

STATE OF SOUTH CAROLINA )

COUNTY OF CHARLESTON )

DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR ISLE OF PALMS BEACH CLUB VILLAS

THIS DECLARATION, made on the date hereinafter set forth, by Atlantic Development Corp., hereinafter referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, the Declarant is the Owner of certain property in Charleston County, South Carolina, more particularly described as follows in Article II hereof; and

WHEREAS, the Declarant intends to develop on the property hereinabove described a townhome community to be known as Isle of Palms Beach Club Villas, providing well planned residential, civic, social and open spaces, buildings and facilities.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, affirmative obligations and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Isle of Palms Beach Club Villas Owners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

*See Amendment for SP Palms Beach Club*

Section 3. "Properties" shall mean and refer to the existing property described in Article II hereof and additions hereto, as are subject to this Declaration or any subsequent Declaration in the provisions of Article II hereof.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

ALL property with the structures and improvements thereon, SAVE AND EXCEPT the lots; said lots being denoted and delineated on the recorded survey referred to in Exhibit A attached hereto and made a part hereof.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties, together with the improvements thereon, with the exception of the Common Area.

Section 6. "Declarant" or "Company" shall mean and refer to Atlantic Development Corp. or any person or entity who succeeds to the title of Declarant to any portion of the properties by sale or assignment of all interest of the Declarant in the properties, if the instrument of sale or assignment expressly so provides, or by the exercise of a right of foreclosure of a mortgage given by the Declarant and duly recorded prior to the recording of this Declaration. Any such person shall be entitled to exercise all rights and powers conferred upon Declarant by this Declaration or Bylaws of the Association.

ARTICLE II  
PROPERTY

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, leased and occupied, subject to those covenants, is located on Isle of Palms, Charleston County, South Carolina, and is more particularly described in Exhibit "A" attached hereto and by reference

incorporated herein. All of the real property hereinabove described shall hereinafter be referred to as "the Properties".

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

(a) Additions. The Company, its successors and assigns, shall have the right, without further consent of the Association at any time prior to January 1, 1981 to bring within the plan and operation of this Declaration additional properties, whether or not owned by the Company, its successors or assigns, in future stages of the development, whether or not immediately contiguous and adjacent, provided, however, such additional properties are inside the Isle of Palms Beach and Racquet Club Community, in the same general vicinity of the instant property and are of the same general character. The additions authorized under this and the succeeding subsection shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the Covenants and Restrictions of the Declaration to such additional property.

The Supplementary Declaration may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary or convenient, in the judgment of the Company, to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration.

(b) Other Additions. Upon approval and request in writing of the Association pursuant to a vote of seventy-five (75%) percent of the members of the Association, the Company may permit the construction, maintenance and operation of indoor and outdoor recreational facilities upon any Common Properties or upon any Private Open Space Area which lies immediately contiguous and adjacent to, or is located within, the Properties or which the Members are entitled to the enjoyment of by designation on plats of property on Isle of Palms. The cost of such construction, maintenance and operation shall be a the sole cost of the Association, whose Members shall be entitled to the exclusive use and enjoyment thereof.

(c) Upon a merger or consolidation of the Association with another association as provided for in the Bylaws of the Association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, in the alternative; the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or unconsolidated association may administer the Covenants and Restrictions established by this Declaration within the Properties as herein provided.

### ARTICLE III

#### PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(b) The right of the Association to dedicate or transfer all or any part of the Common Area, except recreational facilities, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by at least two-thirds (2/3) of the members agreeing to such dedication or transfer has been recorded;

(c) The limitation of use of parking spaces provided in this Article;

(d) The right of the Association, with assent of two-thirds (2/3) of the members, to mortgage, pledge, deed in trust or hypothecate any or all of its real and personal

property as security for money borrowed or debts incurred; provided, however, that the rights of any such mortgage shall be subordinate to the rights of the Owners; and

(e) The right of the Declarant, so long as it owns units, to place promotional signs and literature in the Common Area.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Association Bylaws, his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking. Ownership of each lot shall entitle the Owner or Owners thereof to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. Parking of trucks, boats, buses, trailers, motor homes, camping trailers and similar vehicles is prohibited, except in such areas as may be specifically provided for such vehicles.

#### ARTICLE IV

##### MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. Voting Rights. Each member shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The one vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such lot.

Section 3. Notice and Quorum for any Action

Authorized Under Sections 3 and 4. Written notice of any regular or special meeting shall be sent to all members not less than ten (10) days nor more than forty-five (45) days in advance of the meeting. At any meeting, the presence of Owners owning fifty-one (51%) percent of the lots shall constitute a quorum for the transaction of business, provided, however, that any absent owner who does not execute and return the proxy form sent to him in the required mailing shall be deemed to be present for the purposes of determining the presence of a quorum. ¶

ARTICLE V

DECLARANT

Section 1. Rights as Owner. Declarant is the initial owner of each lot and shall be entitled to exercise all rights appurtenant thereto until such time as Declarant has conveyed such lot to another person.

Section 2. Rights and Powers. Until the Declarant no longer owns 20% or more of the lots in any phase of the development, including the initial phase or any phase added to this development as hereinafter provided, Declarant shall be entitled to exercise, without consent of the other Owners, all powers granted to the Owners or to the Board of Directors by this Declaration, or by the Bylaws. Any action taken by the Owners or by the Board of Directors during such time shall be valid only if approved in writing by the Declarant. Declarant shall be entitled to withhold approval of any such action for any reason.

ARTICLE VI

ASSESSMENT FOR COMMON EXPENSES

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each Owner of any

lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge upon the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the properties and, in particular, for the administration, acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the exterior maintenance of the homes situated upon the properties or for the use and enjoyment of the Common Area, including, but not limited to, the cost of utilities, repairs, replacements and additions, the cost of labor, equipment, materials, management, maintenance and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the Bylaws, the payment of charges for garbage service, water furnished and water and sewer services rendered to the Common Properties, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Annual Assessment. The Board of Directors may fix the annual assessment.

When the Board of Directors fixes annual assessment for

each calendar year, the Board shall at the same time, and in connection therewith, prepare or cause to be prepared, an annual budget showing the services furnished by the Association, and the costs thereof per unit.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes cast in person or by proxy at the meeting called for this purpose. All special assessments shall be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 5. Uniform Rate of Assessment. Except as hereinafter provided in Section 7, all annual assessments shall be fixed at a uniform rate for all lots and shall be collected on a monthly basis, or any other basis approved by the Board of Directors.

Section 6. Lots Owned By Declarant. It is anticipated that lots owned by Declarant will not be furnished all services available to lots which have been acquired by Owners.

(a) Unoccupied lots owned by Declarant shall, at the option of Declarant, be exempt from the payment of assessments. If the Declarant shall exercise its option to be so exempt Declarant agrees to pay to the Association, at the end of the annual accounting period, a sum of money equal to the operating deficit experienced by the Association during such year, including, however, no amount for reserves for the replacement of improvements. The existence and amount of any deficit shall be determined by subtracting the cash expenses of operation from the total amount received by the Association. A lot shall be deemed "unoccupied" within the meaning of this Section, or until an occupancy permit is issued by the City of Isle of Palms.

(b) When an unoccupied lot becomes occupied or when the ownership thereof is transferred from the Declarant to any other person or entity, whichever occurs first, the said lot shall become subject to payment of the pro-rated annual assessment, beginning with the month immediately following the day such lot becomes occupied or is transferred, whichever occurs earlier, and for the remaining portion of the year and thereafter.

Section 7. Date of Commencement of Annual Assessment; Due Dates. The annual assessments provided for herein shall commence as to any lot on the day of the conveyance of such lot. The first annual assessment shall be adjusted



according to the number of months remaining in the calendar year and the number of days remaining in the months of conveyance. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment and notify every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any monthly assessment not paid within thirty (30) days after the due date shall be increased to include a penalty of one (\$1.00) dollar per day from the date due. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in like manner as a mortgage of real property. Upon exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the annual assessment due and payable and collect the same through foreclosure. Penalties, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. In the event of any such foreclosure, the Owner shall be required to pay a reasonable rental for the lot after commencement of the foreclosure action, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 9. Subordination of the Lien. The liens provided for herein shall be prior and superior to all other liens except (1) to the lien of any mortgage, and (2) the lien of any unpaid taxes in favor of any taxing unit. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to a mortgage foreclosure or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

## ARTICLE VII

### ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior additions to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. No change shall be made in the color, stain or painting of any structure or door thereof, or balcony or deck thereunto attached unless approved by this Committee and by the Beach and Racquet Club Architectural Review Board.

## ARTICLE VIII

### PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the properties and placed on the dividing line between the lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts of omission shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, an Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such

Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his own negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribute Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising, concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all of the arbitrators.

## ARTICLE IX

### EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance to each lot which is subject to assessment hereunder, as follows: Paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces or maintenance of decks, patio or balconies, except for staining of railings and fences, which shall be provided as required, and except for maintenance of interior and exterior common stairs, mentioned herein below. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each lot at all reasonable times to perform maintenance as provided in this Article.

In addition to maintenance upon the Common Area, the Association shall provide maintenance for all of the

exterior and interior stairs and stairways providing ingress and egress to more than one living unit.

In the event that the need for maintenance, repair or replacement upon a lot or the improvements thereon is caused through the willful or negligent act of the Owner, his family, guests or invitees, or is caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircrafts, vehicles, and smoke, as the foregoing are defined and explained in South Carolina Standard Fire and Extended Coverage insurance policies, the cost of such maintenance, replacement, or repair shall be added to and become a part of the assessment to which the lot is subject.

#### ARTICLE X

##### USE RESTRICTIONS

Section 1. Land Use and Building Type. No lot shall be used except for private residential purposes of a single family, provided, however, that nothing herein shall prevent Declarant from using any dwelling as a model or sales office. No building shall be erected, altered, placed or permitted to remain on any lot other than one single-family dwelling.

Section 2. Dwelling Specifications. No dwelling shall be erected on any lot other than an attached dwelling consisting of no less than one thousand four hundred square feet. No temporary or permanent structure shall be erected upon any lot except such dwelling.

Section 3. Nuisance. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any lot or in any dwelling, except that no more than three (3) household pets (including no more than two (2) dogs) may be kept or maintained provided that they are not kept for commercial purposes, and

Provided further, that they shall not constitute a nuisance or cause any unsanitary conditions. Dogs, cats and other household pets shall be permitted to the Common Area, subject to the rules and regulations of the Association, only if control of such pets is maintained by leashes.

Section 5. Resubdivision. No lot shall be subdivided or reduced in size.

Section 6. Outside Antennas. No outside radio or television antennas shall be erected on the properties or dwelling unit within the Properties unless and until permission of the same has been granted by the Board of Directors of the Association and by the Beach and Racquet Club Architectural Review Board.

Section 7. Clothes Drying. No drying or airing of any clothing or bedding, including beach towels, shall be permitted outdoors on the Properties or over the deck railings.

Section 8. Trucks and Similar Vehicles. Parking of trucks, boats, buses, trailers, camping trailers, motor homes and similar vehicles is prohibited on the Properties except in such areas as may specifically be provided for the parking of such vehicles. Designated parking spaces must be used for parking of boats, etc.

Section 9. Plants and Trees. Plants and trees now or hereinafter located upon the Properties shall be maintained by the Asssocation, and may not be removed except by permission of the Board of Directors. No additional plants, trees or shrubs may be planted upon the Properties without written approval of the Board of Directors.

Section 10. Outdoor Recreational Equipment. No gym sets, sand boxes, basketball goals or other outdoor recreational equipment shall be installed or used upon the Properties, except in areas specifically provided for recreational purposes by the Board of Directors.

Section 11. Prohibited Work. No Owner shall do any work which would jeopardize the soundness and safety of the

the Properties, reduce the value thereof or impair any easement or hereditament without, in every such case, unanimous consent of all other Owners affected being first obtained.

ARTICLE XI

EASEMENTS

Section 1. Reservation. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat for use by Declarant, utility companies and public agencies in connection with this development, including any portion of the property described in Exhibit I attached hereto. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, the properties shall be subject to a non-exclusive easement in favor of Declarant for construction of improvements on the Properties including any added by annexation, and for exhibition and sales of such improvements.

Section 2. Mutual Easements. There shall be appurtenant to each lot a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving the improvements thereon and situated upon any other lot. Each lot shall be subject to an easement in favor of other lots for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated on or across such lot and serving other lots.

There shall be appurtenant to each lot a reciprocal easement for the joint use of exterior and interior stairs and stairways where such stair or stairway provides ingress and egress to two living units. Such easement of use shall include reasonable access to and from such stair or stairway and no obstruction will be permitted in or around the easements hereby

created which would obstruct ingress and egress. The easement hereby created is one of necessity and shall be a covenant running with the land.

Section 3. Encroachments. If any portion of the Common Area or any improvements erected thereon now encroaches upon any lot, or if any improvements on any lot now encroach on any portion of the Common Area, or if any such encroachment shall occur hereafter as a result of (a) settling of any improvements; (b) repair, reconstruction or alteration by the Association of any improvements located within the Common Area; (c) repair or reconstruction of any dwelling unit following damage by fire or other casualty; or (d) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same.

#### ARTICLE XII

##### REPAIR, RESTORATION AND REBUILDING, INSURANCE

Section 1. Repair, Restoration and Rebuilding.  
In the event any part of the properties or any of the residential units thereon shall be damaged or destroyed by fire, other casualty or any other cause or event whatsoever, the Owner or Owners of the Property so damaged or destroyed shall cause it to be repaired, restored or rebuilt, as the case may be, as rapidly as possible to at least as good a condition as existed immediately prior to such damage or destruction, the same building built to original specifications, subject only to the right of the Association (which right is hereby granted to the Association) to authorize and direct such different action as shall be recommended by the Board of Directors and approved by affirmative vote of not less than two-thirds (2/3) of the members, which majority shall include the affirmative vote of all the Owners whose homes shall have been damaged or destroyed.

Section 2. Board of Directors to Supervise. All repair, restoration or rebuilding pursuant to the provision of Article XI shall be carried out under such supervision and

direction as the Board of Directors of the Association shall deem appropriate in order to assure the expeditious and correct completion of the work concerned, and the Owner or Owners of each home which shall have been damaged or destroyed shall fully cooperate with, and abide by all instructions and directions of the Association in connection therewith.

Section 3. Rights of Association. The Association is hereby given and shall have the right reasonably to approve the architects, contractors and subcontractors to be employed in connection with such repair, restoration and rebuilding; to select a contractor, or contractors, to perform all or various parts of the work to be done upon the various homes which shall have been damaged or destroyed by such casualty or other happening; to coordinate the progress of the work among such various homes; and to hold the proceeds of any insurance which may be payable on account of such casualty or other happening and to control the disbursement thereof in such manner as to assure the sufficiency of funds for the completion of said work or for any other proper purpose.

Section 4. Lien Rights of Association. In any case in which the Owner or Owners of the home concerned shall fail to carry out and see to the repair, restoration or rebuilding, and in any case where more than one contiguous home shall be involved, the Association shall carry out and see to the repair, restoration or rebuilding required by the provisions of this Article XI.

In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding then the Board of Directors shall levy a special assessment against all Owners of the damaged dwelling units in such proportions as the Board of Directors deem fair and equitable in light of the damage sustained by such dwelling units to make up any deficiency.



The Association shall have and is hereby given a continuing lien on the lot for which any such repairs or rebuilding are furnished by the Association in the aggregate amount of (a) the cost thereof; (b) interest at the highest rate permitted by law, but not exceeding fifteen (15%) percent per annum, nor less than eight (8%) percent per annum from the date of the Association's payment of such costs; and (c) reasonable attorney's fees and any court or other costs incurred by the Association in connection therewith, which lien shall encumber such lot in the hands of such Owner, his heirs, devisees, personal representatives, grantees and assigns. In the event such Owner does not forthwith fully repay the Association therefor, as aforesaid, such lien may be foreclosed against the lot by the Association, in the same manner as hereinafter provided in connection with unpaid assessments. The Association's lien on this Section 4 provided shall be subordinate to the lien of any mortgage, now or hereafter placed upon the lot.

Section 5. Insurance Required. The Association shall insure the property against risks without prejudice to the right of each Owner to insure his dwelling on his own account.

Section 6. Association Not Liable. The Association and its officers, directors, employees, agents and representatives shall have no liability to any Owner for damage to or loss of either the real or any personal property of said Owner. Each insurer of any of said Owner's interest in said real or personal property shall be bound by the provision in each policy of insurance concerned, waive its rights of subrogation against the Association and its officers, directors, employees, agents or representatives.

Section 7. Obligation of Association. Notwithstanding anything to the contrary herein contained, the obligations of the Association under the provisions of this Article shall be limited to the repair, restoration and rebuilding of the Common Areas and the Association shall not be responsible

for repair, restoration or replacement of any personal property of the Owners or others.

### ARTICLE XIII

#### GENERAL PROVISIONS

Section 1. Application. All Owners, employees of Owners and tenants, or any other persons who may in any manner use the properties or any portion thereof, shall be subject to the provisions hereof and to the provisions of the Bylaws.

Section 2. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety (90%) percent of the lots, and thereafter by an instrument signed by the Owners of not less than seventy-five (75%) percent of the lots, provided, however, the Declarant may act for the Owners during the period described in Section 2, Article V hereof.

Section 5. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of

violations or breaches which may have occurred.

Section 6. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and nonpersonal entities, as well as the singular and plural wherever the context requires or permits.

Section 7. Protective Covenants and Affirmative Obligations. These covenants are in addition to the existing covenants, restrictions and affirmative obligations, as follows:

WITNESS the execution of this under Seal this 31st day of January, 1980.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

ATLANTIC DEVELOPMENT CORP.

*Sharon S. Sherrod*  
*Michael J. Burkett*

By *John W. Smith*  
Its: *Vice President*

STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON )

PERSONALLY appeared before me Sharon S. Sherrod and made oath that (s)he saw the within named Atlantic Development Corp., by the above named officer, sign, seal and, as its act and deed, deliver the within written Declaration of Covenants, Conditions and Restrictions, Beach Club Villas, and that (s)he with Michael J. Burkett witnessed the execution thereof.

*Sharon S. Sherrod*

SWORN to before me this 31st day of January, 1980.

*Michael J. Burkett* (SEAL)  
Notary Public for South Carolina  
My Commission Expires: 1/31/89

STATE OF SOUTH CAROLINA ) SUPPLEMENTARY DECLARATION OF  
 ) COVENANTS, CONDITIONS AND  
 COUNTY OF CHARLESTON ) RESTRICTIONS OF BEACH CLUB VILLAS

THIS SUPPLEMENTARY DECLARATION on the date hereof and hereafter set forth by Atlantic Development Corporation, hereinafter referred to as "Assignor-Declarant, and Ewing-Hungiville, A South Carolina General Partnership, hereinafter referred to as "Assignee-Declarant.

W I T N E S S E T H T H A T :

WHEREAS, Assignor-Declarant was the original Owner and Developer under certain Declaration of Covenant, Conditions and Restrictions of Beach Club Villas as found and recorded in such Restrictions and recorded in the Office of the R.M.C. for Charleston County, South Carolina in Deed Book U121, at page 258, on the 26<sup>th</sup> day of ~~February~~ February, 19 80; and

WHEREAS, Assignor-Declarant did develop the property described in said Restrictive Covenants now known as Beach Club Villas; and

WHEREAS, pursuant to Article Two, Section 2, the Declarant, its successors and assigns reserved the right, without consent, to bring within the plans and operation of the Declaration additional properties, whether or not owned by the Company, its successors and assigns, in continuing future stages of development, which are immediately contiguous and adjacent to the property subject thereto; and

WHEREAS, such additional property to be included thereunder is made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to such additional property which will extend the operation and effect of the Covenants and Restrictions of the Declaration herein referenced to such additional property; and

WHEREAS, Atlantic Development Corporation, Assignor-Declarant, does hereby setover, transfer and assign such reservation of additional rights to Ewing-Hungiville, a South Carolina General Partnership, hereinafter referred to as Assignee-Declarant, its successors and assigns, all of its rights and specifically its right of expansion reserved in Article II, Section 2 of such Declaration of Covenants, Conditions and Restrictions of Beach Club Villas; and

WHEREAS, Assignee-Declarant, Ewing-Hungiville, a South Carolina General Partnership is joining herein under such assignment as Owner and Developer of property shown on Exhibit "A", attached hereto and made a part hereof, said property (Exhibit "A") adjacent and contiguous to property known as Phase I and Phase II of Beach Club Villas, as subject to and restricted under the original Declaration of Covenants, Conditions and Restrictions of Beach Club Villas; and

WHEREAS, Assignee-Declarant, Ewing-Hungiville, a South Carolina General Partnership, is desirous of adding such property to the Association known as Beach Club Villas Owners Association, Inc. so said property will be subject to the original Declaration of Covenants, Conditions and Restrictions of Beach Club Villas, all in accordance with the Rules and Regulations setforth in the Declaration of Covenants, Conditions and Restrictions of Beach Club Villas and reserved therein to Declarant and its assigns.

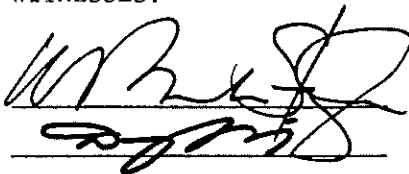
NOW, THEREFORE, in consideration of Five and no/100 (\$5.00) Dollars and other good and valuable consideration, the parties hereto do hereby expand and add the property shown in Exhibit "A", attached hereto, to the Declaration of Covenants, Conditions and Restrictions of Beach Club Villas dated the 31<sup>st</sup> day of JANUARY, 1980, and recorded in the Office of the R.M.C. for Charleston County, South Carolina in Deed Book 4121, at Page 258, on the 26<sup>th</sup> day of FEBRUARY, 1980, so that said property shown on Exhibit "A", attached hereto, shall be made subject to all such covenants, conditions and

restrictions as aforesaid, as if said property had been a part of the original restricted property under such Declaration.

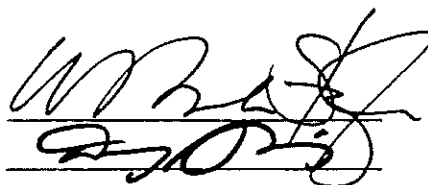
All other terms and conditions of the Declaration of Covenants, Conditions and Restriction of Beach Club Villas, as aforesaid, shall remain in full force and effect and each owner, as defined in such Declaration, purchasing properties from Ewing-Hungiville, a South Carolina General Partnership, said property being described in Exhibit "A", takes such properties subject to the Declaration of Covenants, Conditions and Restrictions of Beach Club Villas and agrees to be bound by the terms and conditions found therein and agrees to be bound and subject to the By-Laws of Beach Club Villas Owners Association, Inc. and such rules and regulations corporated therein, including but not limited to the payment of all dues assessments as called for to be paid by such By-Laws of Beach Club Villas Association, Inc.

IN WITNESS WHEREOF, the undersigned have set its hands and seals this 6 day of OCT, 1980.

WITNESSES:

  
\_\_\_\_\_

ASSIGNOR-DECLARANT  
ATLANTIC DEVELOPMENT CORPORATION  
BY: J. Kelly  
Its: PRES. O

  
\_\_\_\_\_

ASSIGNEE-DECLARANT  
EWING-HUNGIVILLE, A SOUTH CAROLINA GENERAL PARTNERSHIP  
BY: J. Kelly  
Its: PARTNER  
BY: R. M. ...  
Its: PARTNER

STATE OF SOUTH CAROLINA )  
COUNTY OF )

PROBATE

PERSONALLY APPEARED BEFORE ME Daniel S. Lewis,  
who being duly sworn deposes and says that s/he saw the with-  
in named ATLANTIC DEVELOPMENT CORPORATION, as Assignor-Declarant,  
by Frank Ewins, its president, sign, seal and as its act and deed  
deliver the within-written instrument for the uses and purposes  
therein mentioned and that s/he with W. Brooks Styles  
witnessed the execution thereof.

SWORN TO BEFORE ME THIS 6th )  
day of October, 1980 )  
[Signature] (L.S.) )  
Notary Public for South Carolina )  
My Commission Expires: 8-16-83 )

[Signature]

STATE OF SOUTH CAROLINA )  
COUNTY OF )

PROBATE

PERSONALLY APPEARED BEFORE ME Daniel S. Lewis,  
who being duly sworn deposes and says that s/he saw the with-  
in named EWING-HUNGIVILLE, A SOUTH CAROLINA GENERAL PARTNER-  
SHIP, as Assignee-Declarant, by Frank Ewins & J.R. Hungiville,  
its Partners, sign, seal and as its  
act and deed deliver the within-written instrument for the uses  
and purposes therein mentioned and that s/he with \_\_\_\_\_  
W. Brooks Styles witnessed the execution thereof.

SWORN TO BEFORE ME THIS 6th )  
day of October, 1980 )  
[Signature] (L.S.) )  
Notary Public for South Carolina )  
My Commission Expires: 8-16-83 )

[Signature]

ALL that certain piece, parcel or tract of land, situate, lying and being on the Isle of Palms, County of Charleston, State of South Carolina, as shown and designated as Parcel I, Tract E, Block A, containing 2.431 acres of land, on a Plat made by Joel P. Porcher, dated April 25, 1980, which said Plat is duly recorded in the R.M.C. Office for Charleston County in Plat Book AQ, at page 34: said property having such size, shape, dimension, buttings and boundings as will be shown by reference to the afore-said Plat.

AND

ALL that certain piece, parcel or tract of land, situate, lying and being on the Isle of Palms, County of Charleston, State of South Carolina, as shown and designated as Parcel II, Tract E, Block A, containing 2.004 acres of land, on a Plat made by Joel P. Porcher, dated April 25, 1980, which said Plat is duly recorded in the R.M.C. Office for Charleston County in Plat Book AQ, at page 160: said property having such size, shape, dimension, buttings and boundings as will be shown by reference to the afore-said Plat.

*Lewis, Lewis & Robinson*



Lewis, Lewis & Robinson

NY R 11 116000

6.00 J.

✓ AUGUST 11 1950

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OCT -9 PM 2:15

REGISTRY OF DEEDS  
COUNTY OF NY, N.Y.S.

**RESOLUTION**

**BEACH CLUB VILLA OWNERS ASSOCIATION, INC.**

**CLARIFICATION OF MAINTENANCE RESPONSIBILITIES  
DECEMBER 2002**

**WHEREAS**, Article VII, Section 1 specifies that the Board of Directors shall manage the affairs of the Beach Club Villa Owners Association; and,

**WHEREAS**, Article IX of the Declaration of Covenants, Conditions and Restrictions states

“The Association shall provide exterior maintenance to each lot which is subject to assessment hereunder, as follows: Paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces or maintenance of decks, patio or balconies, except for staining of railings and fences, which shall be provided as required, except for maintenance of interior and exterior common stairs, mentioned below.”

In addition to maintenance of the Common Areas, the Association shall provide maintenance for all of the exterior and interior stairs and stairways providing ingress and egress to more than one living unit.

The above having been modified by unanimous vote of the membership at the 2001 annual meeting to include maintenance of sundecks; and,

**WHEREAS**, questions have arisen regarding the meaning of exterior maintenance requiring further clarification of maintenance responsibilities.

**NOW, THEREFORE** the Board of Directors hereby provides the additional clarification as follows:

1. Maintenance of screens, including windows and porch screening, shall be the responsibility of the unit owner.
2. Maintenance of window and door hardware shall be the responsibility of the unit owner.
3. Routine maintenance of entry doors, the garage doors, porch screen doors and louvered entry doors (including hardware), shall be the responsibility of the unit owner. A list of approved replacement parts is available at the Manager's office.

**BCV Resolution  
Clarification of Maintenance Responsibilities  
December 2002**

4. Maintenance or replacement of light fixtures operated by switch from inside the unit, electrical outlets that receive power from the unit, electrical panels and breakers that serve only that unit shall be the responsibility of the unit owner.
5. Repair of roof leaks and the consequential damage caused by the leak shall be the responsibility of the Association.
6. Painting of surfaces routinely exposed to the outside environment shall be the responsibility of the Association and shall be done on a recurring cycle. Any unit owner, who wishes to touch up painted surfaces between the normal paint cycles, may do so at his/her expense using paint/colors that are approved by the Association.
7. The mechanical systems (HVAC, hot water heaters, hose bibs, water and sewer lines, etc.) that serve a unit shall be the unit owner's responsibility to maintain or replace as needed.
8. Maintenance, repair or replacement of the front entry stairs and beach side stairs shall be the responsibility of the Association.
9. Maintenance of the shower area fence and gate shall be the responsibility of the Association. Maintenance of the gate hardware shall be the responsibility of the unit owner.

The Board of Directors reserves the right to make further clarifications should the need arise.

Approved by the Board of Directors at its meeting 3/15/03.

*Michael R. Parades*  
Secretary.

BY-LAWS  
OF  
ISLE OF PALMS BEACH CLUB  
VILLAS OWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Corporation is Isle of Palms Beach Club Villas Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the Corporation shall be located in Isle of Palms Beach and Racquet Club, P. O. Box Y, Isle of Palms, South Carolina 29451, but meetings of Members and Directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

The following words and terms, when used in these Bylaws or any supplemental set of Bylaws (unless the context shall clearly indicate otherwise), shall have the following meanings:

- (a) "Association" shall mean and refer to Isle of Palms Beach Club Villas Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.
- (b) "Beach and Racquet Club" shall mean and refer to certain lands on the Isle of Palms in Charleston County, South Carolina, which are shown as a part of the Master Development Plan, as revised from time to time.
- (c) "Company" or "Declarant" shall mean and refer to Atlantic Development Corp., its successors and assigns.
- (d) The "Properties" shall mean and refer to the Existing Property described in Article II of the Declaration of Covenants and Restrictions and such additions thereto as are subjected to the Declaration or any supplemental declaration under the provisions of Article II thereof.
- (e) "Common Properties" shall mean and refer to those areas of land with any improvements thereon which may be deeded to the Association and designated in said deed as "Common Properties". The term "Common Properties" shall include any personal property acquired by the Association if said property is designated as "Common Property". All Common Properties shall be devoted to and intended for the common use and enjoyment of the owners of the Properties (subject to any fee schedules and operating rules adopted by the Association).
- (f) "Lot" shall mean and refer to any improved or unimproved parcel of land intended for the construction of a dwelling unit shown upon any recorded final subdivision map of any part of the Properties with the exception of Common Properties as heretofore defined.

(g) "Dwelling Unit" shall mean and refer to any building, or unit within a building, situated upon the Properties intended for use and occupancy by a single family.

(h) "Covenants" or "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions applicable to the Properties recorded in the real estate records in the Office of the RMC for Charleston County, South Carolina.

(i) "Property Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations or other legal entities, of the fee simple title to any Lot or Dwelling Unit situated upon the Properties, but notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure; nor shall the term "Property Owner" mean or refer to any lessee or tenant of a Property Owner.

(j) "Member" shall mean and refer to all those Property Owners who are Members of the Association as provided in Article IV, Section 1, of the Covenants.

### ARTICLE III

#### MEMBERSHIP

Section 1. Membership in the Association shall be as set forth in Article IV, Section 1, of the Covenants.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made as provided by Article V of the Covenants.

Section 3. The membership rights of any person whose interest in the Properties is subject to assessments under Article III, Section 2 hereinabove, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of any person thereon, as provided in Article IX, Section 1, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

### ARTICLE IV

#### VOTING RIGHTS

Voting rights in the Association shall be set forth in Article IV, Section 2, of the Covenants.

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF  
ENJOYMENT OF COMMON PROPERTY

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Properties provided in Article III of the Covenants applicable to the Properties.

Section 2. Any Member may delegate his rights of enjoyment in the Common Properties and facilities to the members of his family who reside upon the Properties or to any of his tenants or renters who lease or rent a Dwelling Unit within the Properties from him. Such Member shall notify the Secretary in writing of the name of any such person or persons and of the relationship of the Member to such person or persons. The rights and privileges of such person or persons are subject to suspension under Article III to the same extent as those of the Member.

ARTICLE VI

ASSOCIATION PURPOSES AND POWERS

Section 1. The Association has been organized for the following purposes:

(a) to own, acquire, build, operate and maintain the Common Properties, including but not limited to parking areas, swimming pools, buildings, structures and personal properties incident thereto;

(b) to clean, clear, trim, remove weeds, limbs, and debris from, and to provide general grounds maintenance for the Properties;

(c) to fix assessments (or charges) to be levied against the property in the subdivision;

(d) to enforce any and all covenants and restrictions and agreements applicable to the Properties; and

(e) to pay taxes and insurance, if any, on the Common Properties and facilities.

Section 2. Additions to Properties and Membership. Additions to the Properties described in Exhibit A attached to the Covenants may be made as provided in the Covenants. Such additions, when properly made under the applicable covenants, shall extend the jurisdiction, functions, duties and membership of this corporation to such Properties.

Section 3. Mergers and Consolidations. Subject to the provisions of the recorded Covenants and Restrictions applicable to the Properties, and to the extent permitted by law, the Corporation may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of a majority vote at a duly called meeting of the Association.

Section 4. Mortgages; Other Indebtedness. The Corporation shall have the power to mortgage its Properties upon the approval of a majority vote at a meeting duly called for this purpose.

Section 5. Quorum for the Action Governed by Sections 3 and 4 of this Article. The quorum required for any action governed by these Bylaws shall be as follows, unless otherwise provided: Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 15 days, nor more than 60 days in advance of the meeting. At any such meeting called, the presence of Owners owning fifty-one (51%) percent of the Lots shall constitute a quorum for the transaction of business provided, however, that any absent owner who does not execute and return the proxy form sent to him in the required mailing shall be deemed to be present for the purposes of determining the presence of a quorum.

Section 6. Dedication of Properties or Transfer of Function to Public Agency or Utility. The Corporation shall have the power to dispose of its real properties only as authorized under the Covenants.

#### ARTICLE VII

##### BOARD OF DIRECTORS

Section 1. Board of Directors; Selection; Terms of Office. The affairs of the Corporation shall be managed by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors who shall hold office until the election of their successors for the terms stated in this section. Beginning with the first annual meeting, the members shall elect five (5) Directors; two for a term of 1 year, two for a term of 2 years and one for a term of 3 years. Thereafter, the term of each member elected at the annual meeting shall be three years.

Section 2. Vacancies in the Board of Directors. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors and any such appointed Director to hold until his successor is elected by the Members, who may take such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

#### ARTICLE VIII

##### ELECTION OF DIRECTORS

Election to the Board of Directors shall be as hereinafter provided. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded Covenants applicable to the Properties. The names receiving the largest number of votes shall be elected.

#### ARTICLE IX

##### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have power

(a) to call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon request as provided in Article XII, Section 2;

(b) to appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Directors of the Association in any capacity whatsoever;

(c) to establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 2;

(d) to adopt and publish rules and regulations governing the use of the Common Properties and Private Open Space Areas and facilities and the personal conduct of the Members and their guests thereon;

(e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the Members in the Charter of the Corporation, these Bylaws or the Covenants;

(f) in the event that any Member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors without excuse, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said Director to be vacant; and

(g) to appoint an Executive Committee of three (3) Directors and delegate all or any portion of the powers of the Board of Directors to this Executive Committee.

Section 2. It shall be the duty of the Board of Directors:

(a) to cause to be kept a complete record of all its acts and corporate affairs;

(b) to supervise all officers, agents and employees of this Association and to see that their duties are properly performed;

(c) to fix the amount of the assessment against each Lot or Dwelling Unit for each assessment period at least thirty (30) days in advance of such date or period;

(d) to prepare a roster of the Properties and assessments applicable thereto which shall be kept in the Office of the Association and shall be open to inspection by any Member;

(e) to send written notice of each assessment to each Property Owner subject thereto; and

(f) to issue upon demand by any Owner or mortgage lender a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.



ARTICLE X  
DIRECTORS' MEETINGS

Section 1. The annual meeting of the Board of Directors shall be held at the discretion of the Board of Directors with ample notice given to each member.

Section 2. Ten (10) days' written notice of such annual meeting shall be given to each Director.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or whenever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present, and if either before or after the meeting, each of the Directors not present signs a written waiver or notice, or consent to the holding of such a meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI

OFFICERS

Section 1. The Officers shall be a president, a vice-president, a secretary and a treasurer. The president shall be a member of the Board of Directors; all other officers may be, but shall not be required to be members of the Board of Directors.

Section 2. The Officers shall be chosen by a majority of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The Vice President shall perform all the duties in the absence of the President.

Section 6. The Secretary shall be ex officio the Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the record of the Association. He shall record in a book kept for that purpose the names of all Members of the Association, together with their addresses as registered by such Members.

Section 7. 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; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The Treasurer shall sign all checks and notes of the Association, provided that such notes and checks shall also be signed by the President or Vice President.

## ARTICLE XII

### MEETINGS OF MEMBERS

Section 1. Special Meetings of the Members for any purpose may be called at any time by the President, Vice President, Secretary or Treasurer, or by any two (2) or more members of the Board of Directors, or upon written request of one-fourth (1/4) of the total vote of the Association.

Section 2. Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to each Member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Association. Each Member shall register his address with the Secretary and notices of meetings shall be mailed to his such address. Notice of any meeting, regular or special, shall be mailed not more than forty-five (45) days, and not less than ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and be governed by the Covenants applicable to the Properties, or any action for which other provision is made in these Bylaws, notice of such meeting shall be given or sent as therein or herein provided.

Section 3. The presence at the meeting of the Members entitled to cast or of proxies entitled to cast fifty-one (51%) percent of the total votes of the Association shall constitute a quorum for any action governed by these Bylaws. Any action governed by the Covenants applicable to the Properties shall require a quorum as therein provided.

## ARTICLE XIII

### PROXIES

The Board of Directors or its duly authorized agent shall have the authority to obtain insurance for all the individual dwelling units, insuring said units against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or construction work in the event of damage or destruction from any hazard reasonably insured against under the standard form policies of common use in beach areas for the State of South Carolina. The Board shall also obtain a broad form public liability policy covering all common area and all damage or injury caused by negligence of the Association or any of its agents.

Premiums for insurance obtained by the Board of Directors on individual dwelling units and for the common area shall not be a part of the common expense, but shall be an expense of the specific dwelling unit or dwelling units to be covered (if the premium for the insurance covering the common

elements is separable from the insurance covering the dwelling units, said premium shall be prorated among the dwelling units on the same basis as the assessment). The said premium or premiums are a debt owned by the owner and shall be collectable by any lawful procedure permitted by the laws of the State of South Carolina. In addition, if said debt is not paid within twenty (20) days after notice of such debt, such amount shall automatically become a lien upon such owners and dwelling units and shall continue to be such lien until fully paid. This lien shall be subordinate to the lien of any first mortgage and shall be enforceable in the same manner as any lien created by failure to pay the maintenance assessments. In addition to the aforesaid insurance required to be carried by the Association, any owner may, if he wishes, at his own expense, insure his own unit for his own benefit, carry any and all other insurance he deems advisable. It shall be the individual responsibility of each owner at his own expense to provide, as he sees fit, homeowner's liability insurance, theft, and other insurance covering personal property damage and loss. In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractors and then may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors shall levy a special assessment against all owners of the damaged Dwelling Units in such proportions as the Board of Directors deems fair and equitable in the light of the damage sustained by such Dwelling Units to make up any deficiency. In the event that such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be paid over to the respective mortgagees and owners in such proportions as the Board of Directors may deem fair and equitable, in light of the damage sustained by such Dwelling Units.

#### ARTICLE XV

#### CORPORATE SEAL

The Secretary may have a seal in circular form having within its circumference the name of the Corporation, the year of its organization and the words "Corporate Seal, South Carolina".

ARTICLE XVI

AMENDMENTS

Section 1. These Bylaws may be amended or repealed and new Bylaws adopted at a regular or special meeting of the Members by a majority of the vote present at a duly called meeting being cast in favor of such amendment or by the Company within two (2) years from the date of recordation of the Covenants, and provided that any matter stated herein to be or which is in fact governed by the Covenants, may not be amended except as provided in the Covenants.

Section 2. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the deeds from the Company to the Owners and these Bylaws, the deeds shall control.

ARTICLE XVII

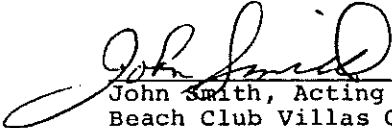
FISCAL YEAR

The fiscal year of the Association shall be determined by the Board of Directors.

ARTICLE XVIII

GENERAL

All meetings of the membership of the Board of Directors shall be conducted in accordance with Roberts Rules of Orders Revised.

  
John Smith, Acting Secretary  
Beach Club Villas Owners Association,  
Inc.

31st day of January, 1980.

**AMENDMENT TO BEACH CLUB VILLAS BY LAWS**

**Accepted At Annual Meeting on March 11, 2007 by the Owners of  
Beach Club Villas**

Amendment To Article IX – Powers and Duties of the Board of Directors

G – To maintain monthly and annual accounting and financial reporting statements in accordance with standard accepted accounting policies and procedures.

Reserve funds can be reapportioned among each other but cannot be appropriated to fund operating expenses. Any excess funds collected from insurance assessments or refunds must be held in the insurance reserve.