least ten (10) days prior to notice being mailed, which requests sets forth the matters to be raised.

**3.6 Adjourned Meeting.** If any meeting of the Association 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. The time, date, and place of the meeting shall be set and announced before adjournment of the first meeting. Upon the reconvening of said meeting a quorum shall be constituted if Co-Owners holding at least twenty five percent (25%) of the total Percentage Interest of the Co-Owners eligible to vote are present in person or by proxy at said reconvened meeting.

**3.7 Order of Business.** The order of business at all Annual Meetings of the Association shall be as follows:

- 3.7.1 Roll Call.
- 3.7.2 Proof of Notice of Meeting or Waiver of Notice.
- 3.7.3 Reading of Minutes of Preceding Meeting.
- 3.7.4 Reports of Officers.
- 3.7.5 Reports of Committees.
- 3.7.6 Old Business.
- 3.7.7 New Business.
- 3.7.8 Election of Inspectors of Election.
- 3.7.9 Election of Directors.

The order of business at a Special Meeting of the Association shall include items 3.7.1 through 3.7.2 above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

**3.8 Referendum in Lieu of Meeting.** Whenever the vote of Co-Owners at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with action of the Association, the meeting of Co-Owners may be waived if a majority of Co-Owners who would have been entitled to vote on the action in such meeting shall consent to waive the meeting requirement and vote by referendum or written ballot.

**3.9 Membership List.** A complete list of Members of the Association shall be maintained by the Secretary-Treasurer. This Membership list shall list all Members, the statutory percentage of each and shall include their addresses.

**3.10 Litigation.** No judicial proceeding shall be commenced or prosecuted by the Association unless approved by a vote of at least two thirds (2/3s) of the votes eligible to be cast by the Owners. This Section shall not apply, however, to actions brought by the Board; (1) to enforce the provisions of the Master Deed or these Bylaws (including, without limitation, the foreclosure of liens); (2) the imposition and collection of assessments as provided herein; (3) proceedings involving taxation, including, e.g., challenges to ad valorem taxation; or (4) counterclaims brought by the Association in proceedings instituted against it.

## 4. BOARD OF DIRECTORS

**4.1 Number and Qualifications.** The affairs of the Association shall be governed by a Board of Directors (hereinafter referred to as the "Board") comprised of five (5) persons. All Board members shall be Co-owners. If a Villa is owned by two (2) or more persons, no more than one (1) of those persons may serve on the Board.

**4.2 General Powers and Duties.** The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law directed to be executed and done by approval of the Association Co-Owners.

**4.3 Specific Powers and Duties.** In addition to the general powers and duties referenced above, duties imposed by these By-Laws, or by resolutions of the Association, the Board shall be responsible for the following:

4.3.1 Compliance with all of the terms and conditions of the Master Deed and any amendments thereto and enforcement of same.

4.3.2 Care, upkeep and surveillance of the Property and the Common Elements.

4.3.3 Establishment of the annual budget. The budget shall be established and distributed by the Board to all Members of the Association at least thirty (30) days in advance of its effective date and at least thirty (30) days in advance of the Association's Annual Meeting.

4.3.4 As a part of the annual budget, establishment and maintenance on behalf of the Association of an adequate reserve fund for periodic maintenance, repair, replacement or improvements to the Common Elements.

4.3.5 Employment, dismissal and control of the Management Agent and any personnel necessary for the maintenance and operation of the Common Elements.

4.3.6 Collection of all assessments and fees from the Co-Owners.

4.3.7 Performing repairs caused by any natural disaster, manmade damage, or unanticipated deterioration, using funds from the reserve account and any special assessment, or causing the same to be done.

4.3.8 Obtaining of insurance for the Property, pursuant to the provisions hereof and the provisions of the Master Deed.

4.3.9 Grant or relocate easements which are not inconsistent with the owners' full use and enjoyment of the common properties.

4.3.10 Making of, or causing to be made, repairs, additions and improvement to or alterations of, the Property and repairs to and restoration of the Property following a casualty, in accordance with the other provisions of these By-Laws.

4.3.11 To make available for inspection, upon request during normal working hours or under other reasonable circumstances, to Co-owners and to the holders, insurers or guarantors of any first mortgage on any Villa, current copies of the Master Deed, By-Laws, other Rules or Regulations pertaining to the Association, and the books, records and financial statements of the Association.

4.3.12 To adopt and implement a policy regarding resale of Villas within the regime, the purpose of said policy to assist owners to provide timely information to prospective buyers while not burdening the Association financially.

**4.4 Management Agent.** The Board may employ a Management Agent at the 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 4.3 of this Article. Any such management contracts shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said contracts.

**4.5 Board Member Terms.** The Board of Directors shall consist of five (5) members. The term of office of each member of the Board shall be three (3) years. Voting shall be staggered, so no more than two (2) Board members are elected at each annual meeting, except following resignation, termination or removal. The members of the Board shall hold office until their successors have been elected. Any of the Board members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 4.6 of this Article.

**4.6 Vacancies.** Vacancies in the Board of Directors caused by reason other than the removal of a member of the Board by a vote of the Association shall be filled by vote of the majority of the remaining Board members, even though they 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 Association.

**4.7 Removal of Members of the Board.** At any annual or special meeting of the Association, any one or more of the members of the Board may be removed with or without cause by a majority of 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 Association shall be given an opportunity to be heard at the meeting. No Board member shall continue to serve on the Board if, during the term of office, he shall cease to be a Co-owner. At such time, said Board member shall either resign or be removed by the Board.

**4.8 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 one (1) such meeting shall be held 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, email, telephone, or facsimile, at least three (3) days prior to the day named for such meeting.

**4.9 Special Meetings.** Special meetings of the Board may be called by the President on three (3) days notice to each Board member, given personally or by mail, email, telephone, or facsimile, which notice shall state the time, place (as hereinabove provided), and the purpose or purposes 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 (2) Board members.

**4.10 Notice.** If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Attendance at or participation by a Board member in any meeting of the Board shall be a waiver of notice by him of the time, place and purpose of the meeting. In the event an absent Board member disagrees with an action taken by the Board without due notice, he shall notify the President in a timely manner, who shall schedule a special Board meeting to reconsider the matter not properly noticed.

**4.11 Action Without a Meeting.** Actions required or permitted by law, the Master Deed or these By-Laws may be taken without a meeting if all members of the Board consent evidenced by a written consent describing the action taken, signed by each Director, or affirmed by email, and included in the minutes filed in the Association's records.

**4.12 Board Quorum.** At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. Any or all Board members may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other simultaneously during the meeting, and directors so participating by this means shall be deemed to be present in person at the meeting. If, at any meeting of the Board, there is less than a quorum present, the majority of the Board members present may adjourn the meeting to another time and notify the absent Board members. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted by a majority of the members present, even if they do not constitute a quorum. Unless subsequently approved by Co-Owners by an amendment to these By-Laws, proxies shall not be available for either a Board quorum or for voting purposes.

**4.13 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.

**4.14 Compensation.** No member of the Board of Directors shall receive any compensation from the Regime for acting as such. However, any Director may be reimbursed for his actual expenses incurred in the performances of his duties.

**4.15 Liability of the Board of Directors.** Except as required under the laws of the State of South Carolina, the members of the Board of Directors shall not be liable to the Co-owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. To the extent permitted under the laws of the State of South Carolina, the Co-owners shall indemnify and hold harmless each of the Members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. The liability of any Co-owner arising out of any contract made by the Board of Directors, shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all Co-owners in the Common Elements. Every agreement made by the Board of Directors or by the Managing Agent or by the Manager on behalf of the Association shall provide that the members of the Board of Directors, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Co-owners and shall have no personal liability thereunder (except as Co-owners), and that each Co-owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Co-owners in the Common Elements.

## **5. OFFICERS**

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

**5.2 Election of Officers.** The officers of the Association 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.

**5.3 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. No officer shall continue to serve as such if, during his term of office, he shall cease to be a Co-owner.

**5.4 Vacancies.** A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the office he replaces.

**5.5 President.** The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association 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 or incorporated Association, 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, feel appropriate to assist in the conduct of the affairs of the Association. The President shall sign all leases, mortgages, deeds and other written contracts and instruments and shall co-sign all checks and promissory notes, and perform all of the duties which may be delegated to him from time to time by the Board of Directors. The President may delegate check signing and contract signing responsibilities to the Regime's management agent or company only for customary and ordinary expenses and contracts. Unusual expenses and contracts shall require the President's approval and signature.



**5.6 Vice President.** The Vice President shall take the place of the President and perform his duties when 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.

**5.7 Secretary-Treasurer.** The Secretary-Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct and shall authenticate the records of the Association; and he shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association 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 office of the Secretary and Treasurer. The Secretary-Treasurer may delegate duties and responsibilities to the Association's management agent or company, as long as the Secretary-Treasurer maintains oversight in compliance with all applicable laws.

**6. NOTICES** Whenever under the provisions of the Master Deed or of these By-Laws notice is required to be given to the Board of Directors, the Management Agent or Co-owners, it shall not be construed to mean personal notice; but such notice may be given in writing, by first class, certified or registered mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Directors, such Manager or such Co-owners at such address as appears on the books of the Association. Notice shall be deemed given as of the date of mailing. Notice may also be sent by email, as long as receipt of the email notice is acknowledged by the recipient.

## **7. OBLIGATIONS OF THE CO-OWNERS**

### **7.1 Assessments for Common Expenses.**

7.1.1 All Co-Owners shall be obligated to pay the periodic assessments imposed by the Board to meet all Association Common Expenses. The Common Expenses may include such amounts as the Board may deem proper for the operation and maintenance of the Property and any authorized additions thereto, including, without limitation, amounts for general working capital, for a general operating reserve, and for a replacement reserve. At the Board's discretion, the assessments for Regime insurance policies may be included in the periodic assessments for other Common Expenses or estimated prior to the expiration of the current policies and assessed as a single payment. In either case, when the new premium is established, an additional assessment may be made if needed to cover any under estimate.

7.1.2 No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Co-owners with a copy of the budget for the next fiscal year and shall likewise advise them of the amount of the Common Charges payable by each of them respectively, as determined by the Board as aforesaid. The transfer of ownership of an individual Villa within the Association shall carry with it the proportionate equity of that Villa's ownership in the Association operating escrow, working capital or reserve accounts set aside to provide a contingency fund for the maintenance and repair of the Association Property. Transfer of ownership and resignation or termination of a Co-Owner of the Association shall not relieve the Co-Owner from any obligations the Co-Owner may have to the Association as a result of obligations incurred or commitments made before resignation or termination.

**7.2 Special Assessments.** The Board may levy special assessments in addition to periodic assessments set forth above to pay for Regime expenses, emergency costs, repairs or maintenance to



Common Elements, or the repayment of any loan made to the Association to pay for such costs and expenses.

**7.3 Assessments to Remains in Effect Until New Assessments Made.** The omission by the Board of Directors before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any Owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed by the Board at a duly held Board meeting. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his Villa.

**7.4 Default in Payment of Common Charges.** The Board shall take prompt action to collect any common charges due from any Co-owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Co-owner in paying to the Board the common charges as determined by the Board, such Co-owner shall be obligated to pay a late charge of twelve percent (12%) per annum of the delinquent amount adjusted for each month on such unpaid Common Charge from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid Common Charges. The Board shall have the right and duty to attempt to recover such Common Charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees in action to recover the same brought against such Co-owner, or by foreclosure of the lien on such Villa as granted by South Carolina law.

**7.5 Maintenance and Repair.**

**7.5.1** Each Co-Owner must perform work within his or her Villa as defined in the Master Deed, which, if omitted, would affect the Property in its entirety or in a part belonging to another Co-Owner, being expressly responsible for the damages and liabilities that his failure to do so may engender. The Regime may paint the exterior surfaces of doors, windows, decks, gates, and garbage enclosures as part of an overall program of exterior painting; otherwise, these are Co-Owner responsibilities.

**7.5.2** All maintenance, repair and replacement to the Common Elements and Limited Common Elements as defined in the Master Deed, unless otherwise provided in the Master Deed, shall be made by the Board or its agent and shall be charged to all the Co-owners as a Common Expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Co-owner, in which such case the expense shall be charged to such Co-owner.

**7.6 Utilities.**

**7.6.1 Water and Sewer Charges.** Water shall be supplied and sewer services shall be supplied to all Villas and the Common Elements through one or more meters by the applicable utility company, and each Co-Owner shall be required to pay for all charges for water and sewer services to the Regime as a Common Charge described above in Section 7.1.

**7.6.2 Electricity.** Electricity shall be supplied by the public utility company serving the area directly to each Villa through a separate meter and each Co-owner shall be required to pay the bills for electricity consumed or used in his Villa. The electricity serving the Common Elements shall be separately metered, and the Board shall pay all bills for electricity consumed in such portions of the Common Elements, as a Common Expense.

**7.6.3 Cable Television/Satellite Communications.** No outside television or radio aerial or antenna, satellite dish, or other device for the reception or transmission of radio, television, or other electronic signals, shall be erected or maintained upon the exterior of any Villa, Common Element or the Limited Common Elements appurtenant to any Villa without the prior written approval

of the Board of Directors, its Management Agent, or a Board designated committee, which approval shall not be unreasonably withheld. All such installations shall be for the personal use of the Owner, residents and guests of the Villa, and must also comply with the requirements of (1) local zoning and building codes, (2) the Shipyard Architectural Review Board, and (3) other applicable private and public entities. In approving such applications, the Board of Directors, its Management Agent, or its designated committee shall have the power to require such specific forms of placement of the device as it deems appropriate in order to effectuate the intent of this Section 7.6.3 that such devices be as inoffensive as possible to other Owners and Residents. Any Owner requesting such a device may be required to pay a reasonable charge to the Association for the reviewing of such Application by the Board, its Management Agent, or its designated committee. Further, the Owner shall be required to pay the installation costs for installing such device and to pay all bills associated with such Owner's use of the device. The Board may approve the use of such devices to serve the Common Elements and the Board shall pay all costs of installation and bills for use of such devices in such portions of the Common Elements as a Common Expense.

### **7.7 Use of Villas – Internal or External Changes.**

7.7.1 All Villas shall be used for residential purposes only. The rental of a Villa, or the operation of a home office within a Villa that does not allow customers or clients to the Villa, shall be considered residential purposes.

7.7.2 A Co-Owner may only make alterations to his Villa and the Common Elements in full compliance with the Master Deed. If any changes as described herein are approved by the Board, the Co-Owner requesting such change shall be totally financially responsible for the cost of such change and the incurred costs, if applicable, of the maintenance and repair of such change.

7.7.3 The Limited Common Elements pertaining to each Villa shall be kept free of debris and all other accumulation by the applicable Co-Owner, who shall also make all repairs and maintenance in connection therewith resulting from failure to comply with this section.

**7.8 Use of Common Elements.** A Co-Owner shall not place or cause to be placed in the passages, parking areas, roads, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the Co-Owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking.

### **7.9 Right of Entry.**

7.9.1 The Master Deed grants the right of entry to the Management Agent or to any person authorized by the Board in case of any emergency originating in or threatening his Villa, whether the Co-Owner is present at the time or not. To facilitate this entry, Co-owners are required to provide the Management Agent with a key to the villa.

7.9.2 A Co-Owner shall permit Board of Directors, the Management Agent, or their representatives, when so required, to enter his Villa for the purpose of performing installations, alterations, or repairs to the Common Elements and surveillance of the Regime, 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 emergency, the right of entry shall be immediate.

7.9.3 The Board, Management Agent, or authorized pest control contractor shall have the right of reasonable access to all Villas for periodic pest treatment during weekday, normal business hours. Co-owners shall be responsible for all costs incurred by the Association due to a Co-owner's failure to provide access for the purposes of this Section 7.9.3.

**7.10 Rules of Conduct.** In order to assure the peaceful and orderly use and enjoyment of the Villas and Common Elements of the Association, the Board from time to time may adopt, modify, and revoke in whole or in part, such reasonable rules and regulations, to be called Rules of Conduct, governing the conduct of persons on Regime property as it may deem necessary. Such Rules of

Conduct, upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each Owner by posting same on the Association's webpage, sending to all Co-owners by email, or by regular mail with postage prepaid addresses to the Co-owner at the last registered address of the Co-owner and shall be binding upon all Co-owners and the occupants of Villas in the Regime.

**7.11 Override of Board Approved Rules of Conduct.** In the event the Board receives a petition to change the Rules of Conduct signed by 25% or more of the Ownership Interest at least 30 days prior to the Annual Meeting, the issue will be added to the meeting agenda. If in the judgment of the Board a Special Meeting or a referendum is necessary, the meeting or referendum shall be scheduled not less than 30 days after due notice of the issues to the owners. The proposed change will be adopted if approved by 67% of the Ownership Interest.

**7.12 Abatement and Enjoinment of Violations by Co-Owners.** The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (1) to enter the Villa in which or as to which such violations or breach exists and to summarily abate and remove, at the expense of the defaulting Co-owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to assess the Co-Owner to recover the cost of such enforcement, including attorney's fees, or (3) to impose fines for violations thereof in amounts determined by the Board, said fine to be added to the assessments payable hereunder by the violating Co-owner.

## 8. INSURANCE

**8.1 In General.** The Board of Directors is required to obtain and maintain insurance coverage on the as built condition of the Property and Board approved improvements to the Common Elements as set forth in the Master Deed and in compliance with the Act. Each Co-owner is required to obtain and maintain, at his own expense, insurance on the contents and improvements to his Villa.

**8.2 Distinction on Co-Owner's Coverage and Regime Coverage.** As reflected above, both the Association and the Co-Owner has certain insurance responsibilities. The Board, acting through the Management Agent, shall have the discretion to balance competing interests of said insurers, should such an occasion arise. Each Co-Owner shall, upon request, provide to the Management Agent, the name and address of his insurer.

## 9. MORTGAGES

**9.1 Notice to Board.** A Co-Owner who mortgages his Villa shall notify the Board through the Management Agent, or the President if there is no Management Agent, of the name and address of his Mortgagee and the Association shall maintain a record of this information,

**9.2 Notice to Mortgagee.** The Board shall give reasonable advance written notice of the following events to all mortgagees from which it receives a written request (the term "mortgagee" to include the holder, insurer or guarantor with respect to any such mortgage). Such written request must identify the name and address of the holder, insurer or guarantor and the Villa number and address:

9.2.1 Any change in the Regime documents;

9.2.2 Any unpaid assessments due the Association for over ninety (90) days from the Co-Owner(s) (mortgagor(s)) of the Villa;

9.2.3 Any default by the Co-Owner (mortgagor) of a Villa in the performance of such Co-Owners' obligations under the Master Deed and associated condominium documents when such default is not cured within sixty (60) days.

9.2.4 Any notice of special or annual meetings of the Association.

9.2.5 Any condemnation loss or any casualty loss which affects a material portion of the Project or any Villa on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

9.2.6 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

9.2.7 Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in these By-Laws or in the Master Deed;

9.2.8 Any proposed change from professional management of the Property to self-management of the Property by the Association.

**9.3 Statements to Mortgagee.** Upon written request to the Association from any mortgagee of which it has notice as herein provided, the Board or Management Agent shall supply a reasonably current financial statement of the Association within a reasonable time of such request. Moreover, if no audited current financial statements are available, the holders of fifty-one (51%) percent or more of first mortgages shall be entitled to have such an audited statement prepared at their expense.

**10. AMENDMENTS** These By-Laws may be amended only through a Regular or Special Meeting or written referendum or ballot, held specifically for the purpose of such amendment, and only with the consent of the Co-Owners of Villas which own at least sixty seven percent (67%) of the total Percentage Interest set forth in the Master Deed.

## **11. MISCELLANEOUS MATTERS**

**11.1 Definitions.** The definitions contained in Section 2 and elsewhere in the Master Deed also apply to these By-Laws.

**11.2 Execution of Documents.** The President or Vice President and Secretary or Assistant Secretary are responsible for preparing, executing, filing and recording amendments to the Master Deed and By-Laws, and shall be authorized to execute any other document which the Association may from time to time be required to execute.

**11.3 Conflict.** These By-laws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended, and the South Carolina Non-Profit Corporation Act of 1994, and may be amended from time to time. In the event of any conflict between these By-Laws and the provisions of such statutes or the Master Deed, the provisions of such statutes or the Master Deed, as the case may be, shall control.

**11.4 Fiscal Year.** The fiscal year for the Association shall begin on the 1<sup>st</sup> day of January of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.