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STATE OF SOUTH CAROLINA) AMENDED AND RESTATED BY-LAWS
) OF MARINERS COVE HORIZONTAL
 COUNTY OF BEAUFORT) PROPERTY REGIME

THIS AMENDED AND RESTATED BY-LAWS OF MARINERS COVE HORIZONTAL PROPERTY REGIME (hereinafter, "Amendment") is made effective this 1st day of July, 2016, by Mariner's Cove Horizontal Property Regime, Inc., a South Carolina non-profit corporation.

W I T N E S S E T H:

WHEREAS, on August 8, 1977, Citizens and Southern Realty Investors recorded that certain Master Deed for Mariners Cove Horizontal Property Regime in the Office of the Register of Deeds for Beaufort County, South Carolina, in Book 251 at Page 1709 (hereinafter "Master Deed"); and

WHEREAS, incorporated in the Master Deed as Exhibit "F" were the By-Laws of the Mariners Cove Horizontal Property Regime (hereinafter "By-Laws"); and

WHEREAS, the By-Laws were amended by documents recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 287 at Page 1148; in Book 335 at Page 1755; in Book 362 at Page 1217; in Book 1619 at Page 280; and in Page 1720 at Page 869; and

WHEREAS, the By-Laws provide that they may be amended by the approval of the co-owners representing at least two-thirds (2/3) of the total value of the Mariners Cove Horizontal Property Regime; and

WHEREAS, the co-owners of the Mariners Cove Horizontal Property Regime duly approved and adopted these amendments to the By-Laws by vote; and

WHEREAS, the undersigned President and Secretary of the Mariners Cove Horizontal Property Regime do hereby execute this Amendment, certifying that over two-thirds of the total interest in the Mariners Cove Horizontal Property Regime voted to adopt this Amendment, and certify that the attached Exhibit "A" amends, restates, and replaces the entirety of the By-Laws.

NOW, THEREFORE, the Mariner's Cove Horizontal Property Regime, Inc., by and through its undersigned authorized officer(s), does hereby declare that the By-Laws of Mariners Cove Horizontal Property Regime are amended and restated in their entirety as set forth in the attached Exhibit "A".

MARINER'S COVE HORIZONTAL
PROPERTY REGIME, INC.

WITNESSES:

[Signature]
[Signature]

Janet W. Miller
Print Name: Janet W. Miller
Its: Secretary

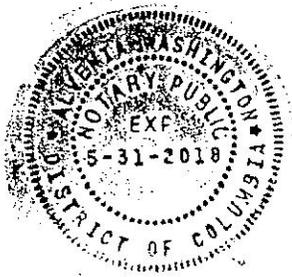
STATE OF District of Columbia)
COUNTY OF —)

ACKNOWLEDGMENT

I, the undersigned notary, do hereby certify that the within named Secretary of MARINER'S COVE HORIZONTAL PROPERTY REGIME, INC. appeared before me this day and acknowledged the due execution of the foregoing instrument.

SWORN to before me this 9 day of August, 2016.

[Signature]
Notary Public for District of Columbia
My Commission expires: 5-31-2018



ALVENIA WASHINGTON
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 31, 2018

EXHIBIT "A"

AMENDED AND RESTATED BY-LAWS

OF

MARINERS COVE HORIZONTAL PROPERTY REGIME

ARTICLE I: PLAN OF UNIT 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 thereon as located in Mariners Cove, Hilton Head Island, in Beaufort County, South Carolina, known as Mariners Cove Horizontal Property Regime) has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, which said properties shall henceforth be known as The Mariners Cove Horizontal Property Regime (hereinafter known as "Regime").

Section 2: BYLAWS APPLICABILITY.

The provisions of these Bylaws are applicable to the Property and the Regime. All present or future owners of any of the Dwelling Units (hereinafter referred to as "Units"), tenants, their guests and invitees, or any other person who might use the Regime in any manner are subject to these Bylaws as they may be amended from time to time. The acquisition or rental of any Unit or the act of occupancy of any Unit will signify that these Bylaws, and any authorized amendments to the foregoing, are accepted and ratified and will be complied with by the Unit owner, renter, their guests or invitees.

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

Section 1: VOTING.

Voting shall be on a percentage basis, and the percentage of the vote to which the Unit owner is entitled is the percentage assigned to the Unit or Units in the Master Deed. Only Unit Owners in good standing shall be entitled to vote on any issue or matter presented to the owners for approval. In order to be in good standing, an Owner must be current in payment of all assessments, including regime fees and outstanding violations levied against the Owner's Unit. An Owner must also have the individual insurance required in ARTICLE XII of these bylaws. There shall be only one vote per Unit. If Unit ownership consists of more than one Owner, or if the Unit is owned by a corporation, partnership, or some similar entity, then the Owner or Owners shall designate one of the Unit Owners of said Unit to act as the voting Unit Owner.

Section 2: MAJORITY OF CO-OWNERS.

As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners holding fifty-one percent (51%) or more of the total value of the property in accordance with the percentage assigned in the Master Deed.

Section 3: QUORUM.

Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of the co-owners as defined in this ARTICLE shall constitute a quorum.

Section 4: PROXIES.

At all meetings of Owners, each Owner may vote in person or by proxy. The appointment form or proxy shall be in writing and received by the Secretary, or if designated by the Board, the Assistant Secretary or Management Agent before the appointed time of the meeting. Any proxy appointment form distributed by any person to the Owners shall afford the opportunity to specify a choice of approval or disapproval of each matter or group of matters to be acted upon and set forth in the notice of the meeting, or in the case of the election of members of the Board of Administration, the name or names of the candidates for Board membership. The appointment shall provide that where the Owner specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the person or persons acting as the proxy and the length of time for which it will be valid. The Owner's signed proxy appointment shall be delivered to the Secretary by hand delivery, by U.S. Mail, or by such other means as shall be permitted under South Carolina Law, including, but not limited to, and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

ARTICLE III: UNIT OWNERS

Section 1: OWNER RESPONSIBILITIES.

The Owners shall have the responsibility of administering the Regime and electing the Board of Directors.

Section 2: PLACE OF MEETINGS.

All meetings of the Owners shall be at such place as designated by the Board of Directors or the Management Agent and stated in the notice of meeting.

Section 3: ANNUAL MEETING.

Annual meetings of the Owners shall be held once a year during the month of January or at such other time as the Board of Directors may agree upon. At such meetings there shall be elected, by a vote of the Owners, a Board of Directors in accordance with these Bylaws, and there shall be a report by the President Treasurer, Assistant Treasurer, or Management Agent on the activities and financial condition of the Regime. The Owners may also transact such other business of the Owners as may properly come before them. The Board may, at its discretion, direct that the meeting be chaired by the Management Agent.

Section 4: SPECIAL MEETINGS.

It shall be the duty of the Secretary to call a Special Meeting of the Owners as directed by: (i) resolution of the Board of Directors; (ii) at the request of a majority of the Board of Directors; (iii) or upon a petition signed by Fifty-one percent (51%) according to the statutory percentages in the Master Deed of the Owners and presented to the Secretary. A notice of any Special Meeting shall state the time and place of such meeting and the purpose or purposes thereof. No business shall be transacted at a Special Meeting except as stated in the notice.

Section 5: NOTICE OF MEETINGS.

It shall be the duty of the Secretary to mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place where it is to be held to each Owner of record, at least thirty (30) days, but not more than sixty (60) days prior to such meeting. In case of a petition of Owners representing Fifty-one percent (51%) of the total voting power of the Owners, written notice of such meeting shall be given not more than thirty (30) days after the petition is delivered to the Secretary. The mailing of a notice in the manner provided in this section shall be considered notice served.

Section 6: ADJOURNED MEETING.

If any meeting of the Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting. The date, time and place of the meeting shall be set and announced before adjournment of the first meeting. Upon the reconvening of said meeting a quorum shall be constituted if the Owners holding at least twenty-five (25%) percent of the total value of the property in accordance with the percentages assigned in the Master Deed are present at said reconvened meeting either in person or by proxy. Proxies received prior to the previously adjourned meeting shall apply.

Section 7: ORDER OF BUSINESS.

The order of Business at all annual meetings of the Owners shall be as follows:

- (a) Roll Call
- (b) Proof of Notice of Meeting or Waiver of Notice
- (c) Reading of minutes of preceding Meeting
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Inspectors of Election
- (g) Election of Directors
- (h) Unfinished Business
- (i) New Business

The Order of Business of a Special Meeting of the Owners shall include items (a) and (b) above and thereafter the agenda shall consist of the items specified in the notice of meeting.

Section 8: WRITTEN BALLOTS.

Any vote of the Owners on a matter that would be cast at an annual or special meeting may be taken without a meeting by written ballot delivered to every Owner in the Regime by the Secretary, Board of Directors or the Management Agent. The ballot shall set forth the matter to be voted upon and shall provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall: (1) indicate the number of returned ballots required for voting for or against the matter that is required to satisfy the quorum requirement; (2) state the required number of votes or percentage voting in favor of the matter required to approve it (except in case of the election of Directors which shall be by plurality); and (3) state the date and time by which an Owner's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary or the Management Agent, may not be revoked. An Owner's signed ballot shall be delivered to the Secretary or Management Agent by hand delivery, by U.S. Mail or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

Section 9: WAIVER AND CONSENT.

Any Owner may waive any notice of meeting required by these Bylaws if the waiver is submitted in writing signed by the Owner entitled to notice and delivered to the Board or the Management Agent prior to the date of the meeting. An Owner's attendance at a meeting waives objection to lack of notice of the meeting or defective notice of the meeting.

Section 10: MEMBERSHIP LIST.

After a notice of meeting has been sent by the Board of Directors, a complete list of the Owners shall be prepared by the Secretary, Treasurer or Management Agent. This list shall include the addresses and number of votes each owner is entitled to vote at the meeting. Such list shall be maintained by the Secretary and at the office of the Management Agent beginning the day after notice of the meeting is given and continuing through the meeting.

Section 11: CONDUCT OF MEETINGS.

Meetings of owners shall be conducted in accordance with the most current edition of Roberts Rules of Order or such other procedures as the Board may adopt.

ARTICLE IV: BOARD OF DIRECTORS

Section 1: NUMBER AND QUALIFICATIONS.

The affairs of the Regime shall be governed by a Board of Directors (hereinafter referred to as "Board") comprised of five (5) persons. All members of the Board must be Unit Owners or an officer, Director, employee or Agent of a Unit Owner.

Section 2: GENERAL POWERS AND DUTIES.

The Board shall have the powers and duties necessary for the administration of the affairs of the Regime.

Section 3: SPECIFIC POWERS AND DUTIES.

In addition to the general powers referenced the Board shall be responsible for the following:

- i. Care and upkeep of the Common elements.
- ii. Establishment of the Regime's annual budget.
- iii. Employment, dismissal and control of any Management Agent and any personnel necessary to the maintenance and operation of the Regime.
- iv. Collection of all assessments and fees from the Owners;
- v. Obtaining Insurance for the regime.
- vi. Grant or relocate easements which are not inconsistent with the Owner's full use and enjoyment of the Common Elements.
- vii. Making of, or causing to be made, repairs, additions and improvements to or alterations of the Common Elements and repairs to and restorations of the Common Elements.
- viii. To make available for inspection, upon prior arrangement during normal working hours or under any other reasonable circumstances to Owners, the holders, insurers or guarantors of any first mortgage of any Unit, Bylaws, other rules or regulations pertaining to the Regime and the Books, and financial statements of the Regime.

ix. Pay all expenses and obligations incurred by the Regime in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Regime.

x. Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Owners at the annual meeting or at any special meeting called for that purpose; keep adequate and correct books and records of account, minutes of proceedings of its Owners, Board and record of the Owners giving their names and addresses.

xi. Review on at least a quarterly basis a current reconciliation of the Regime's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget and an income and expense statement for the Regime's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by financial institutions where the Regime has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Board has identified for use to defray the future repair or replacement of, or additions to, these major components that the Regime is obligated to maintain.

xii. Enforcement of the Bylaws, Master Deed and Rules and Regulations of the Regime.

Section 4: MANAGEMENT AGENT.

The Board may retain a Management Agent, at the compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties limited in this Section. Any contracts with the Management Agent shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Regime to terminate said contracts with or without cause.

Section 5: FIDELITY BONDS.

The Board may require that any management agent, officers or employees of the Regime handling or responsible for Regime funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

Section 6: COMPENSATION.

No director shall receive any compensation from the Association. However, a Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 7: LIABILITY OF THE BOARD OF DIRECTORS.

The members of the Board shall not be liable to the Unit Owners for any mistake of judgment, negligence, error, omission, or otherwise except for their own individual misconduct or bad faith. Public liability Insurance covering the members of the Board shall be purchased as hereinafter noted in these Bylaws. The Unit owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts entered into by the Board on behalf of the Regime unless any such contract shall have been made in bad faith. It is intended that members of the Board shall have no personal liability with respect to any contract made by them or official action taken by them on behalf of the Regime. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Every agreement made by the Board or by the Managing Agent or by the manager on behalf of the Regime shall provide that the members of the Board 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 as his interest in the Common Elements bears to the interest of all Owners in the Common Elements.

SECTION 8: COSTS FOR ENFORCEMENT ACTIONS.

Any Court Costs, Administrative Fees, Legal Fees (including appellate proceedings), Arbitration or Mediation Fees incurred by or on behalf of the Board which are the result of action taken by the Board to enforce the provisions of the Master Deed or which result from the Board having to defend against an action taken by a Unit Owner or Owners shall be borne by that Owner or Owners in the event that the Board prevails in said action. The fees so assessed shall be treated as an assessment due and owing to the Regime.

ARTICLE V: ELECTION AND REMOVAL OF DIRECTORS

Section 1: ELECTION AND TERM OF OFFICE.

The election of Directors shall take place at the annual meeting of Owners or at a Special Meeting called for that purpose. At such meeting, the Owners or their proxies may cast as many votes as they are entitled to exercise under the provisions of the Master Deed. The election of Directors shall be by plurality. The number of nominees equal to the number of vacancies to be filled receiving the greatest number of votes shall be elected. The term of office shall be three (3) years. Any and all Board members shall be subject to replacement or removal as set forth in this ARTICLE.

Section 2: VACANCIES.

In the event of the death, resignation or cessation of eligibility of a member of the Board, the vacancy shall be filled by a majority vote of the then remaining Board at a duly held meeting. A successor Board member shall serve for the unexpired term of his or her predecessor.

Section 3: REMOVAL OF MEMBERS OF THE BOARD.

Any one or more of the members of the Board may be removed with or without cause by a majority of the Owners and a successor or successors may then and there be elected to fill the vacancy or vacancies thus created at a special meeting called for that purpose. The Board member or members thus elected shall serve for the unexpired term of the Board member that he or she has replaced. Any member of the Board whose removal has been proposed to the Owners shall be given an opportunity to be heard at the meeting. The Board may, but is not obligated to, remove any Board member by majority vote of the Board members (not including the Board member whose removal is contemplated) in the event any Board member misses three (3) or more regular Board meetings.

Section 4: DISQUALIFICATION AND RESIGNATION OF BOARD MEMBERS.

Any Board member may resign at any time by sending a written notice of such resignation to the office of the Regime, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon mailing. No Board member shall continue to serve on the Board if, during the term of office, he or she shall cease to be a Unit owner, or an officer, director, employee or agent of a Unit Owner. No Board member shall continue to serve on the Board of Directors should he be more than sixty (60) days delinquent in the payment as a Unit Owner of any assessment against his or her Unit; and said delinquency shall automatically constitute a tender of resignation, effective when such resignation is accepted by the Board of Directors.

ARTICLE VI: MEETINGS OF DIRECTORS

Section 1: ORGANIZATIONAL MEETING.

The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which said Board members were elected by the Owners. No notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting providing a majority of the Board shall be present.

Section 2: REGULAR MEETINGS.

Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least four (4) such meetings shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary or Treasurer or other designated person to each Board member and each Owner personally by mail, e-mail, facsimile or other lawful means at least seven (7) days prior to the day of the meeting.

Section 3: SPECIAL MEETINGS.

Special Meetings of the Board may be called by the president with three (3) days prior notice to each Director given personally by mail, e-mail, facsimile or other lawful means, which notice shall state the time, place and purpose of the meeting. If the Special Meeting is to be conducted as an Executive Session, the notice shall so indicate.

Section 4: QUORUM.

A majority of the Directors then in office (but not less than three (3)) shall constitute a quorum for the transaction of business. Every act performed or decisions made by a majority of Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors if any action taken is approved by a majority of the required quorum for that meeting.

Section 5: EXECUTIVE SESSION.

The Board may, with the approval of a majority of the Directors present at a meeting at which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel and matters involving contracts in which the Regime is a party, litigation in which the Regime may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session. Any matter discussed in executive session may be generally noted in the minutes of the Board. Any Unit owner may attend regular meetings of the Board except when the Board adjourns to executive session for the purposes noted herein.

Section 6: TELEPHONE MEETINGS.

Any meeting, regular or special, may be held by conference telephone or similar communication equipment, as long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. An explanation of the action shall be filed with the minutes of the proceedings of the Board.

Section 7: WAIVER OF NOTICE.

Before any meeting of the Board, a director may waive in writing notice of such meeting. Attendance or participation by a Director at any meeting of the Board shall constitute a waiver of notice. If all Directors are present at a meeting of the Board, no notice shall be required.

Section 8: ACTION WITHOUT MEETING.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if a majority of the members of the Board, individually or collectively, consent in writing to that action.

Such action by written consent shall have the same force and effect as a vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

ARTICLE VII:

OFFICERS AND THEIR DUTIES

Section 1: ENUMERATION OF OFFICERS.

The principal officers of the Regime shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as in their judgment may be necessary. One person may hold more than one office.

Section 2: ELECTION OF OFFICERS.

The officers of the Regime shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3: REMOVAL OF OFFICERS.

Upon an affirmative vote of a majority of the Directors of the Board, any officer may be removed either with or without cause and a successor elected at any regular meeting of the Board or at any special meeting called for such purpose. No officer shall continue to serve as such if he or she shall cease to be eligible to be a member of the Board.

Section 4: VACANCIES.

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

Section 5: PRESIDENT.

The President shall be the chief executive officer of the Regime. The President shall preside at all meetings of the Regime and of the Board. He or She shall have all of the general powers and duties which are usually vested in the office of President of a Regime including, but not limited to, the power to appoint committees from among the Unit Owners as appropriate to assist in the conduct of the affairs of the Regime. The President shall sign all leases, mortgages, deeds and other written contracts and perform all of the duties which may be delegated from time to time by the Board of Directors.

Section 6: VICE PRESIDENT.

The Vice President shall take the place of the President and perform the President's duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint a successor to perform such duties on an interim basis. The Vice President shall also perform such other duties as requested by the Board.

Section 7: SECRETARY.

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Regime; keep appropriate current records showing the Unit Owners together with the addresses; shall have charge of the record books and papers of the Regime; shall authenticate the records of the Regime and shall perform such other duties as required by the Board.

Section 8: TREASURER.

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Regime and shall disburse such funds as directed by resolution of the Board, shall sign all promissory notes of the

Regime, shall keep proper books of account, and shall prepare and distribute budgets and statements. The ministerial functions of the Treasurer in sending Assessment notices, receiving and depositing Assessments, keeping books and ledgers of account and preparing and distributing budgets and statements may be delegated to an Assistant Treasurer, Regime Manager, or the Management Agent.

ARTICLE VIII: BOOKS AND RECORDS

Section 1: INSPECTION BY OWNERS.

The books of account and minutes of meetings of the Owners and of the Board shall be made available for inspection and copying by any Owner in the Regime at any reasonable time and for a purpose reasonably related to his or her interest as an Owner, at the office of the Regime, or at such other place within the property of the Regime as the Board shall prescribe. Board minutes shall be available to any Owner within thirty (30) days of the meeting and shall be distributed to any Owner upon request and upon reimbursement of the costs in making that distribution.

Section 2: RULES FOR INSPECTION.

The Board shall establish reasonable rules with respect to:

- a. Notice to be given to the custodian of the records by the person desiring to make the inspection;
- b. Hours and days of the week when such inspection may be made; and
- c. Payment of the cost of reproducing copies of documents so requested.

Section 3: INSPECTION BY DIRECTORS.

Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Regime and the physical properties owned or controlled by the Regime. The right of inspection by a Director includes the right to make extracts and copies of documents at the expense of the Regime.

Section 4: DOCUMENTS PROVIDED BY BOARD.

Upon written request, the Board or the Management Agent shall, within ten (10) days of the mailing or delivery of such request, provide an Owner with a copy of the governing documents of the Regime, a copy of the most recent budget and statements of the Regime and a true statement in writing from an authorized representative of the Regime as to the amount of the Regime's current and annual special assessments and fees, as well as any assessments levied upon the Owner's interest which, as of the day of the statement are, or may be made a lien upon, the Owner's Unit. The Board or Management Agent may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

ARTICLE IX: NOTICE

Section 1: DEFINITION.

Whenever under the provisions of the Master Deed or of these Bylaws notice is required to be given to the Board, any manager or Unit Owner, it shall not be construed to mean personal notice. Such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board, such manager or such Unit Owner at such address as appears on the books of the Regime. Notice shall be deemed given as of the date of mailing.

Section 2: SERVICE OF NOTICE-WAIVER.

Whenever any notice is required to be given under the provisions of the Master Deed, or law or under these Bylaws, 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.

Section 3: DUTY OF UNIT OWNERS TO INFORM REGIME OF CURRENT ADDRESS.

Each Unit Owner shall have the affirmative duty and obligation to inform the Regime in writing of any change of ownership of his or her Unit, the Unit Owner's current address, and any failure of the Unit Owner to receive any information from the Regime.

ARTICLE X: OBLIGATIONS OF THE OWNERS

Section 1: ASSESSMENTS FOR COMMON EXPENSES.

All Owners shall be obligated to pay the Assessments imposed by the Regime and to meet all Regime expenses for upkeep and maintenance of Common Elements as set forth in the Master Deed and these Bylaws.

Section 2: MONTHLY PAYMENTS.

All Owners shall be obligated to pay periodic assessments imposed by the Regime to meet all common expenses of the Property. The common expenses shall include, without limitation, liability insurance policy and hazard insurance policy premiums along with all costs associated with Common Element maintenance and repair. The common expenses may also include, but shall not be limited to such amounts as the Regime may deem proper for the operation and maintenance of the Common Elements and any amounts for a general working capital. The Regime may establish a general operating reserve for replacement of Common Elements or to make up any deficit between the assessments collected and the costs of common expenses for a prior year. Payment of periodic assessments for common expenses shall be in equal monthly installments. No less than thirty (30) days prior to the annual meeting, the Board shall furnish all Unit Owners with a copy of the proposed budget for the next calendar year and shall likewise advise them of the amount of the common expenses payable by each of them respectively as determined by the Board as aforesaid.

Section 3: ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS ARE MADE.

The omission by the Regime before the expiration of any year to fix assessments for the following year shall not be deemed to be a waiver or any modification in any respect of the provisions of the Master Deed or these Bylaws or release of any owner from the obligation to pay assessments or any installments thereof. In such event, the assessment fixed for the preceding year shall continue until a new assessment is fixed. No Owner may exempt itself from liability for its contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of its Unit. Amendments to this paragraph shall require unanimous written consent of the Owners and their mortgagees.

Section 4: RECORDS.

The Regime shall keep detailed records of the receipts and expenditures affecting the Regime and any other Regime expenses incurred. The Regime shall have available current copies of the Master Deed with all amendments, if any, as well as a current copy of the Bylaws with all amendments, if any, minutes of all annual and special meetings and financial statements at its offices. All such documentation shall be available for inspection by any Unit Owner, insurers or guarantors of any first mortgages secured by a Unit during normal business hours and as previously outlined in these bylaws.

Section 5: DEFAULT IN PAYMENT OF COMMON EXPENSES.

The Board shall take prompt action to collect any common expenses due from any Owner which remains unpaid for more than thirty (30) days from the due date for payment. In the event of default by any Owner in paying the common expenses and/or monthly payments, such owner shall be obligated to pay a late charge of one and one half percent (1 1/2%) of the delinquent amount per month from the due date thereof. In addition, when an Owner is in default of payment of such common expenses for a period of ninety (90) days or more, such Owner shall be obligated to pay a sum equal to twelve (12) months periodic assessments, plus any past due assessments. Such amount to be applied first to any past due assessments and then to each monthly assessment as such becomes due until such payment has been exhausted at which time the owner shall then be obligated to pay the monthly assessments on or before the first (1st) day of each month. Payments due shall include any and all expenses including attorney's fees incurred by the Regime in any court proceedings brought to collect such unpaid common expenses. The Regime shall have the right and duty to recover unpaid common expenses by foreclosure of the lien on any Unit granted by the applicable law or laws.

Section 6: ESTABLISHMENT OF WORKING CAPITAL.

To establish and maintain a working capital fund to contribute to the common expenses or the reserve accounts of the Regime, at the closing of the sale of each Unit, an amount equal to two (2) monthly payments shall be collected by the Regime. In the event an Owner purchases a Unit and such payment is not made to the Regime, such payment shall be immediately due and payable and shall incur late charges as set forth above and be collectable as unpaid and delinquent common expenses against the then owner of said Unit.

Section 7: STATEMENT UPON RESALE.

No Owner shall convey or sell a Unit unless and until all unpaid Assessments against the Unit shall have been paid. Such unpaid Assessments, however, may be paid out of the proceeds from the sale of a Unit or by the Owner's grantee. Upon the written request of an Owner or an Owner's prospective purchaser, the Board or the Management Agent shall furnish a written statement of the unpaid Assessments due from such owner for a reasonable fee which shall be conclusive evidence of the payment of Assessments prior to the date of the statement. Further, the Regime or the Management Agent shall undertake to provide copies of the Covenants, these Bylaws, or other materials regarding the Regime upon the written request of an Owner in connection with the sale of a Unit. A reasonable charge may be made by the Board or the Management Agent for the issuance of Assessment statements and Regime materials.

Section 8: MAINTENANCE AND REPAIR

(a) Each Unit Owner must perform work within his or her own Unit which, if omitted, would affect the Property in its entirety or in a part belonging to another co-owner, being expressly responsible for the damages and liabilities that his or her failure to do so may engender.

(b) All the repairs of internal installations of the Units, such as water, light, gas, power, sewage, telephones, heating and air conditioning, sanitary installations, exterior and interior doors, windows, skylights, lamps, and all other accessories belonging to the Unit shall be at the expense of the Unit Owner.

(c) All maintenance, repair and replacement to the Common Property shall be made by the Board or its Agent and shall be charged to all the Members as Common Expenses, excepting to the extent that

the same may be necessitated by the negligence, misuse or neglect of an Owner, in which case the expenses shall be charged to such Unit Owner.

Section 9: WATER CHARGES AND SEWER RENTS.

Water shall be supplied to all Units and Common Elements through one or more meters and the Board shall pay as a common expense all charges for water consumed on the Property, including the Units, promptly after the bills for 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 as a common expense.

Section 10: 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 Unit. The electricity serving the Common Elements shall be separately metered, and the Board shall pay all bills for electricity consumed in such portions of the common elements as a common expense.

ARTICLE XI: USE OF UNITS

Section 1: INTERNAL OR EXTERNAL CHANGES.

(a) All Units shall be used for residential purposes only.

(b) An Owner shall not make permanent structural modifications or alterations in his Unit, to the exterior of his Unit, the stairs, balconies or terraces appurtenant thereto or to the general common elements immediately adjacent to his Unit without previously notifying the Board, in writing, through the Management Agent, or through the President if no Management Agent is employed. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. No Unit Owner shall make any changes whatever to any of the General Common Elements, except as enumerated above, without approval of two-thirds (2/3) of the Owners of the Regime. Examples of such permanent structural modification include, but are not limited to, such matters as removing or enlarging balconies, terraces or decks to which there is direct access from the interior of a Unit, installation of exterior windows or doors, the changing of exterior lighting on the side of the Unit facing the parking lot, attaching arbors or similar structures to the gate or wall surrounding a Unit, extending the fence line between Units, or raising or otherwise modifying the grade of the land behind a Unit in such a manner as to affect the flow of water either onto or off of the land, removal or erection of gutters, remodeling any room within the Unit by enlarging or reducing the size of a room, removal of, modification of, or addition of interior walls within a Unit.

(c) All structural modifications or alterations, or other changes to the general or limited common elements existing as of the date of these Bylaws shall be deemed to have been approved by the Board or by the Regime Owners as noted above.

(d) Any structural modification or alteration hereinafter made by an Owner without the approval of the Board or the Regime, as noted above, may, at the option of the Board, be removed at the expense of the Unit owner.

Section 2: 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 co-owners and shall be used for no other purpose than for normal transit through or use of them for normal vehicular parking.

Section 3: TERRACES AND BALCONIES.

A terrace or balcony to which there is direct access from the interior of a Unit, 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 negligence, misuse or neglect. All other repairs in, or with respect to, such terrace or balcony shall be made by the Board and shall be a common expense.

Section 4: DECKS.

A deck to which there is direct access from the interior of a Unit, shall be for the exclusive use of the Owner of such Unit. All repairs in, or with respect thereto, shall be the responsibility of the Unit Owner.

Section 5: GUTTERS AND DOWNSPOUTS.

The repair or maintenance of any gutters or downspouts installed on a Unit by the regime shall be the responsibility of the Regime. The repair or maintenance of any gutters or downspouts installed at any time by a Unit Owner shall be the responsibility of the current Unit Owner.

Section 6: RENTAL OF UNITS.

The use of Units for residential rental purposes is permitted. Rental agreements related to any Unit shall be in writing and shall specifically provide that they are made subject to all provisions of the Master Deed, Bylaws and Rules and Regulations of the Regime. A copy of the executed lease must be provided to the Regime Management Agent prior to the occupancy of the tenant. All tenants must read and sign a copy of the Rules and Regulations. Each Owner has the responsibility of causing the lessee and the other occupants of the Unit to comply with and abide by all such provisions, and failure to do so may, at the sole discretion of the Board, be the basis for the imposition of a charge or fine up to \$200.00 for each occurrence against the Unit Owner. The minimal rental period shall be 12 months unless otherwise approved by the Board. Only Unit Owners or their agents shall rent or lease their Units. Absolutely no subleasing will be permitted.

Section 7: TIME SHARE OR INTERVAL OWNERSHIP ARRANGEMENTS NOT PERMITTED.

No unit Owner shall allow his or her Unit to be time-shared on any basis whatsoever, whether by tenancy in common, sale, deed or other means which is subject to supplemental agreement or contract for the use of the time-share unit, whereby purchaser receives an undivided ownership interest in and the right to use accommodations and facilities, or both, for a specific period of time during any year, or any arrangement, plan or similar devise such as a membership agreement, lease, rental agreement, license, use agreement, security or other means whereby the purchaser receives a right to use accommodations or facilities or both for a specific period of time during any given year.

Section 8: RIGHT OF ENTRY.

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 Unit, whether the Owner is present or not. All Owners shall permit other Owners, or their representatives, when so required, to enter their 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 Owner. In case of emergency, the right of entry shall be immediate.

Section 9: ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS.

The violation of any rules or regulations adopted by the Board or the breach of any Bylaws contained herein, Rules and regulations adopted by the Owners, or any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Unit in or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition, that may exist therein contrary to the extent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass, or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE XII: INSURANCE.

The Board shall be required to obtain and maintain insurance policies covering the Regime, without prejudice to the right or obligation of the Owners to obtain additional individual insurance policies at his or her own expense. The Board shall be required, to the extent reasonably obtainable, the following insurance:

(a) **HAZARD INSURANCE.** The Board shall insure the Regime property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Regime Property as determined by the Board upon recommendation made by the Regimes' Insurer, it being understood that the Board, at its discretion, may have an appraisal made of the Regime property for this purpose or in the amount reasonably obtainable as it relates to the flood coverage. Coverage shall include the buildings containing the Units, the interior partitions and painted surfaces, carpeting within the Units and the bathroom and kitchen fixtures initially installed therein by the Sponsor (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 Regime, the Board and all Unit Owners and their mortgagees as their interest may appear in the amount determined by the Board. Each such policy or policies shall contain a loss payee provision designating the interest of the various mortgagees as to the various Units within the Regime which are covered by the Master policy subject, however, to the loss payment provisions in favor of the Board. If obtainable, all hazard insurance policies upon the Regime property shall include provisions waiving (i) any rights of the Insurer to subrogation against the Regime, its agents and employees and against the individual Unit Owners, their servants, agents and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Unit Owner upon the contents and furnishings of their Unit.

(b) **PUBLIC LIABILITY INSURANCE.** The Board shall obtain comprehensive public liability insurance in such amounts and with such coverages with limits and provisions as it deems desirable, but at least covering each member of the Board in the discharge of their duties, the Managing Agent, the Manager and each Unit Owner. All such policies shall contain severability of interest clauses or cross liability endorsements extending coverage to liabilities of the Regime to an Individual Unit Owner and to liabilities of one Unit Owner to another Unit Owner.

(c) **WORKERS COMPENSATION INSURANCE.** The Board, as necessary, shall obtain, Workers Compensation Insurance to meet the requirements of law.

(d) The Board shall have the authority also to insure against other hazards and risks as it may deem desirable for the protection of the Regime property. All such policies shall provide that adjustment of loss shall be made by the Board and that the net proceeds thereof shall be payable to the

Board. Each Unit Owner shall have been deemed to have delegated to the Board his or her right to adjust with insurance companies all losses under policies purchased by the Regime subject to the rights of each mortgagee of such Unit Owner.

(e) **INSURANCE TRUST.** In the event of casualty loss to the Regime property, all insurance proceeds indemnifying the loss or damage shall be paid jointly to the Board as Insurance Trustee. The Board acting as Insurance Trustee shall receive and hold all insurance proceeds in trust for the purposes stated in this section, and for the benefit of the Regime, the Unit Owners, and their respective mortgagees in the following share:

i. Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are appurtenant to each of the Units.

ii. Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored, shall be held for the benefit of Owners of the damaged Units and their respective mortgagees in proportion to the costs of repairing each damaged Unit.

iii. Insurance proceeds paid when the Regime property is not to be restored shall be held for the benefit of all Unit Owners and their respective mortgagees, the share of each being equal to the undivided share or interest in common elements appurtenant to the applicable Unit.

iv. In the event that a certificate of insurance has been issued to a Unit Owner bearing a mortgagee endorsement, the share of the owner shall be held in trust for the mortgagee and the owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have the right to apply or have applied to the reduction of any mortgage debt any insurance proceeds except for the insurance proceeds required by the loan documents to be paid jointly to the Owners and their respective mortgagees pursuant to the provisions of the Master Deed.

(f) **RECONSTRUCTION AND REPAIR.** In the event of a casualty loss or damage to the Regime property, the Board shall be responsible for applying the proceeds of all casualty insurance in the repair or reconstruction of regime property in accordance with this Section and Section 27-31-250 of the South Carolina Horizontal Property Act.

(g) **PREMIUMS.** All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses to be paid by Unit Owners through periodic assessment as herein provided.

(h) **INSURANCE BY OWNERS.** Each Owner shall be responsible for obtaining, at his or her sole expense, insurance covering the personal property, wall coverings, decorations, and furnishings within his or her Unit and the additions or improvements made to the Unit. Each Owner shall also be responsible, at his or her own expense, insurance covering its liability for the safety of the premises within its Unit. All such insurance policies shall include, however, provisions waiving (i) any rights of the insurer to subrogation claims against the Regime and against individual Unit Owners, as well as their agents, servants, employees and guests; and (ii) any right of the Insurer to contribution or proration because of the Regime master hazard policy. Owners shall provide a copy of said policy or policies to the Management office at the beginning of each calendar year, or upon request of the Management office.

(i) An Owner is responsible for any damage to his or her Unit or another Unit caused by negligent action or inaction by the Owner or any occupant of the Unit. If a claim is made against the Regime's policy as the result of such negligence or omission by an Owner, then the Board may make a determination to assess any non-reimbursable expenses, such as the deductible, attorney's fees, and the like against the negligent Owner.

ARTICLE XIII: MORTGAGES

Section 1: NOTICE TO BOARD.

An Owner who mortgages a Unit shall notify the Board or its Designee of the name and address of the Mortgagee. The Regime or its Designee shall maintain such mortgage information.

Section 2: NOTICE TO MORTGAGEE.

The Board or its Designee shall give written notice of the following events to all Regime mortgagees from which it receives a written request. Such written request must include the name and address of the mortgagee and the encumbered Unit and address:

- (a) any change in the condominium documents;
- (b) any unpaid assessments due the Regime for over ninety (90) days from the Owners of the Unit;
- (c) any default by the Owner of the Unit in the performance of obligations under the Master Deed or Bylaws when such default is not cured within ninety (90) days.

ARTICLE XIV: MISCELLANEOUS MATTERS

Section 1: RULES AND REGULATIONS.

In order to assure the peaceful and orderly use and enjoyment of the Units and Common Elements of the Regime the Board may from time to time, adopt, modify, and revoke in whole or in part such reasonable rules and regulations governing the conduct of persons on said property of the Regime as it may deem necessary. Such Rules and Regulations, upon adoption, and every amendment, modification and revocation thereof, shall be delivered promptly to each Owner and shall be binding upon all Unit Owners and the occupants of Units in the Regime. Such Rules and Regulations may provide for the imposition of fines, administrative fees, or other charges as determined by the Board for violations of the governing documents of the Regime by a Unit Owner. In the event of any conflict between the Rules and Regulations and the provisions of these ByLaws and/or the Master Deed, the provisions of the Master Deed and/or the Bylaws shall control.

Section 2: AMENDMENTS.

These Bylaws may be amended by the Regime Owners in a duly constituted meeting held for such purpose, and no amendment shall take effect unless approved by the Owners representing two-thirds (2/3) of the total value of the Property as shown on the Master Deed.

Section 3: FISCAL YEAR.

The Fiscal Year for the Regime shall be the calendar year unless otherwise determined by the Board.

Section 4: INVALIDITY.

The Invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 5: CONFLICT.

These Bylaws are set forth to comply with the requirements of the South Carolina Horizontal Property Act and may be amended from time to time. In the event of any conflict between these Bylaws and the provisions of such statutes or the Master Deed, the provisions of such statutes or the Master Deed, as the case may be, shall control.

Section 6: WAIVER.

No restriction, condition, obligation or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violation or the breaches thereof which may occur.

Section 7: LIABILITY SURVIVES TERMINATION OF MEMBERSHIP.

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