

307
S. W. W. W.
5/16

STATE OF SOUTH CAROLINA) AMENDED AND RESTATED
) BYLAWS OF
) BEACHSIDE TENNIS VILLAS
 COUNTY OF BEAUFORT) HORIZONTAL PROPERTY REGIME
) (LXXVIII)

THESE Amended and Restated Bylaws of Beachside Tennis Villas Horizontal Property Regime are validated this 30 day of January, 2007.

WITNESSETH

WHEREAS, Sea Pines Plantation Company, a South Carolina Corporation (The Company), conveyed certain real property by master deed pursuant to the Horizontal Property Act, South Carolina Code Annotated, §27-31-10 et. seq., by document dated July 31, 1981 and recorded August 3, 1981 in Book 329 at Page 350 of the official records for Beaufort County; and

WHEREAS, the aforesaid document established the initial phase of Beachside Tennis Villas Horizontal Property Regime; and

WHEREAS, The Company established Phase IB of Beachside Tennis Villas Horizontal Property Regime by amendment to the master deed by document dated October 6, 1981 and recorded October 8, 1981 in Book 334 at Page 320 of the official records for Beaufort County; and

WHEREAS, the aforesaid master deed, as amended, was supplemented by document dated March 10, 1982 and recorded March 16, 1982 in Book 343 at Page 1155 of the official records for Beaufort County; and

WHEREAS, The Company established Phase II of Beachside Tennis Villas Horizontal Property Regime by amendment to the master deed dated May 10, 1982 and

BEAUFORT COUNTY SC- ROD
 BK 02522 PGS 0732-0762
 DATE: 02/14/2007 01:51:53 PM
 INST # 2007012769 RCPT# 471463

recorded May 12, 1982 in Book 346 at Page 1805 of the official records for Beaufort County; and

WHEREAS, the bylaws for Beachside Tennis Villas Horizontal Property Regime and Beachside Tennis Villas Owners Association, a South Carolina nonprofit corporation, were established as Exhibit "D" to the initial master deed and recorded in Book 329 at Page 350 as aforesaid; and

WHEREAS, at the annual meeting of owners held on March 20, 2001, and pursuant to notice, the bylaws were amended and restated by the affirmative vote of the directors and members pursuant to Article X Section (2) of the original bylaws; and

WHEREAS, through ministerial oversight the amended and restated bylaws were not then validated by being recorded; and

WHEREAS, this document is intended to cure the ministerial oversight.

NOW THEREFORE, intending that the document attached hereto shall hereforth be the bylaws of Beachside Tennis Villas Horizontal Property Regime, I, Joan Denton, as duly elected Secretary, both now and at the time of the meeting at which the bylaws were amended and restated hereby certify that those owners present in person and by proxy approved the amended and restates bylaws by a sufficient majority.

IN WITNESS WHEREOF, pursuant to the authority reserved to me in Article V, Section 7 of the original bylaws I hereby execute these amended and restated bylaws the date first above written.

In the Presence of:

Witness

Stephen J. Alfred
[Signature]
Notary

Beachside Tennis Villas
Horizontal Property Regime

[Signature]
By: Joan Denton
Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGEMENT

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposed and said that s/he saw the within Joan Denton, Secretary of Beachside Tennis Villas Horizontal Property Regime, sign, seal and deliver the foregoing document and that s/he, together with the other witness, witnessed the execution thereof.

Stephen J. Alfred
Witness

Sworn to and subscribed before me this
30 day of January, 2007.

[Signature]
Notary Public for South Carolina
My Commission Expires: _____

My Commission Expires
October 29, 2014

**FIRST AMENDED
BYLAWS
OF
BEACHSIDE TENNIS VILLAS HORIZONTAL PROPERTY REGIME
AND**

**BEACHSIDE TENNIS VILLAS OWNERS ASSOCIATION
A South Carolina Non-profit Corporation**

ARTICLE I
IDENTITY

The following amended bylaws shall govern the operation of the Beachside Tennis Villas Horizontal Property Regime created by the master deed and the Beachside Tennis Owners Association. The Association is a South Carolina Non-profit Corporation organized and existing under the laws of the State of South Carolina for the purpose of administering (but not exclusively unless so provided in the Association's Articles of Incorporation) the Condominium created by the master deed to which these bylaws are attached.

Section 1. The office of the Association shall be at the Beachside Tennis Villas, or at such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. The Seal of the Corporation shall bear the name of the Corporation, the words "South Carolina", and the words "Non-Profit Corporation" and the year of incorporation.

Section 3. As used herein, the word "Corporation" shall be equivalent of "Association" as defined in the master deed to which these bylaws are attached. All other words, as used herein, shall have the same definitions as distributed to them in the master deed to which these bylaws are attached.

ARTICLE II

MEMBERSHIP AND VOTING PROVISIONS

Section 1. **Membership.** Membership in the Association shall be limited to the owners of the condominium units in condominiums wherein this Corporation has been designated by the Association to operate and administer said Condominium by virtue of the master deed of said Condominium. Transfer of Unit Ownership, either voluntary or by operation of law, shall terminate membership in the Association and said membership is to become vested in the transferee. If Unit Ownership is vested in more than one person, then all of the persons so owning said Unit shall be members eligible to hold office, attend meetings, etc., but, as hereinafter indicated, the vote of a Unit shall be cast by the "voting member". If Unit Ownership is vested in a corporation, said corporation may designate an individual officer or employee of the corporation as its "voting member".

Section 2. **Voting**

- (a) Each unit shall have one "voting member" when voting for Directors. Votes may be in-person, by written ballot or by proxy, provided that the written ballot or proxy is received and recorded with the Secretary of the Association at least one day prior to election. Only ballots and proxies received one day prior to the meeting shall be counted.
- (b) A majority of the voting members total vote shall decide all questions. Unit owners may transfer in writing their voting proxy to a designated proxy holder. Such proxies may be revocable until the time of the annual meeting when the vote is cast. A quorum consists of a simple majority of voting members. Where a Unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated.
- (c) The Board of Directors will designate an Inspector of Elections for annual or special meetings who will certify the ballots cast or proxies exhibited.

Section 3. **Designation of Voting Member.** If a condominium unit is owned by one person, his right to vote shall be established by the recorded title to the Unit. If a condominium unit

is owned by more than one (1) person, the person entitled to cast the vote for the Unit shall be designated on a Certificate, signed by all of the recorded Owners of the Unit and filed with the Secretary of the Association. If a Condominium Unit is owned by a Corporation, the officer or employee thereof entitled to cast the vote of the Unit for the Corporation shall be designated in a Certificate for this purpose, signed by the President or Vice-President, attested to by the Secretary or Assistant Secretary of the Corporation, and filed with the Secretary of the Association. The person designated in such Certificate who is entitled to cast the vote for a Unit shall be known as the "voting member". If such a Certificate is not on file with the Secretary of the Association for a Unit owned by more than one person or by a Corporation, the vote of the Unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the Unit, except if said Unit is owned by a husband and wife. Such Certificate shall be valid until revoked or until superseded by a subsequent Certificate, or until a change in the ownership of the unit concerned. If a Condominium Unit is owned jointly by a husband and wife, the following three provisions are applicable thereto:

- (a) they may, but they shall not be required to, designate a "voting member;"
- (b) if they do not designate a "voting member" and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting (as previously provided, the vote of a Unit is not divisible); and
- (c) where they do not designate a "voting member" and only one is present at a meeting, the person present may cast the Unit vote, just as though he or she owned the Unit individually and without establishing the concurrence of the absent person.

ARTICLE III **MEETING OF THE MEMBERSHIP**

Section 1. **Place.** All meetings of the Association membership shall be held at the

Condominium(s) property, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting and shall be open to all Unit Owners.

Section 2. **Notices.** It shall be the duty of the Secretary to mail or deliver a Notice of each annual or special meeting stating the time and place thereof to each Unit Owner of record at least thirty (30) but not more than sixty (60) days prior to such meeting. Notices of any special meeting shall state the purpose thereof. All notices shall be mailed to or served at the address of the Unit Owner as it appears on the books of the Association. A copy of the proposed annual budget of projected income and common expenses or proposed budget for special common expenses shall be mailed to the Unit Owners with the Notice of said meeting, not less than thirty (30) nor more than sixty (60) days prior to the meeting at which the budget will be discussed

Section 3. **Annual Meeting.** The annual meeting shall be held at 10:00 A.M., Eastern Standard Time, on the third Tuesday of March each year for the purpose of electing Directors and transacting any other business authorized to be transacted by the members, provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next secular day following. At the annual meeting the "voting members" shall elect by plurality vote (cumulative voting prohibited), a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

Section 4. **Special Meeting.** Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, (a) may be called by the President; or (b) shall be called by the President or Secretary at the request, in writing, of "voting members" representing at least twenty-five (25%) percent of the "voting members." All requests for and notices of special meetings shall state the purpose or purposes of the proposed meeting Business transacted at all special meetings

shall be confined to the subject stated in the Notice thereof.

Section 5. **Minutes.** Minutes of all annual and special meetings shall be prepared and mailed to the Unit Owners within 30 days of said meetings.

Section 6. **Waiver and Consent.** Whenever the vote of members at a meeting is required to be taken or permitted to be taken by any provision of these By-Laws in connection with any action of the Association, the meeting and vote of members may be dispensed with if a majority of the members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken; however, Notice of such action shall be given to all members, unless all members approve such action.

Section 7. **Adjourned Meeting.** If any meeting of members cannot be organized because a quorum of "voting members" is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 8. **Approval or Disapproval** Approval or disapproval of a Unit Owner upon any matter, whether or not the subject of an Association meeting, shall be by "voting members", provided, however, that where a Unit is owned jointly by a husband and wife, and they have not designated one of them as a voting member, their joint approval or disapproval shall be required where they are both present; or in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

Section 9. **The Management Firm.** The Board of Directors may employ any Management Firm that it deems capable of properly managing the affairs of the Association. The selected Management Firm, as long as any Management Agreement remains in effect, shall be entitled to Notice of Association meetings and shall be entitled to attend all Association's meetings, and it may designate such person(s) as it desires to attend such meetings on its behalf.

ARTICLE IV
DIRECTORS

Section 1. **Number, Terms and Qualifications.** The affairs of the Association, shall be governed by a Board of Directors consisting of five (5) persons: a President and four (4) Directors all of whom shall be members of the Association. The CEO of the management company or a designate, shall serve as a non-voting member of the Board of Directors without limitation of term. The Directors shall be elected at staggered intervals for a term of three (3) years.

Section 2. **Election of Directors.**

A Board of Directors of the Association shall be elected by Direct Mail Ballot by a simple majority of "voting members" on their designated proxy. Election ballots may be changed in person at the Annual Meeting by the "voting member" or their "designated proxy". Only proxies received at least one day prior to the Annual Meeting shall be counted. Ballots will be mailed to Unit Owners at their current address of record by first class mail no later than thirty (30) days prior to the Annual Meeting. Said ballots may, but do not have to be, mailed with the Notice of the Annual Meeting and will list all candidates alphabetically with their name, current permanent address, unit number owned, and shall be accompanied by a biographical sketch limited to 250 words. (Photographs are optional). Said ballots shall be accompanied with a returned, self-addressed envelope addressed to the Inspector of Elections.

Every "voting member " is eligible to serve as a Director and each member can nominate himself or herself by submitting written Notice to the Management Company accompanied by the above mentioned biographical sketch prior to the mailing period In order to be eligible for election as a Director, the candidate must attend the Annual Meeting at which they are standing for election.

Section 3. **Removal of Directors.** At any duly convened ~~and noticed~~ regular or special meeting, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of three-fourths (3/4) of the "voting members" in the Association, and a successor may then and there be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 4 below.

Section 4. **Vacancies on Directorate.** If the Office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the President with the advice of the Board, shall choose a successor or successors who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. Under any circumstances, the vacancy(s) will be filled within sixty (60) days.

Section 5. **Disqualification and Resignation of Directors.** Any Director may resign at any time by sending a written notice of such resignation to the office of the Corporation, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. The transfer of title of his/her Unit by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No Director shall continue to serve on the Board should said member be more than forty five (45) days delinquent in the payment of an assessment: said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 6. **Regular Meetings.** The Board of Directors shall meet on a regular basis and as frequently as deemed necessary. Such meetings may be held in person or by telephone conference at such time and place as the President may designate. Notice of such regular meetings shall be given to each Director by mail, telephone, or fax at least fourteen (14) days prior to the day named for such meetings. All meetings of the Board of Directors, including special meetings in

accordance with Section 7 below, shall be open to all Unit Owners. Unit Owners who wish to attend meetings or receive copies of the minutes of Board meetings are to make arrangements with the Management Company.

Section 7. **Special Meetings.** Special meetings of the Board of Directors may be called by the President and, in his/her absence, by the Vice-President, or by a majority of the members of the Board of Directors, by giving at least five (5) days notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of special meetings shall state the purpose of the meeting.

Section 8. **Directors' Waiver of Notice.** Before or at any meeting of the Board of Directors any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him/her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. **Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

Section 10. **Powers And Duties.** The Board of Directors of the Association 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 precluded by law or by the Master Deed, this Association's Articles of Incorporation, or these By-Laws, as directed to be exercised and done by Unit Owners. These powers shall specifically include, but shall not be limited to, the following:

- (a) to exercise all powers specifically set forth in the Master Deed, this Association's Articles of Incorporation, in these By-Laws, and in the Horizontal Property Act, and all powers incidental thereto;
- (b) to make assessments, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Association;
- (c) to employ, dismiss and control the personnel necessary for the maintenance and operation of the project and of the common areas and facilities including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises;
- (d) to make and amend regulations respecting the operation and use of the Common Elements, the Limited Common Elements, Condominium property and Association properties, and the use and maintenance of the Condominium Units therein;
- (e) to contract for the management of the Condominium and to delegate to such contractor all the powers and duties of the Association, except those which may be required by the Master Deed to have approval of the Board of Directors or membership of the Association. To contract for the management or operation of portions of the Common Elements or Association properties susceptible to the separate management or operation thereof, and to lease or concession such portions;
- (f) to further the improvement of the Condominium property, both real and personal, and the right to purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, and the right to acquire and enter into Agreements, and as amended, subject to the provisions of the applicable Master Deed, this Associations' Articles of Incorporation and these By-Laws; and
- (g) to designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least three (3) members of the Association. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required.

The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by Unit Owners when such is specifically required.

Section 11. **Fidelity Bonds.** The Board is to require that any and all Directors and employees of the Association handling or responsible for Association funds shall be adequately covered by fidelity bonds. The premiums for such bonds shall be paid by the Association and the adequacy of said fidelity bonds is to be determined by the Board of Directors.

Section 12. **Compensation.** No board member shall receive compensation from the Association for acting as a member of the Board of Directors. Personal expenses expended by any Director on behalf of the Association may be reimbursed by the Association upon submission of a written claim for said expenses if approved by either the President or Treasurer of the Association.

Section 13. **Liability of the Board of Directors.** The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit 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 or contrary to the provisions of the Master Deed or of these By-Laws. 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 Regime or Association. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportions of the total liability thereunder as his/her interest in the Common Elements bears to the interest of all Unit 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 Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his/her interest in the common elements bears to the interest of all Unit Owners in the Common Elements. However, the Association will provide and purchase Director and Officer Liability Insurance in the amount deemed necessary by the Board of Directors.

ARTICLE V **OFFICERS**

Section 1. **Elective Officers.** The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the members of the Board of Directors. One person may hold more than one of the aforementioned offices.

Section 2. **Election.** The President, Vice President, Secretary and Treasurer designated in Section 1 above shall be elected annually by the Board of Directors at the organizational meeting of each new Board following the Annual Meeting of the Association.

Section 3. **Committees.** The President of the Association, with the consent of the majority of the Board of Directors, may appoint Ad Hoc committee(s) and the committee Chair Person(s). Any appointed Ad Hoc committee is to address speck issues or concerns as deemed appropriate by the Board of Directors, and its members shall consist of only " voting members" of the Association. Administrative support to all Ad Hoc committees will be provided by the Management Company. Minutes and written reports are to be submitted to the Board as required by Article IV, Section 10G.

Section 4. **Term.** The officers of the Association shall hold office until their successors

are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors, provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors within sixty (60) days.

Section 5. The President shall be the chief executive officer of the Association; shall preside at all meetings of the Unit Owners and of the Board of Directors; shall have executive powers and general supervision over the affairs of the Association and other officers. The President shall sign all written contracts, and perform all of the duties incident to his/her office which may be delegated from time to time by the Board of Directors.

Section 6. The Vice President shall perform all of the duties of the President in his/her absence, and such other duties as may be required from time to time by the Board of Directors of the Association.

Section 7. The Secretary shall issue notices of all Board of Directors meetings and all meetings of the Unit Owners; shall attend and keep the minutes of same; shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer. An Assistant Secretary shall be provided by the Management Company to assist the Secretary in performance of required duties.

Section 8. **The Treasurer:**

- (a) shall have custody of the Association's funds and securities, except the funds payable to any Management Firm, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors;
- (b) shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such

disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his/her transactions as the Treasurer and of the financial condition of the Association:

- (c) shall collect the assessments and maintenance fees and shall promptly report the status of collections and of all delinquencies to the Board of Directors; and
- (d) shall give status reports to potential transferees on which reports the transferees may rely.

The Assistant to the Treasurer shall perform the duties of the Treasurer when the Treasurer is absent and may be appointed from the Board of Directors. The duties of the Treasurer may be fulfilled by a Management Company employed by the Association, and said Management Company shall fulfill the duties of the Treasurer and shall have custody of such books of the Association as it determines in its sole discretion and the foregoing shall include any books required to be kept by the Secretary of the Association.

ARTICLE VI **FINANCE, ASSESSMENTS AND MAINTENANCE FEES**

Section 1. **Depositories.** The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by authorized persons so designated by the Board of Directors. Obligations of the Association over a dollar limit so designated by the Board of Directors, must be signed by at least two signatories, one of whom is to be an officer of the Association. An agreement between the Association and the Management Company relative to this subject matter shall exist as to the responsibilities and authority of the Management Company and individual staff members.

Section 2. **Fidelity Bonds.** The Treasurer and all officers who are authorized to sign checks and all offices and employees of the Association and any contractor handling or responsible

for Association funds including the Management Company shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such Bonds shall be paid by the Association. The Bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account; however, notwithstanding the foregoing, the Management Company, under the terms of the Management Agreement, attached to the Master Deed, etc., to which these By-Laws are attached, as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded, if any, among its employees.

Section 3. **Fiscal Year.** The fiscal year for the Association shall begin on the 1st day of May 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.

Section 4. **Determination of Assessments.**

(a) Common Assessments. The Board of Directors of the Association shall fix and determine on an annual basis the sums necessary and adequate for the common expenses of the Condominium. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, costs of carrying out the powers and duties of the Association and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Master Deed to which these By-Laws are attached. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments and to lease, maintain, repair, and replace the Common Elements and the Limited Common Elements of the Condominium. Funds for the payment of common expenses shall be assessed against the Unit Owners in the proportions or percentages of sharing common expenses, as provided in the Master Deed, etc. Assessment, installations, and maintenance fees that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten (10%) percent per annum from due date until paid, and at the sole discretion of the Board of Directors, a late charge of \$25.00 shall be due and payable. All assessments for ordinary common assessments and special assessments shall be chargeable on an annual basis as outlined in Section 4(c).

(b) Special assessments, should such be determined by the Board of Directors, shall be levied in the same manner as hereinbefore provided for common assessments, and shall be payable in the manner determined by the Board of Directors. All funds due under these By-Laws, which are attached to the Master Deed are common expenses of this Condominium. Assessment, installations, and maintenance fees that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten (10%) percent per annum from due date until paid, and at the sole discretion of the Board of Directors, a late charge of \$25.00 shall be due and payable. All assessments for ordinary common assessments and special assessments shall be chargeable on an annual basis as outlined in Section 4(c).

(c) Annual Budget. A copy of the proposed annual budget of common expenses shall be mailed to the Unit Owners not less than thirty (30) nor more than sixty (60) days prior to the meeting at which the budget will be discussed, together with a Notice of that meeting. The Unit Owners shall be given written notice of the time and place at which the meeting of the Board of Directors shall be held to consider the proposed annual budget of common expenses, and such meeting shall be open to the Unit Owners. If a budget is adopted by the Board of Directors which requires assessment against the Unit Owners in any fiscal or calendar year exceeding fifteen (15%) percent of such assessments for the preceding year, upon written application of twenty-five (25%) percent of the Unit Owners, a special meeting of the Unit Owners shall be held upon no less than fifteen (15) days written notice to each Unit Owner, but within forty five (45) days of the delivery of such application to the Board of Directors or any member thereof. At This special meeting Unit Owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. In either case, unless these By-Laws shall require a larger vote, the revision of the budget or the recall of any and all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all Unit Owners. The Board of Directors may in any event propose a budget to the Unit Owners at a meeting of members or by mail ballot and if such budget or proposed budget be approved by the Unit Owners at a meeting, or by a majority of their whole number by a mail ballot, such budget shall not thereafter be re-examined by the Unit Owners in the manner hereinabove set forth nor shall the Board of Directors be recalled under the terms of this Section. In determining whether assessments exceed fifteen (15%) percent of similar assessments in prior years, there shall be excluded in the computation property taxes, insurance premiums or any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the Condominium property or in respect of anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessment for betterments to the Condominium property if these By-Laws so provide or allow the establishment of reserves, or assessments for betterments to be imposed by the Board of Directors. When the Board of Directors has determined the amount of any assessment, the Management Company of the Association shall mail or present to each Unit Owner a statement of said Unit Owner's assessment. All assessments shall be payable to the Management Company designated by the Board of Directors.

(d) Insurance. The cost of insurance covering the real property of the Association shall be prorated to the individual Unit Owner, as per Exhibit A, and billed separately and directly to the Unit Owner. Said cost will be an assessment, although billed separately from the regular annual assessment described in Section 4(a).

Section 5. **Application of Payments and Co-mingling Funds**. All sums collected by the Association from assessments and maintenance fees may be co-mingled in a single fund or divided into more than one fund, as determined by the Board of Directors of the Association. All assessment payments and maintenance fees by a Unit Owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, expenses and advances as provided herein and in the Master Deed and general or special assessments, in such manner and amounts as the Board of Directors determines in its sole discretion.

Section 6. **Acceleration of Assessment Installments Upon Default**. If a Unit Owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon notice thereof to the Unit Owner; and, thereupon, the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than fifteen (15) days after delivery of or the mailing of such notice to the Unit Owner.

Section 7. **Audits**. A review and/or audit of the accounts and financial records of the Association may be made annually by an independent accounting firm and the Board of Directors shall report the findings of said review to Unit Owners.

Section 8. **Application of Surplus**. Any payments or receipts to the Association, whether from Unit Owners or otherwise, paid during the year in excess of the operating expenses and other common expenses of the Association shall be kept by the Association and applied against the

Association's expenses for the following year.

Section 9. **Transfer of Ownership.** The transfer of ownership of an individual Unit within the Regime shall carry with it the proportionate equity of that unit's ownership in the Association escrow account set aside to provide a contingency fund for the maintenance and repair of the Common Elements or other Common Expenses.

ARTICLE VII ADDITIONS OR ALTERATIONS

There shall be no additions or alterations to the Common Elements or limited Common elements of the Condominium(s) which this Association operates and maintains except as specifically provided for in the Master Deed.

ARTICLE VIII COMPLIANCE AND DEFAULT

Section 1. **Violations.** In the event of a violation (other than the non-payment of an assessment) by the Unit Owner in any of the provisions of the Master Deed, these By-Laws, or the applicable portions of the Horizontal Property Act, the Association, by direction of its Board of Directors, may notify the Unit Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of seven (7) days from date of Notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Master Deed and Declaration, the By-Laws, or of the pertinent provisions of the Horizontal Property Act, and the Association may then, at its option, have the following elections:

- (a) an action at law to recover for its damage, on behalf of the Association or on behalf of the other Unit Owners;
- (b) an action in equity to enforce performance on the part of the Unit Owner; or Page 17

(c) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief Any violations which are deemed by the Board of Directors to be a hazard to public health

may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Unit Owner as a specific item, which shall be a lien against the said Unit with the same force and effect as if the charge were a part of the common expenses.

Section 2. **Negligence or Carelessness of Unit Owner, Etc.** All Unit Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his/her act, neglect or carelessness, or by that of any member of his/her family, or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by any insurance company of its rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said Unit Owner as a specific item which shall be a lien against said Unit with the same force and effect as if the charge were a part of the common expenses.

Section 3. **Costs and Attorneys' Fees.** In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

Section 4. **No Waiver of Rights.** The failure of an Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

Section 5. **Election of Remedies.** All rights, remedies, and privileges granted to the Association or Unit Owner, pursuant to any terms, provisions, covenants or conditions of the Condominium documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by Condominium documents, or at law or in equity.

Section 6. **Statement of Common Charges.** The Board of Directors shall, for a reasonable fee, promptly provide any purchaser, Unit Owner, encumbrancer or prospective encumbrancer of a Unit so requesting the same in writing, with a written statement of all unpaid common charges due from the Owner of that unit and the purchaser's liability, therefore, shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a unit may pay any unpaid common charges payable with respect to such unit and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his/her encumbrance.

ARTICLE IX

ACQUISITION OF UNITS ON FORECLOSURE

Section 1. **Acquisition of Units on Foreclosure.** At any foreclosure sale of a Unit, the Board of Directors may, with the authorization and approval by the affirmative vote of voting members casting not less than Sixty (60%) percent of the total votes of the members wherein said matter is voted upon, acquire in the name of the Association, or its designee, subject to the terms of the mortgage being foreclosed, a Condominium parcel being foreclosed. The term "foreclosure" as used in this Section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Condominium parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of

the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of Unit Owners at the foreclosure sale of a Unit, due to the foreclosure of the Association's lien for assessments under the provisions of the Master Deed to which these By-Laws are attached notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

Section 2. **Transfer of Units.** All Owners of Units shall notify the Association and any mortgagee of the Unit, of any transfer, by sale or otherwise, of said Unit within ten (10) days of the date of same. Said notice shall include such information and be in the form that the Association shall prescribe from time to time. The Association may send all necessary Notices to the person shown as Owner of said Unit in its records, and said notice shall be binding as to any other Owner of said Unit where the Association has not been notified as provided herein.

ARTICLE X **AMENDMENTS TO THE BY-LAWS**

The By-Laws may be altered, amended or added to by whatever form the Unit Owners or Board of Directors determine, provided:

- (1) a written notice containing specific statements of intent to alter, amend or add to these By-Laws is sent no less than thirty (30) nor more than sixty (60) days prior to a meeting of the Association to all Unit Owners by mail at Unit Owner's address of record;
- (2) the outcome of approval/disapproval vote by each Board of Directors of said altered, amended or added By-Law proposal (s) is communicated via mail ballot to "voting members" at least (10) days prior to the meeting;
- (3) a sixty-six per cent (66%) approval vote is cast by "voting members" at the meeting of the Association of said altered, amended or added proposal;
- (4) results of said mail ballots and in person votes cast are certified by and Inspector of Elections as outlined in Article II., Section 2; and

(5) said Amendment shall be recorded and certified as required by the Horizontal Property Act.

ARTICLE XI
NOTICES

Whatever Notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for Notices as set forth in the Master Deed to which these By-Laws are attached.

ARTICLE XII
INDEMNIFICATIONS

The Association shall indemnify every Director and every officer, his/her heirs, executors, and administrators, against all loss, cost and expense reasonably incurred by him/her in connection with any action, suit or proceeding to which he/she may be made a party by reason of his/her being or having been a Director or officer of the Association, except as to matters wherein he/she shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XIII
LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Condominium shall not relieve or release any such former Owner or member from any liability or obligations incurred under or in any way connected with the Condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former Owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIV
LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the Condominium property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other Owners or persons.

ARTICLE XV
PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Horizontal Property Act, Master Deed, or these By-Laws.

ARTICLE XVI
LIENS

Section 1. **Protection of Property** All liens against a Condominium Unit, other than for mortgages, taxes or special assessments shall be satisfied or otherwise removed within thirty (30) days of the date the lien was attached. All taxes and special assessments upon a Condominium Unit shall be paid before becoming delinquent, as provided in these condominium documents or by law, whichever is sooner.

Section 2. **Notice of Lien.** A Unit Owner shall give Notice to the Association of every lien upon his/her Unit, other than for mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

Section 3. **Notice of Suit.** Unit owners shall give Notice to the Association of every suit or other proceeding which will or may affect title to his/her Unit or any part of the property, such Notice to be given within five (5) days after the Unit Owner received Notice thereof

Section 4. **Failure to Comply.** Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

ARTICLE VIE **RULES AND REGULATIONS**

Section 1. **As to Common and Limited Common Areas.** The Board of Directors may from time to time, adopt or amend previously adopted administrative Rules and Regulations governing the details of the operation, use, maintenance, management and control of the Association properties, the Common Elements and limited Common Elements of the Condominiums and any facilities or services made available to the Unit Owners. A copy of the Rules and Regulations adopted from time to time as herein provided shall from time to time be posted in a conspicuous place and/or copies of same shall be furnished each Unit owner.

Section 2. **As to Condominium Units.** The Board of Directors, may from time to time, adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the Condominium Unit(s) provided, however, that copies of such Rules and Regulations, prior to the time the same become effective, shall be posted in a conspicuous place and/or copies of same shall be furnished to each Unit Owner.

Section 3. **Conflict.** In the event of any conflict between the Rules and Regulations adopted, or from time to time amended, and the Condominium documents, or the Horizontal Property Act, the latter shall prevail. If any non-reconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and Master Deed the provisions of said Master Deed shall prevail.

ARTICLE XIX
OBLIGATIONS OF UNIT OWNERS

Section 1. **Maintenance and Repair.**

- (a) Each Unit Owner must perform work within his/her own Unit which if omitted, would affect the Property in its entirety or in a part belonging to another Unit Owner, being expressly responsible for the damages and liabilities that his/her failure to do so may engender.
- (b) All the repairs of internal installations of the Units such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, interior doors, windows, lamps, and all other accessories belonging to the Units shall be at the expense of the Unit Owner.
- (c) All maintenance, repair and replacement to the common elements as defined in the Master Deed, the painting and decorating of the exterior doors and exterior window sash shall be made by the Board of Directors or its agent and shall be charged to all the Unit Owners as a common expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Unit Owner, in which such case the expense shall be charged to such Unit Owner.

(d)

Section 2. **Water Charges and Sewer Rents.** Water shall be supplied to all Units and the common elements through one or more meters and the Board of Directors shall pay, if the Unit Owners so elect, as a common expense, all charges for water consumed on the property, including the Units, promptly after the same have been rendered. Sewer services shall be supplied by the utility company or district serving the area and shall likewise, if practicable, be paid by the Board of Directors as a common expense.

Section 3. **Electricity.** Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit Owner shall be required to pay the bills for electricity consumed or used in his/her Unit. The electricity serving the common elements shall be separately metered, and the Board of Directors shall pay all bills for electricity consumed in such portions of the common elements, as a common expense.

Section 4. Use of Units- Internal or External Changes.

- (a) All units shall be utilized for residential purposes only. This shall expressly include the right of the owner to rent such Units to others for residential purposes.
- (b) A Unit Owner shall not make structural modifications or alterations in his Unit or installations located therein without previously notifying the Association in writing, through the Management Agent, if any, or through the President if no Management Agent is employed. The Association shall have the obligation to answer within (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.
- (c) A Unit Owner shall make no changes whatsoever to the exterior of the Unit, any stairs or balconies appurtenant thereto, or to any of the Limited or General Common Elements without approval of two-thirds (2/3) of the Unit Owners of said Regime. Provided, however, that the Board of Directors shall be authorized to approve minor additions to landscaping and the minor changes of this nature which in their sole discretion will not interfere or conflict with the overall scheme and appearance of the Common Areas.

Section 5. **Use of Common Elements.** A Unit Owner shall not place or cause to be placed in the passages, parking areas or 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 Unit Owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking.

Section 6. **Terraces And Balconies.** If present with the Unit, a terrace or balcony to which there is direct access only from the interior of one Unit, it shall be for the exclusive use of the Owner of such Unit. Any such terrace or balcony shall be kept free of debris and all other accumulation by the owner of such unit who shall also make all repairs thereto caused or permitted, by his/her negligence, misuse or neglect. All other repairs, in, to or with respect to such terrace or balcony shall be made by the Board of Directors and the cost thereof shall be a common expense. No alterations shall be made to said terrace or balcony without the written consent of the Board of Directors and as part of an overall

modification made throughout the Regime.

Section 7. Right of Entry.

- (a) A Unit Owner shall grant 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/her Unit, whether the Unit Owner is present at the time or not.
- (b) A Unit Owner shall permit other Unit owners or their representatives when so required, to enter his/her Unit 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 Unit Owner. In case of emergency, the right of entry shall be immediate.

ARTICLE XX

INSURANCE

The Board of Directors shall be required to obtain and maintain, to the extent reasonably obtainable the following, all in form content, and amount satisfactory to mortgages, insurance:

- (¹) flood and fire insurance with extended coverage insuring the building containing the Units (including all of the Units, the interior partitions and painted surfaces, the carpeting within the Units, and the bathroom and kitchen fixtures initially installed therein, but not including drapes, wall-covering, fixtures, furniture, furnishings, or other personal property supplied or installed by the Unit Owners), together with all air conditioning equipment and other service machinery contained therein and covering the interests of the Association, the Board of Directors and all Unit Owners and their mortgagees, as their interests may appear, in the amount determined by the Board of Directors, each of which policies shall contain a standard mortgagee clause in favor of each mortgagee of the Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Directors; and
- (2) worker's compensation insurance; and
- (³) public liability insurance in such amounts and with such coverage as the Board of Directors shall from time to time determine, but at least covering each member of the Board of Directors, the Managing Agent, the manager and each Unit Owner with cross liability endorsements to cover liabilities of the Unit Owners as a group to a Unit Owner if reasonable obtainable; and

(4) such other insurance as the Board of Directors may determine.

All policies of physical damage insurance shall contain, if reasonably available, waivers of subrogation and waivers of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be altered or substantially modified, without at least ten (10) days written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to the expiration of the then current policies.

Unit Owners should carry insurance for their own benefit insuring their wall-covering, fixtures, furniture, furnishings and other personal property not covered by the Association insurance provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

ARTICLE XXI

MORTGAGES

Section 1. Notice to **Board**. Upon request by the Board of Directors, a Unit Owner who mortgages his/her Unit 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 Association shall maintain such information in a book entitled "Mortgages on Units."

Section 2. Notice to **Mortgagee**. If appropriate, as determined by the Board of Directors, the Board shall give thirty (30) days written notice of the following events to all mortgagees of which it has notice:

- (a) any change in the Master Deed and By-Laws;
- (b) any unpaid assessments due the Association from the Unit Owner(s) (mortgagor(s)) of the Unit;
- (c) any default by the Unit Owner (mortgagor) in the performance of such Unit Owner's obligations under the condominium documents when such default is not cured within thirty (30) days; or
- (d) any notice of special or annual meetings of the Association.

Section 3 Statements to Mortgagee Upon request of any mortgagee listed in the book entitled "Mortgages on Units", the Board, Manager or Management Agent shall supply such Mortgagee with a reasonable current financial statement of the Regime.

ARTICLE XXII COMPLIANCE

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