

BYLAWS
OF
SALT MARSH AT SEABROOK HOMEOWNERS ASSOCIATION, INC.

Article I
Name and Location

1.1 Name and Location. The name of the corporation is **Salt Marsh at Seabrook Homeowners Association, Inc.** (the “Association”). The principal office of the Association shall be located at such place as may be designated by the Board.

Article II
Definitions

2.1 Definitions. The definitions contained in the Covenants, Conditions, Restrictions, Easements, Charges and Liens for Salt Marsh at Seabrook recorded in Book Y632, Page 089 of the Charleston County ROD Office, as amended (the “Covenants”), are incorporated herein by express reference.

Article III
Meetings of Members and Voting

3.1 Annual Meeting. The first meeting of the Members, whether at annual or special meeting, shall be held on the second Saturday of December; provided however, such date is more than nine (9) months following the date of the close of the sale of the first property in Salt Marsh. Subsequent annual meetings of the Members shall be held thereafter at an hour and place within thirty (30) days of the same month and date of such first meeting, as set by the Board.

3.2 Special Meetings. Special meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request of the President. A special meeting of the Members shall be called upon written demand delivered to the Secretary by the Members representing ten (10%) percent of the total voting power of the Association, notice of which shall be by written notice to all Members within thirty (30) days of the Secretary’s receipt of the demand. For purposes of determining the ten (10%) percent, the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Association to send notice of a special meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the special meeting and give notice thereof to all Members in accordance with the Nonprofit Corporation Act.

3.3 Notice and Place of Meetings. Unless otherwise provided in the Covenants, the Article of Incorporation, these Bylaws, or in the Nonprofit Corporation Act, written or electronic notice of every meeting of the Members, annual or special, shall be given by, or at the direction of, the Secretary, at least thirty (30) days but not more than sixty (60) days before such meeting. Notice shall be sent to each Member by regular mail addressed to the Member’s last address appearing on the books of the Association for the purpose of notice, by hand delivery, or by electronic mail to the Member’s last email address appearing on the books of the Association for the purpose of

notice, or by such other electronic means as approved by the Nonprofit Corporation Act. Proof of electronic transmission shall become part of the corporate records of the Association. In the case of written demand for a special meeting from Members representing ten (10%) percent of the total voting power of the Association, written notice of such meeting shall not be more than thirty (30) days after written demand for special meeting is delivered to the Association. Notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. In the event of a virtual meeting provided for herein, the Notice of Meeting shall also include meeting access information and a call in option for those who are unable to attend via internet connection. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (a) removing a Director without cause; (b) filling vacancies on the Board of Directors by the Members; or (c) amending the Articles of Incorporation. Meetings shall be held within Salt Marsh or at a meeting place within Charleston County as determined by the Board of Directors.

Notice of meeting of Members need not be given to any Member who signs a Waiver of Notice, in person or by proxy, either before or after the meeting. The Waiver of Notice must be delivered to the Association for inclusion in the minutes and filed in the corporate records of the Association. Attendance of a Member at a meeting, regular or special, in person or by proxy, shall of itself constitute a waiver of notice, except when the Member attends the meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting was not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

3.4 Quorum. Unless otherwise provided herein or in the Covenants, the Articles of Incorporation, or the Nonprofit Corporation Act, the presences of Members representing one-third (1/3rd) of the votes of all Members, in person or by proxy, shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present at the outset of the meeting may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty (20%) percent of the total votes of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute such quorum. If the required quorum is not present, another meeting may be called, not less than ten (10) days nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present in person or by proxy, and entitled to vote. Unless otherwise provided, any reference hereafter to “votes cast” at a duly called meeting shall be construed to be subject to quorum requirements established by this Section. If a time and place for the adjourned meeting is no fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to the Members in the manner prescribed herein in Section 3.3.

3.5 Ballots and Representative Voting.

- a) Written Ballots Without a Meeting. Any vote of the Members on a matter which would be cast at an annual meeting, regular or special, may be taken without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and 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 written ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting in favor of the matter equals or exceeds the number of votes required to approve such matter had it been considered at a duly called meeting at which the requisite quorum is present. A solicitation of votes by written ballot shall (1) indicate the record date for Members eligible to vote; (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and (4) state the date and time by which a Member'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, may not be revoked. A Member's signed ballot 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, overnight courier, facsimile and email transmission, internet form submission, or by any other technology or medium, now existing or hereinafter devised, provided in every such case the sender retains proof of transmission.
- b) Proxies. All of the provisions of this Section are subject to the Covenants. To the extent that a provision set forth in this Section is inconsistent with the Covenants, the provisions of the Covenants shall control. At all in person meetings of Members, each Member may vote in person or by proxy. The appointment form of proxy shall be in writing and received by the Secretary before the appointed time of the meeting. Every proxy appointment shall automatically cease upon conveyance by the Member of his property, or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a Member prior to the counting of the vote, or upon revocation of the appointment of the proxy in accordance with the Nonprofit Corporation Act, or upon the expiration of eleven (11) months from the date of the proxy. Unless the proxy appointment form otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. Any proxy appointment form distributed by any person to the Members shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be voted upon at the meeting. The appointment shall provide that, where the Member specifies a choice, the vote shall be cast by the proxy agent in accordance with the choice. The form shall also identify the person or persons acting as proxy agent. In addition, voting by proxy shall comply with any other applicable requirements of the South Carolina Nonprofit Corporation Act. The Member's signed proxy forms shall be delivered to the Secretary by hand delivery, by U.S. mail, and by such other means as shall be permitted under South Carolina law, including, but not limited to, overnight courier service, facsimile and email 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.

3.6 Membership and Voting. The Association shall have three (3) classes of voting Membership:

- a) Class "A". Class "A" Member shall be all Owners except the Developer. Class "A" Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds title to any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they, among themselves, determine but in no event shall more than one (1) vote be cast for any Lot. In the event multiple Owners cast a vote for a single Lot, all votes for the Lot shall be void.
- b) Class "B". The sole Class "B" Member shall be the Developer. The Class "B" Member shall be entitled to cast the greater of four (4) votes for each Lot owned by the Developer or one more vote than the total votes of the Class "A" Members. Class "B" Membership shall cease and Class "C" Membership shall automatically begin upon Certificates of Occupancy being issued for one hundred (100%) percent of the dwellings and the conveyance of all dwellings to owners other than the Developer, or at such time as the Developer voluntarily relinquishes its Class "B" Membership in writing.
- c) Class "C". The sole Class "C" Member shall be the Developer upon the termination of its Class "B" Membership. The Class "C" Member shall have the rights set forth in Article III of the Covenants but shall have no voting rights and no assessment obligations.

Except as otherwise provided in the Covenants, the Articles of Incorporation, these Bylaws, or the Nonprofit Corporation Act, any action by the Association which must have the approval of the Members before being undertaken shall require voting approval by a majority of the votes cast by Members at which the required quorum is present. An abstention shall be counted as a negative vote in calculating the majority. Members are divided into classes for the sole purpose of computing voting rights and shall not vote as a class.

3.7 Eligibility to Vote. Voting rights attributable to Lots shall not vest until Assessments against those Lots have been levied by the Association. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot and not subject to any suspension of voting rights as a result of violations of the Covenants. A Member's good standing shall be determined as of the record date established in accordance with Section 3.8 below. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the bases of nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing.

3.8 Record.

- a) Record Dates Established by the Board. For the purpose of determining which Members are entitled to notice of meetings, to vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to

vote or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the Nonprofit Corporation Act. The record dates established by the Board pursuant to this section shall be as follows:

1. Record Date for Notice of Meetings: In the case of determining those Members entitled to notice of meetings, the record date shall be no more than ninety (90) days nor less than ten (10) days before the date of the meeting.
 2. Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting.
 3. Record Date for Action by Written Ballot Without a Meeting. In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited.
 4. Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.
 5. “Record Date” Means as of the Close of Business. For purposes of this subparagraph, a person holding a membership as of the close of business on the record date shall be deemed the Member of record.
- b) Failure of Board to Fix a Record Date. If the Board, for any reason, does not establish a record date, rules set forth in the South Carolina Nonprofit Corporation Act shall apply.

3.9 Action Without a Meeting. Any action that may be taken at any annual or special meeting of the Members (except the election of Directors) may be taken without a meeting in accordance with the provisions of the South Carolina Nonprofit Corporation Act. Any form of written ballot distributed by any person to the Members shall comply with the requirements of Article III, Section 3.5(a) herein.

3.10 Conduct of Meeting. Meetings of the Members shall be conducted in accordance with the recognized systems of parliamentary procedure or such parliamentary procedures as the Association may adopt. Notwithstanding any other provision of law, notice of meetings of the Members shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members shall have access to Association records as set forth in the South Carolina Nonprofit Corporation Act. Any Member may attend meetings of the Board, except when the Board adjourns to executive session. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of a Member of the Association, the

Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend the executive session.

3.11 Virtual Meetings. Any action taken at a duly called annual or special meeting may be taken at a virtual meeting at the sole discretion of the Board of Directors. Virtual Meetings shall be held on an electronic platform that allows the Board of Directors and the members to hear each other, ask questions and respond to other attendees in the same manner as they would at an in-person meeting. Notice of virtual meetings shall comply with Section 3.3 of this Article and shall contain the electronic platform, access numbers, and a telephone dial in option. The Quorum for a virtual meeting shall be established by attendance on the virtual platform. Voting at a virtual meeting shall be limited to those matters set forth in the notice and votes shall be cast electronically as provided in Section 3.12 of this Article.

3.12 Electronic Voting. Any action that may be taken at any in-person annual or special meeting of the Members may be taken at a duly called virtual meeting by electronic vote if the Association delivers an electronic ballot or provides a means of electronic voting to every Member. In all instances of electronic voting, the electronic ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Once submitted, electronic ballots may not be revoked.

Approval by electronic ballot pursuant to this section is only valid when the number of votes cast by electronic ballot equals or exceeds the quorum required to be present at a meeting of the Association and the number of approvals equals or exceeds the percentage of votes necessary to approve the matter at a duly called in-person meeting where a quorum is present. In the case of an election, the candidates receiving the most electronic votes shall be elected.

Electronic ballots shall conform with the requirements of the South Carolina Nonprofit Corporation Act and shall:

- a) Indicate the required quorum percentage;
- b) State the percentage of approvals necessary to approve each matter (except in the case of an election) and;
- c) Specify the time and date that the ballot must be received by the Association in order to be counted.

Article IV

Board of Directors, Selection, Term of Office

4.1 Number. The affairs of the Association shall be managed by the Board of Directors, all of whom must be Members of the Association, or an officer, director, employee or agent of a Member, including Developer. The initial Board of Directors shall consist of three (3) Directors who shall be appointed by the Developer. The Developer shall have the sole right to appoint and remove any member of the Board until the expiration of the Developer's status as a Class "B" Member. Within sixty (60) days after the expiration of the Developer's status as a Class "B" Member, the Board shall be expanded to consist of five (5) Directors which shall be elected at a duly called special meeting of the Members or by written ballot without a meeting. Each year

thereafter, at the annual meeting, the Members shall elect such number of Directors as shall exist whose terms are expiring.

4.2 Term of Office. 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 being elected. However, at the Special Meeting of the Members at which directors shall be elected or the date when written ballots are to be counted for the election of such Directors, the two (2) nominees receiving the highest number of votes will each be elected for a term of two (2) years, and the next three (3) nominees receiving the highest number of votes will each be elected for a term of (1) year thereby creating staggered terms. At the expiration of the initial term of office for each respective Director, his successor shall be elected to serve for a term of two (2) years. Unless vacated sooner, a Director shall hold office until the Director's term expires and a successor is elected.

4.3 Vacancies; Removal. A Director appointed by the Developer may only be removed by the Developer; otherwise, a Director may be removed from office, with or without cause, at any regular or special meeting of the Members called for that purpose by sixty-seven (67%) of the votes of the Members voting in person or by proxy at a duly called meeting for which a quorum was present. A successor to any removed Director may be elected at the same meeting at which the vacancy is created by the removal of the Director. A Director whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than ten (10) days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of a Director; the vacancy shall be filled by majority vote of the remaining Board at a duly held Board meeting. A successor Director shall serve for the unexpired term of his or her predecessor. The members may elect a Director at any time to fill any vacancy not filled by the Directors.

4.4 Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for his actual expenses, if reasonable, that are incurred in the performance of his or her duties, including, but not limited to, travel expenses.

4.5 Indemnification. The Association shall indemnify any present or former Director, officer, employee or other agent of the Association to the fullest extent authorized under the South Carolina Nonprofit Corporation Act, or any successor statute, an may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to indemnification under this provision.

Article V

Nomination and Election of Directors

5.1 Nomination. Nomination for election to the Board of Directors shall be made by the Board from the membership, and if the election is to take place at a meeting and not solely by written ballot, nominations may also be made from the floor at the meeting. The Board shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to Members and to solicit votes.

5.2 Election. The first election of the Board shall be conducted as set forth in Article IV, Section 4.1 herein. At such election the Members or their proxy agents may cast as many votes as they are entitled to exercise under the provisions of the Covenants and these Bylaws. The persons receiving the largest number of votes shall be elected. No cumulative voting shall be permitted. Voting for Directors at a meeting shall be by secret written ballot. Voting for Directors may also be conducted by written ballot pursuant to Article III, Section 3.5(a) or by electronic ballot pursuant to Article III, Section 3.12.

Article VI **Meetings of Directors**

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place, time, and format as may be fixed by the Board.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary, or by any two (2) Directors. Notice of a special meeting shall specify the place, time and format of the meeting and the nature of the special business to be considered.

6.3 Quorum. A majority of the Directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the 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 take is approved by a majority of the required quorum for that meeting.

6.4 Executive Session. The Board may, with approval of a majority of Directors present at a meeting of the Board at which a quorum is present, adjourn to meeting and reconvene in executive session to discuss and vote upon personnel and matters involving contracts of which the Association is a party, litigation in which the Association is or 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.

6.5 Telephone and Electronic Meetings. Any regular or special meeting of the Board may be held by telephone conference or virtual platform so long as all Directors participating in the meeting can hear one another and speak or otherwise communicate directly with one another. All participating Directors shall be deemed present in person at such meeting. All action taken at such meeting shall be memorialized in the minutes of the proceedings of the Board.

6.6 Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each Director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the

meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.7 Notice of Adjournment Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the place, time and format shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

6.8 Action without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually and collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

6.9 Notices Generally. Notice of any meeting of the Board of Directors, whether regular or special, shall be given to each Director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly or to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; (d) by telegram, charges prepaid; or (e) by facsimile transmission or email transmission with proof of transmittal retained in the minutes of the meeting. All such notices shall be given or sent to the Director's address, telephone number, facsimile number or email address appearing in the records of the Association. Such notice shall be sent to all Directors not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided, however, notices sent by first class mail shall be deposited into a U.S. mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph, facsimile transmission or email shall be delivered, telephoned, telegraphed, faxed or emailed, as the case may be, at least seventy-two (72) hours before the time set for the meeting. Notice of any meeting need not be given to any Director who has signed a waiver of notice or written consent to holding of the meeting.

Article VII **Powers and Duties of the Board of Directors**

7.1 Duties. It shall be the duty of the Board of Directors to:

- a) Maintenance: Perform the maintenance described in the Covenants;
- b) Insurance: Maintain insurance on the Common Area as required by the Covenants or these Bylaws;
- c) Discharge of Liens: Discharge by payment, if necessary, of any lien against the Common Area and assess the cost thereof to the Member or Members responsible for the existence of the lien (after notice of hearing as required by these Bylaws);
- d) Assessments: Fix, levy, collect and enforce Assessments as set forth in the Covenants or these Bylaws;

- e) Expenses and Obligations: Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
- f) Records: Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members, at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class "A" Members; keep adequate and correct books and records of account, minutes of proceedings of its Members, Board and committees, and a record of its Members giving their names and addresses and classes of Membership;
- g) Supervision: Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- h) Enforcement: Enforce these Bylaws, the Covenants and the Rules and Regulations promulgated by the Board;
- i) Review of Financial Records: Review on at least a quarterly basis a current reconciliation of the Association'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 Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Association's Board has identified for use to defray the future repair or replacement of, or additions to, these major components which the Association is obligated to maintain.
- j) Reserve Account Withdrawal Restrictions: Require that at least two (2) signature is needed for the withdrawal of monies for the Association's reserve accounts, at least one (1) of whom shall be a member of the Board. One (1) signature may be that of the Association's manager or such manager's designee.
- k) Reserve Account Fund Management: The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of the Common Area or major components thereof that the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.
- l) Reserve Studies: At least every five (5) years the Board shall cause an independent analysis of the reserve component of the operating budget to be conducted to confirm that component replacement costs and useful lives are accurately reflected in the reserve allocation.

7.2 Powers. The Board of Directors shall have the power to:

- a) Manager: Employ a manager;
- b) Rules and Regulations: Promulgate Rules and Regulations for the use and enjoyment of the Common Area;
- c) Assessments, Liens and Fines: Levy and collect Assessments and impose fines as provided in the Covenants and these Bylaws;
- d) Enforcement: Enforce these Bylaws and/or the Master Deed, provided that at least fifteen (15) days' prior notice of any charges (other than Assessments) or potential discipline or fine and the reasons therefor are given to the Member affected, and that an opportunity is provided for the Member to be heard, orally or in writing not less than five (5) days before the effective date of the discipline or fine, said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Member as shown on the Association's records.
- e) Contracts: Contract for goods and/or services for the Association;
- f) Delegation: Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority to procure insurance, make capital expenditures for additions or improvements chargeable against the reserve fund; to conduct hearings concerning compliance by an Owner or his tenant, lessee, guest or invitee with the Covenants or the Rules and Regulations promulgated by the Board, or to make a decision to levy monetary fines, impose Special Assessments against individual Units, temporarily suspend and Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; to make decision to levy Annual or Special Assessments; or to may a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. Any such delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.
- g) Appointment of Insurance Trustee: This section intentionally deleted.
- h) Borrowing: Borrow money (i) for the purpose of improving the Common Area, or any portion thereof, (ii) for constructing, repairing, maintaining or improving any facilities located or to be located on the Common Area; (iii) for providing services authorized herein; (iv) to give as security for the payment of any such loan a mortgage or other security instrument encumbering all or any portion of Common Area.
- i) Other Powers: In addition to any other power contained herein or in the Covenants, the Association may exercise all the powers granted to a nonprofit mutual benefit corporation as enumerated in the Nonprofit Corporation Act.

Article VIII
Officers and Their Duties

8.1 Enumeration of Officers. The officers of the Association shall be a President and Secretary, who shall at all times be Members of the Board of Directors, a Vice President, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The Developer shall have the sole right to appoint and remove officers during the Transition Period. Thereafter, all officers shall hold office at the pleasure of the Board.

8.3 Term. The Officers shall be elected annually by the Board and shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal. Any officer may be removed from office (but not from the Board, if the officer is also a Board Member) by the Board with or without cause. Any officer may resign at any time by given written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

8.7 Duties. The duties of the officers are as follows:

- a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a South Carolina nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or these Bylaws.
- b) Vice President. The Vice President shall act in the place of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with the addresses, and shall perform such other duties as required by the Board. The ministerial functions of the Secretary in recording votes, keeping minutes, sending

notices and keeping the records of names and addresses of Members may be delegated to an Association Manager.

- d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; and shall prepare and shall 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 Association manager.

Article IX **Committees**

9.1 Appointment. An Architectural Review Committee may be appointed as provided in the Covenants. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the South Carolina Nonprofit Corporation Act also require Members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; (f) approve any transaction to which the Association is a party and in which one (1) or more Directors have a material financial interest.

Article X **Books and Records**

10.1 Inspection by Members. Upon written request to the Association, the Articles of Incorporation; Covenants and all amendments thereto; Bylaws and all amendments thereto; Budget; resolutions of the Board; minutes of meetings of the Members for the last three (3) years; membership register (including names, mailing addresses, telephone numbers and voting rights); and all communication from the Association to the Owners in the last three (3) years shall be made available for inspection and copying by any Member or by his duly appointed representative, at the office of the Association or at such other place as the Board shall prescribe and may be copied by the Member at his or her sole expense. Inspection of records of the Association is subject to the terms and provisions of the South Carolina Nonprofit Corporation Act as it relates to inspection of records.

Article XI **Miscellaneous**

11.1 Amendments. These Bylaws may be amended as provided in the Covenants.

11.2 Conflicts. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; in the case of any conflict between the Covenants and the Bylaws, the Covenants shall control.

11.3 Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year.

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