

STATE OF SOUTH CAROLINA)
) **Amended and Restated By-Laws of Ocean**
COUNTY OF BEAUFORT) **Gate Horizontal Property Regime**

THIS ADMENDED AND RESTATED BY-LAWS OF OCEAN GATE HORIZONTAL PROPERTY REGIME (hereinafter “Amendment”), is made as of this 25TH day of March 2021 by Ocean Gate Horizontal Property Regime (the “Regime”).

This document amends and replaces the By-Laws set out in the Master Deed for Ocean Gate Horizontal Property Regime as Exhibit “G”, said Master Deed being duly recorded on July 29, 1981 in the Office of the Register of Deeds for Beaufort County, South Carolina, in Book 328 at Page 1818 (hereinafter the “Master Deed”) with the By-Laws being recorded specifically on Pages 1848-1858 (hereinafter the “By-Laws”), and all subsequent amendments thereto.

WHEREAS, on December 9, 2020, a letter was sent to all members via e-mail and U.S. Mail containing a written ballot to conduct an Action by Written Ballot Without Meeting for purposes of approving a proposed Amendment to the By-Laws which added, deleted and/or modified, as the case may be, some terms of the then-existing By-Laws and also restated the remaining unaltered provisions thereof (the “Amendment”).¹ All written ballots were to be returned to the Association no later than January 10, 2021.; and

WHEREAS, the language used in the Amendment was presented to the Regime membership as set out on Exhibit “A” *verbatim* and approved by the membership in accordance with Article X of the By-Laws; and

WHEREAS, the written ballots received were tallied after January 10, 2021 resulting in a vote of 79.692 percentage points of ownership interest in favor of the Amendment and 0.00 percentage points of ownership interest against said Amendment; and

WHERAS the votes in favor of the Amendment meets the threshold requirement set forth in Article X of the By-Laws and the proposed Amendment was adopted and approved; and

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS that the Regime does hereby declare:

1. **Recitals:** The foregoing paragraphs and recitals, also known as “Whereas clauses”, are not mere recitals, are incorporated herein as part of this Amendment, and are an integral part hereof.

2. **Definitions:** Unless otherwise specified herein, all terms are to be given the same meaning as set out in Master Deed and By-Laws, including all Exhibits and amendments thereto.

¹ Such Amendment, which constitutes amended and restated By-Laws, were styled as an exhibit to the Master Deed referenced above and not as amended and restated By-Laws.

3. **Effective Date:** This Amendment is to be effective upon recording in the Beaufort County land records.

4. **Amendment and Restatement:** the By-Laws for Ocean Gate Horizontal Property Regime are amended and restated as set forth in Exhibit "A" attached hereto.

[SIGNATURE, NOTARIZATION AND ACKNOWLEDGEMENT PAGE FOLLOWS]

EXHIBIT “A”

to the Amended and Restated By-Laws of Ocean Gate Horizontal Property Regime in

EXHIBIT G
BY-LAWS
OF
OCEAN GATE HORIZONTAL OF PROPERTY REGIME

ARTICLE I
PLAN OF VILLA OWNERSHIP

Section 1. Horizontal Property Regime: The Property (the Term “Property” as used herein means and includes the land, the buildings, all improvements and structures thereto) located in South Forest Beach, Hilton Head Island, Beaufort County, South Carolina, known as “OCEAN GATE HORIZONTAL PROPERTY REGIME” (hereinafter referred to as the “Regime”), has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina.

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

Section 3. Personal Application: All present or future Co-Owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and the Master Deed establishing said Regime. For the purpose of this document, a “Co-owner” is defined and shall mean an owner or owners of an individual apartment within the regime. The mere acquisition or rental of any of the Apartments as defined in the Master Deed of the Property or the mere act of occupancy of any of said Apartments will signify that these By-Laws, the provisions of the Master Deed and the provisions of the Declaration of Rights, Restrictions, Conditions, etc., applicable to certain lands of The Hilton Head Company dated January 28, 1956 and recorded in the Office of the Clerk of Court for Beaufort County at Book 78 of Deeds, at Page 306, and all applicable recorded additions and amendments thereto are accepted and ratified, and will be complied with.

ARTICLE II
MEMBERSHIP

Section 1. Definition: Each owner shall be a member of the Council of Co-Owners, and membership in the Council of Co-Owners shall be limited to owners of condominium apartments.

Section 2. Transfer of Membership and Ownership: Membership in the Council of Co-Owners may be transferred only as an incident to the transfer of transferor’s condominium apartment and his undivided interest in the common areas and facilities of the condominium, and such transfer shall be subject to the procedures set forth in the Master Deed.

ARTICLE III
MEETINGS OF MEMBERSHIP

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

Section 2. Place: Meetings of the membership shall be held at such place or in such manner, convenient to the Co-Owners, as may be designated by the Council.

Section 3. Annual Meeting:

A. The annual meeting of members shall be held at Hilton Head Island, South Carolina, in each year; provided, however that the first meeting (which may be a special meeting) will not be held until the earlier of (1) the sale by Grantor, as defined in the Master Deed, of all apartments in this regime, (2) notice by the Grantor, or (3) two years.

B. Subsequent regular annual meetings shall be held on the second Saturday in September of each year, if not a legal holiday, and if a legal holiday, then on the next secular day following, unless otherwise determined by the Board of Administrators.

C. All annual meetings shall be held at such hour as is determined by the Board of Administrators.

D. At the annual meeting, the members shall elect the new members of the Board of Administrators and transact such other business as may properly come before the meeting.

E. Written and/or electronic notice of the annual meeting shall be mailed and/or emailed to each member entitled to vote thereat at such address and/or email address as appears on the books of the Council, at least ten (10) but not more than fifty (50) days prior to the meeting. Each member shall notify the Secretary-Treasurer of any address and/or email address change, and the giving of said notice shall be in all respects sufficient if sent to the address and/or email address of the member which is then on file with the Secretary-Treasurer.

F. Members may opt to attend the annual meeting via in-person, a video conferencing service, or teleconference. Each member must inform the Secretary-Treasurer of their attendance selection and provide a valid e-mail address to receive video- or tele-conferencing information, via regular mail or to the e-mail address provided in the notice of the annual meeting at least five (5) business days before the date of the annual meeting. Members opting to attend via video- or tele-conferencing will be sent instructions for connecting, via the e-mail address that is provided to the Secretary-Treasurer. Should a member wish to change their selection, they must inform the Secretary-Treasurer of the new selection at least five (5) business days before date of the annual meeting. Failure to timely select or correct a selection may result in the inability to attend the annual meeting in-person, and the member must attend via video- or tele-conferencing or by proxy. All members selecting the video-conferencing option will also be provided a tele-conference number for use in the event that the member is unable to connect via the video-conferencing service.

Section 4. Membership List: At least ten (10) days, but not more than fifty (50) days before every election of Administrators, a complete list of members entitled to vote at said election, arranged numerically by apartment units, with residence of each, shall be prepared by the Secretary-Treasurer. Such list shall be produced and kept for ten (10) days prior to and throughout the election at the office of the Council and shall be open to examination by any member throughout such time.

Section 5. Special Meetings:

A. Special meetings of the members, for any purpose or purposes, may be called by the Secretary-Treasurer as directed by resolution of the Board of Administrators or upon petition signed by a majority of Co-Owners and having been presented to the Secretary-Treasurer. Such request shall state the purpose or purposes of the proposed meeting.

B. Written and/or electronic notice of a special meeting of members, stating the time, place and object thereof, shall be mailed or emailed to each member entitled to vote thereat, at such address or email address as appears on the books of the Council, at least ten (10) days before such meeting.

C. As in the case of the annual meeting, members may opt to attend the special meeting via in person, or a video- or tele-conferencing service. The conditions for making the selection is the same as for the annual meeting.

D. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof, except by consent of fourth-fifths (4/5ths) of the members present, either in person, or via video- or tele-conference attendance, or by proxy.

Section 6. Quorum: The presence, in person or represented written proxy, or present via video- or tele-conference, of persons representing over fifty-one (51%) percent of the total authorized vote of the Council shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. If adjournment extends past thirty (30) days, notice of the date on which the adjourned meeting is to be reconvened shall be given as herein provided for regular meetings.

Section 7. Vote Required to Transact Business: When a quorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy filed with the Secretary in advance of the meeting or as cast as described in "Section 8. Right to Vote", shall decide any question brought before the meeting, unless the question is one which, by express provision of the Master Deed, or these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 8. Right to Vote: Each owner shall be entitled to a vote equal to his percentage of ownership of the general common elements. At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy or by the video- or tele-

conference method described in "Section 3. Annual Meeting". Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. If more than one (1) person or entity own an apartment, the vote shall be divided among them according to their ownership of the apartment.

Section 9. Waiver and Consent: Whenever the vote of members at a meeting is required or permitted by any provision of the statutes, the Master Deed or these By-Laws, to be taken in connection with any action of the Council, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote upon the action of such a meeting, if the meeting were held, shall consent in writing to such action being taken.

Section 10. Order of Business: The order of business at annual members' meetings and, as far as practical at other members' meetings will be:

1. Roll call and certifying of proxies;
2. Proof of notice of meeting or waiver of notice;
3. Reading of minutes of prior meeting;
4. Officers' reports;
5. Committee reports;
6. Appointment by Chairman of Inspectors of Election;
7. Election of Administrators;
8. Unfinished business;
9. New business;
10. Adjournment.

Section 11: Proxies. Votes may be cast in person or by proxy or by the video- or tele-conference method described in "Section 8. Right to Vote". Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE IV BOARD OF ADMINISTRATORS

Section 1. Number and Term: The number of Administrators which shall constitute the whole Board of Administrators (the "Board") shall be at least three (3). Until succeeded by Administrators elected at the first regime meeting of members, Administrators need not be members; thereafter, at least two (2) Administrators shall be members. Within the limits above specified, the number of Administrators shall be determined by the members at the annual meeting. The Administrators shall initially be elected to serve staggered terms, one (1) for three years; one (1) for two years; one (1) for one year; and they shall serve until their successors shall be elected and shall qualify. For purposes of calculating the terms of the members of the initial Board elected at the first regime meeting, all such Administrators shall be considered to have served one (1) year on the date of the second regular annual meeting following the first regime meeting. Thereafter, each Administrator shall be elected for a term of two (2) years.

Section 2. Vacancy and Replacement: If the office of any Administrator becomes vacant by reason of transfer of ownership, death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Administrators though less than a quorum, at a

special meeting of Administrators duly called for this purpose, shall chose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 3. Removal: Administrators may be removed by an affirmative vote of a majority of the total membership.

Section 4. First Board of Administrators: The first Board of Administrators consisting of three (3) members shall be designated by the Grantor. These appointments will be temporary and will continue only until the first annual meeting go the Council of Co-Owners held pursuant to the provisions of these By-Laws.

Section 5: Powers: The property and business of the Council shall be managed by the board, which may exercise all powers not specifically prohibited by statue, or the Master Deed, to which all these By-Laws are attached. The powers of the Board shall specifically include, but not be limited to, the following:

A. To make and collect regular and special assessments and establish the time within which payment of same are due

B. To use and expend the assessments collected to maintain, care for and preserve the units and condominium property, except those portions thereof which are required to be maintained, cared for and preserved by the owners.

C. To purchase the necessary equipment and tools required in the maintenance, care and preservation referred to above.

D. To enter into and upon the apartments when necessary and at as little inconvenience to the owners in connection with such maintenance, care, and preservation.

E. To insure and keep insured said property in the manner set forth in the Master Deed against loss from fire and/or other casualty, other insurance as the Board may deem advisable, including insurance against director's liability.

F. To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from owners for violations of these By-Laws and the terms and conditions of the Master Deed.

G. To employ and compensate such personnel as may be required for the maintenance and preservation of the property.

H. To make appropriate changes in the Rules and Regulations for the occupancy of the condominium apartments as may be deemed necessary.

I. To contract for management of the condominium and to delegate to such other party all powers and duties of the Council except those specifically required by the Master Deed to have specific approval of the Board or membership.

J. To carry out the obligations of the Council under any restrictions and/or covenants running with any land submitted to the condominium ownership of this Council or its members.

K. To designate, as the Board deems appropriate, assigned parking spaces for each apartment, visitors, service vehicles and other vehicles.

L. To adopt Rules and Regulations pursuant to Article IX of the By-Laws.

M. To impose a special assessment (against any owner), not to exceed \$50 for each occurrence, for the violation by the owner or his guests or any rule or regulation adopted by the

Board or breach of any By-Laws contained herein, or breach of any provision of the Master Deed.

N. To terminate any lease or rentals, whether by written or oral agreement, and to remove from an apartment any lessee, renter or guest who fails to comply with the terms of the Master Deed.

O. To propose and adopt an annual budget for the property.

P. The directors shall develop and promulgate to members architectural guidelines to be followed by owners wishing to make internal alternations to the owners' apartments or by enclosing the deck appurtenant to the owner's apartment. Such guidelines will provide objective standards for all such changes and as to decks shall provide an approved design to include plans and specifications.

Section 6. Liability: The members of the Board of Administration shall not be liable to the apartment owners for any mistake of judgement, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The apartment owners shall indemnify and hold harmless each of the members of the Board of Administrators against all contractual liability to others arising out of contracts made by the Board of Administration on behalf of the Regime unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or these By-Laws. It is intended that the members of the Board of Administration shall have no personal liability with respect to any contract made by them on behalf of the Regime. It is understood and permissible for the original Board of Administration, who are members of or employed by Grantor, to contract with affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any apartment owner arising out of any contract made by the Board of Administration or out of the aforesaid indemnity in favor of the members of the Board of Administration shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all apartment owners in the Common Elements. Every agreement made by the Board of Administration, or by the managing agent or by the manager on behalf of the Regime shall provide that the members of the board of Administration, or the managing agent, or the manager, as the case may be, are acting only as agent for the apartment owners and shall have no personal liability thereunder (except as apartment owners), and that each apartment owner's 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 apartment owners in the Common Elements.

Section 7. Compensation: Neither Administrators nor Officers shall receive compensation for their services as such.

Section 8. Meetings:

A. The first meeting of each Board newly elected by the members shall be held as soon after adjournment of the meeting at which they were elected as may be practicable, provided a quorum shall then be present. The annual meeting of the Board shall be held at the same place and in the same manner as the general members' meeting and immediately before or after the adjournment of the same, or as determined otherwise by a majority of the Board.

B. Special meetings shall be held whenever called by the direction of the President or a majority of the Board. The Secretary-Treasurer shall give notice of each special meeting, either personally or by email, at least three (3) days before the date of such meeting, but the

Administrators may, in writing, waive notice of the calling of the meeting before or after such meeting.

C. A majority of the Board shall be necessary for and sufficient at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the Administrators then present may adjourn the meeting without notice other than announcement at the meeting until a quorum shall be present.

Section 9. Order of Business: Unless otherwise determined by the Board, the order of business at all meetings of the Board shall be as follows:

1. Roll call;
2. Proof of notice of meeting or waiver of notice;
3. Reading of the minutes of the last meeting;
4. Consideration of communications.
5. Elections of necessary officers;
6. Reports of Officers and employees;
7. Reports of committees;
8. Unfinished business;
9. Original resolutions and new business;
10. Adjournment.

Section 10. Annual Statement: The Board shall present, no less often than at the annual meeting, a full and clear statement and accounting of the business and condition of the Council, including a report of the operating expenses of the Council and the assessments paid by each member.

ARTICLE V OFFICERS

Section 1. Executive Officers: The Executive Officers of the Council shall be a President, Vice President and Secretary-Treasurer, all of whom shall be elected annually by and from the Board. No two officers may be united in one person.

Section 2. Subordinate Officers: The Board may appoint such other officers and agents from the membership as they may deem necessary, who shall have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3: Tenure of Officers – Removal: All Officers shall be subject to removal, with or without cause, at any time by action of the Board. Subject to such right of removal, the term of each office shall expire at the end of the first meeting of the Board subsequent to the annual regime meeting; provided, however, the subject to approval by the Board, any Officer may succeed himself in such office. The Board may delegate powers of removal of Subordinate Officers and agents to any Officer.

Section 4. The President:

A. The president shall preside at all meetings of the members and Administrators; he shall have general and active management of the business of the Council; he shall see that all orders and resolutions of the Board are carried into effect.

B. He shall have the general supervision and direction of all the other Officers of the Council and shall see that their duties are performed properly.

C. He shall submit a report of the operations of the Council for the fiscal year to the Administrators, whenever called for by them, and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which the interest of the Council may require to be brought to their notice.

D. He shall be an ex-officio member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of the President of the Council.

Section 5. The Vice President: The Vice President shall be vested with all the powers required to perform all the duties of the President in his absence and such other duties as may be prescribed by the Board.

Section 6. The Secretary-Treasurer: The Secretary-Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Council; he shall have charge of such books and papers as the Board may direct; he shall have responsibility for Regime funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Regime. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Regime in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the office of the Secretary and Treasurer. He shall maintain a register for the names of any mortgage holders or lien holders on units who have requested in writing that they be registered and to whom the Council will give notice of default in the case of nonpayment of assessments. No responsibility by the Council is assumed with respect to said register except that it will give notice of default to any registered mortgagee or lienor therein, if so requested by said mortgagee or lienor. With the approval of the Board, he shall be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, pursuant to written definition of the responsibilities delegated; but, in such event, the Secretary-Treasurer shall retain supervisory responsibilities.

Section 7. Vacancies: If any office becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining Administrators, by a majority vote of the remaining Administrators provided for in these By-Laws, may choose a successor or successors who shall hold office for the unexpired term. If the number of Administrators falls below three (3), a special members meeting shall be called for the purpose of filling such vacancies in the Board of Administrators.

Section 8. Resignations. Any Administrator or Officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Board of Administrators, unless some time be fixed in the resignation, and then from that date. The acceptance of a resignation by the Board shall not be required to make it effective.

ARTICLE VI
NOTICES

Section 1. Definition: Whenever under the provisions of the statutes, the Master Deed, or these By-Laws, notice is required to be given to any Administrator or member, it shall not be construed to mean personal notice; but such notice may be given in writing by mail, by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed as appears on the books of the council. A courtesy copy of the notice shall be sent to the email address on file for the Administrator or member.

Section 2. Service of Notice – Waiver: Whenever any notice is required to be given under the provisions of the statutes, the Master Deed, or these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII
FINANCES

Section 1. Fiscal Year: The fiscal year shall be the calendar year.

Section 2. Checks. All checks or demands for money and notes of the Council shall be signed by any one of the following Officer: President, Vice President or Secretary-Treasurer, or by such other Officer or Officers or such other person or persons as the Board of Administrators may from time to time designate.

Section 3. Determination of Assessments:

A. The Board shall determine from time to time the sum or sums necessary and adequate for the common expenses of the condominium property. As approved by the Board, the budget shall constitute the basis for all regular assessments for common expenses against apartment owners, which assessments shall be due and payable periodically as determined by the Board. Common expenses shall include expenses for the operation, maintenance, repair and replacement of the common areas and facilities and the limited common areas and facilities, costs of carrying out the powers and duties of the Council, all insurance premiums and expenses relating thereto, and any other expenses designated as common expenses from time to time by the Board of Administrators of the Council.

B. The Board is specifically empowered on behalf of the Council to make and collect assessments and maintain, repair and replace the common areas and facilities and limited common areas and facilities of the condominium. Funds for the payment of common expenses shall be assessed against the apartment owners in proportions or percentages of sharing common expenses provided in the Master Deed. Assessments shall be payable periodically as determined by the Board.

C. Special assessments for common expenses not adequately funded through the regular assessments may be required by the Board and shall be levied and paid in the same manner as herein fore provided for the regular assessments. No special assessment shall be made without the approval of a majority vote of the membership except for the repair of the

condominium property due to damage and destruction, which shall occur as provided in the Master Deed.

D. When the Board has determined the amount of any assessment, the Secretary-Treasurer of the Council shall mail or present a statement of the assessment to each of the assessed owners. All assessments shall be payable to the Council, or its designated management agent; and upon request, the Secretary-Treasurer or his designated agent shall give a receipt for each payment made.

E. The Board may enter into management contract with third parties to whom the Board may delegate the power to levy and collect assessments approved by the Board or required by the Master Deed.

F. All assessments not paid when due shall bear interest at the highest legal rate of interest.

Section 4. Surplus: In any year in which the amount of assessment received exceeds the amounts actually used or payable for the purposes described in these By-Laws and in the Master Deed, such excess shall, unless otherwise determined by the Board of Administrators of the association, be deposited in a capital reserve account for use in replacement, repair and/or maintenance of the capital facilities of the association.

ARTICLE VIII DEFAULT

Section 1. Enforcement of Lien for Assessments: In the event any sums, charges or assessments required to be paid to the Council by the due date herein remain in default for thirty (30) days or longer, the remainder of the regular assessments due within the calendar year of such default shall be immediately due and payable, and the council, acting on its own behalf and through its Board, may enforce its lien for assessments or take such other action to recover the sums, charges or assessments to which it is entitled, in accordance with the Master Deed and the Act or both and provided the Board gives timely notice of its intent to such delinquent owner.

Section 2. Governmental Liens and Assessments: In the event that an owner fails to pay any tax or assessment lawfully assessed by any governmental subdivision within the property is situated, by the date such tax or assessment is due, the Board may pay the sums from the funds of the Council and assess such owner for the amount paid, plus interest thereon.

Section 3. Legal Costs: In the event such legal action is brought against an owner and results in a judgement for the Council, the owner shall pay the Council's reasonable attorney's fees, costs of collection and court costs.

Section 4. Foreclosure: If the Council becomes the owner of an apartment by reason of foreclosure, it shall offer said apartment for sale; and at such time as a sale is consummated, it shall deduct from the proceeds of the sale all sums of money due it for assessments and charges, all costs incurred in bringing the foreclosure suit, including reasonable attorney's fees, and any and all expenses incurred in the resale of the apartment, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and

refurbishing of the apartment in question. All monies remaining after deducting the foregoing items of expenses shall be returned to the former owner of the subject apartment.

Section 5. Other Remedies: In the event of a violation of the provisions of the Master Deed as the same are defined in the Master Deed, for thirty (30) days after notice from the Board to the apartment owner to correct said violation; the council, on its own behalf or by and through its Board of Administrators, may bring appropriate action to enjoin such violation or enforce the provisions of said Master Deed or may sue for damages or take such other courses of action or other legal remedy as it or they may deem appropriate.

Section 6. Intent: Each owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Council and regardless of the availability of the other equally adequate legal procedures. It is the intent of all owners of apartments to give to the Council a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the owners of apartments, and to preserve each apartment owner's right to enjoy his apartment, free from unreasonable restraint and nuisance.

ARTICLE IX RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, any Rules and Regulations (adopted by the Board), together with any subsequent changes, shall govern the use of the apartments located in the property and the conduct of all residents and guests.

ARTICLE X AMENDMENT

Except as to provisions required by the Act, after being adopted but prior to being ratified, these By-Laws may be changed if the persons holding a majority of the total votes cast in such election vote in favor of such change. After being ratified, these By-Laws may only be altered, amended or added to at any duly called meeting of the members provided, (1) that the notice of the meeting shall contain a full statement of the proposed amendment; and (2) that the quorum requirement for such purposes shall be fifty-one (51%) percent of all the then members, in person or by proxy. In addition, it shall be necessary that there be an affirmative vote of owners holding two-thirds (2/3) of the qualified votes of members represented at such quorum as well as an affirmative vote of the Board of Administrators, in order to amend the By-Laws. No amendment to these By-Laws shall be passed which would operate to impair or prejudice the rights and/or liabilities of any mortgagee.

ARTICLE XI CONSTRUCTION

Wherever the masculine singular form of the pronoun is used in these By-Laws it shall be construed to mean the masculine, feminine, or neuter, singular or plural wherever the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

ARTICLE XII
MORTGAGES

Section 1. Notice to the Board: A co-owner who mortgages his apartment shall notify the Board through the Management Agent, of the name and address of his mortgagee; and the Regime shall maintain such information in a book entitled "Mortgages of Apartments."

Section 2. Notice to the Mortgagee: 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 Regime from the co-owner(s) or mortgagor(s) of the apartment;
- (c) Any default by the co-owner (mortgagor) of an apartment in the performance of such co-owner's obligations under the condominium documents when such default is not cured within thirty (30) days;
- (d) Any notice of special or annual meetings of the Regime.

ARTICLE XIII
COMPLIANCE

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