

EXHIBIT "B"

BY-LAWS
OF

THE COTTAGES AT CYPRESS POINT HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
MEMBERS

Section 1. Membership in the Association. The members of The Cottages at Cypress Point Homeowners Association, Inc. (the "Association") shall be every Lot Owner of the Property subject to the provisions of the Declaration of Covenants, Conditions and Restrictions (the "Covenants"), as the same may be amended from time to time, such Covenants having been made by Cypress Point/Kiawah, LLC ("Declarant").

The Board of Directors of the Association may, after notice and hearing as provided in the Rules and Regulations, suspend any person from membership in the Association during any period of time when such person is in default of any of his obligations under the By-Laws (including, without limitation, the failure to pay any Assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such member.

Section 2. Membership Classes. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine but in no event shall more than one (1) vote be cast with respect to any one (1) Lot.

Class B. The Class B member shall be Declarant (as defined in the Covenants) and shall be entitled to five (5) votes for each Lot owned. The

Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or
- (b) January 1, 2016.

Payment of Special Assessments shall not entitle a member to additional votes. When any Lot is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, partners or in any other manner of joint or common ownership, their acts with respect to voting shall have the following effect:

- (1) If only one votes, in person or by proxy, the act shall bind all;
- (2) If more than one vote, in person or by proxy, the act of the majority so voting shall bind all and such shall count as one vote;
- (3) If more than one vote, in person or by proxy, but the vote is evenly divided on any particular matter, each fraction shall be entitled to its proportionate share of the vote(s);
- (4) If an instrument or order filed with the section of the Association showing that any such tenancy is held in unequal interest, a majority or even division under subparagraph 2 and 3 immediately above shall be a majority or even division in interest in the Lot to which the vote(s) are attributable; and
- (5) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Lot Owner may be assigned by said Lot Owner to his lessee; provided, however, that the Lot Owner may not assign to such lessee any vote or votes not attributable to the Lot actually leased by such lessee.

Section 3. Voting Rights in the Association. The members of the Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of members is required under the Covenants. Each Class A member shall be entitled to one (1) vote for each Lot owned. The Class B member shall be entitled to three (3) votes for each Lot owned. Members may cast all of such votes for any one director or may distribute them among the number to be elected, or any two (2) or more of them, as he may see fit; provided, however, that all votes must be cast in whole numbers and not fractions thereof.

ARTICLE II
MEETING OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held on such date as set by the Board of Directors. Such annual meetings shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meeting. Special meetings of the members may be called by the President, the Board of Directors or, subsequent to the first annual meeting, Class A members of the Association representing not less than five percent (5%) of the Class A voting power. The request for the special meeting shall be signed, dated and delivered to a corporate officer and shall describe the purpose for which the meeting is to be held.

Section 3. Place of Meeting. The Board of Directors may designate any location within Charleston County, South Carolina as the place for any annual meeting or special meeting called by the Board of Directors and the President may designate any locations as the place for any special meeting called by him. If no designation is made or if a special meeting is called by the members of the Association, the place of meeting shall be the principle office of the Association within Charleston County, South Carolina.

Section 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by first class mail, by or at the direction of the President or the Secretary or the person calling the meeting, to each member of the Association at his address as shown on the records of the Association. A member may, in a writing signed by him, waive notice of any meeting before or after the date of the meeting stated herein.

Section 5. Informal Action by Members. Any action required or permitted by law to be taken at a meeting of the members of the Association may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by those members representing eighty percent (80%) of the voting power of each class of membership, which consent shall be filed with the Secretary of the Association as part of the corporate records.

Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the members at an open meeting of the Association shall be the presence at the meeting of members or proxies entitled to cast forty percent (40%) of the total vote of each class of membership.

Section 7. Conduct of Meetings. The directors may make such regulations as they deem advisable for any meeting of the members including proof of membership in the Association, evidence of the right to vote and the appointment and duties of inspectors of votes. Such regulation shall be binding upon the Association and its members.

Section 8. Ballots by Mail. When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association a statement of certain motions to be introduced for vote of the members and a

ballot on which each member may vote for or against the motion. Each ballot which is represented at such meetings shall be counted in calculating the quorum requirements set out in Section 6 of this Article II; provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

ARTICLE III

DIRECTORS

Section 1. General Powers. The Board of Directors shall manage the Property, affairs and business of the Association. The Board may exercise all of the powers of the Association, whether derived from law, the Declaration, the Articles of Incorporation, the Rules and Regulations or these By-Laws, except such powers as are expressly vested in another Person by such sources. As more specifically set forth in the Declaration, the Board shall constitute the final administrative authority of the Association and all decisions of the Board shall be binding upon the Association. The Board may by written contract delegate, in whole or in part, to a Management Agent or Agents such of its duties, responsibilities, functions and powers or those of any officer, as it determines are appropriate.

Section 2. Number and Tenure.

2.1 For so long as Declarant owns a Controlling Interest, the Board of Directors shall consist of not less than three (3) nor more than five (5) individuals as designated by Declarant from time-to-time. Such Directors need not be members.

2.2 At such time as Declarant no longer owns a Controlling Interest, or such earlier time as the Declarant records a Supplemental Declaration waiving its authority to designate the Board, the successor Board shall be selected as follows:

A. The successor Board shall consist of not less than three (3) nor more than five (5) Persons. It is not necessary that a successor Director be a member. The current Board of the Association shall constitute a Nominating Committee to nominate competent and responsible Persons to serve as Directors of the

Association. The President or Secretary of the Association shall cause notice to be given to all members that a meeting shall be held at a designated time and place in Charleston County not earlier than ten (10) days after the date such notice is given for election of Directors. The notice shall contain the names of those persons recommended by the Nominating Committee but shall note that Members may make other nominations at the meeting. If there are three (3) directors, one (1) director shall be elected for a two (2) year term and two (2) directors for a three (3) year term. If there are five (5) directors, three (3) directors will be elected for a three (3) year term and two (2) directors for a two (2) year term.

B. At the meeting and each subsequent election of Directors, each member shall be entitled to cast, personally or by written proxy in form approved by the then-existing Board, such votes as are permitted by these By-Laws.

C. After giving the members (or proxy holders) attending such meeting the opportunity to nominate other Persons, with a second by another member or proxy holder, the Directors shall be elected by written secret ballot. Each member shall be authorized to cast as many votes as the number of Directors to be elected. (Example: If three (3) Directors are being elected, then the member may vote for three (3) nominees. If the member owns two (2) Lots, then the member may cast two (2) votes for three (3) nominees.) Those nominated Persons receiving the highest number of votes shall be the Directors.

D. In subsequent elections for Directors, the same procedure as set forth above shall be followed.

Section 3. Annual Meeting. Annual meetings of the Board of Directors shall be held annually immediately following the annual meeting of the members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without notice.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors by giving notice thereof as provided in Section 5 of this Article III. Such Persons calling a special meeting of the Board of Directors may fix any location as the place for holding such special meeting.

Section 5. Notice. When notice of any meeting of the Board of Directors is required, such notice shall be given at least five (5) days previous to such meeting by written notice delivered personally or sent by mail to each Director at his address as shown on the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited, postage prepaid, in the United States Mail in a properly addressed sealed envelope. Any Director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless specifically required by law, the Articles of Incorporation, these By-Laws or the Declaration.

Section 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but, if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting without further notice.

Section 7. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Compensation. Directors as such shall not receive any stated salaries for their services but, by resolution of the Board of Directors, any director

may be reimbursed for his actual expenses incurred in the performance of his duties as Director but nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

Section 9. Informal Action by Directors. Any action required or permitted by law to be taken at a meeting of Directors may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be filed with the Secretary of the Association as part of the corporate records.

Section 10. Removal of Directors. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the members of the Association. The vacancy thus created by such a removal shall be filled as provided for in Section 2 of this Article III.

ARTICLE IV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish Rules and Regulations governing the use of the Common Areas and the personal conduct of the members and their employees, clients, visitors, tenants and invitees thereon and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and the rights to use of the Common Areas of a member during any period in which such member shall be in default in the payment of any Assessment levied by the Association. Prior to any suspension or assessment and fine, the member will be entitled to a hearing procedure to be adopted by the Board which provides: (i) not less than fifteen (15) days prior written notice of the expulsion, suspension or termination and the reasons therefore; (ii) an opportunity for the member to be heard, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension or termination by a Person or Persons authorized to decide that the proposed

expulsion, termination or suspension not take place; (iii) such lesser notice or greater notice depending on the nature of the infraction so long as such notice and hearing process is fair and reasonable, taking into consideration all of the relevant facts and circumstances; (iv) written notice must be given by first class or certified mail sent to the last address of the member shown on the corporation's records; (v) any proceeding challenging an expulsion, suspension or termination, including a proceeding in which defective notice is alleged, must be commenced within one (1) year after the effective date of the expulsion, suspension or termination; and (vi) that any member who has been expelled or suspended shall remain liable to the Association for dues, assessments or fees as a result of obligations incurred or commitments made before expulsion or suspension or arising thereafter so long as the member is a Lot Owner at The Cottages at Cypress Point. Such voting rights or rights to use the Common Areas may also be suspended after notice and hearing, for a period not to exceed thirty (30) days, for infraction of published Rules and Regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Covenants;

(d) Employ a manager, an independent contractor, an accountant, attorney or such other employees as they deem necessary and to prescribe their duties;

(e) Acquire additional Common Areas, mortgage Common Areas and sign notes and mortgages and other loan closing documents in order to make improvements to The Cottages at Cypress Point, so long as such acquisition or mortgage and loan shall have the ascent of two thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose;

(f) Exercise for the Association all powers, duties and authority as set forth in the South Carolina Non-Profit Corporation Act of 1994; and

(g) Publish a notice and hearing process to be used before a member can be fined or suspended.

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

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such statement is requested in writing by a one-fourth (1/4) vote of the members who are entitled to vote;

(b) Supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(c) As more fully provided in the Covenants, to:

(1) fix the amounts of all Assessments;

(2) send written notice of all Assessments to every Owner subject thereto;

(3) foreclose the lien against any Lot for which Assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay same; and

(4) provide for a ARB;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any Person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned or leased by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause The Cottages at Cypress Point Common Areas to be maintained or improved.

ARTICLE V

MERGERS AND CONSOLIDATION

To the extent and in the manner provided by law, the Association may participate in mergers and consolidation with other non-profit associations organized for the same purpose; provided, however, that any such merger or consolidation shall require approval by the vote of two-thirds (2/3) of the members at a meeting duly called for such purpose.

Upon merger or consolidation of the Association with another association or associations, its property 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 association pursuant to a merger. The surviving or consolidated association may administer the existing property together with the covenants and restrictions established upon any other property as one plan. No merger or consolidation shall affect any revocation, change or addition to the Covenants including, without limitation, the maximum limits on Assessments and dues of the Association or any other matter substantially affecting the interest of members of the Association.

ARTICLE VI

BOARD POWERS

To the extent provided by law, the Board of Directors of the Association shall have the power and authority to mortgage the Property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its

authorized functions. Notwithstanding anything in the Covenants to the contrary, the Association shall not be allowed to reduce the limits of the minimum regular annual Assessment at any time there are outstanding any amounts which could be used as repayment of any such loans.

ARTICLE VII

OFFICERS

Section 1. Officers. The officers of the Association shall be a President, Vice President and Secretary-Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary. The President shall be a Director of the Association. Other officers may be, but need not be, Directors of the Association.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be chief executive officer of the Association.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the 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.

ARTICLE VIII

COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees each of which shall consist of one (1) or more Directors which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association; provided, however, that no such committee shall have the authority of the Board of Directors as to the following matters:

(a) the dissolution, merger or consolidation of the Association; the amendment of the Articles of Incorporation of the corporation; or the sale, lease or exchange of all or substantially all of the property of the Association;

(b) the designation of any such committee or the filling of the vacancies in the Board of Directors or in any such committee;

(c) the amendment or repeal of these By-Laws or the adoption of new By-Laws; and

(d) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated by a resolution adopted by a majority of Directors present at a meeting of which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the resolution.

Section 3. Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE IX

CERTIFICATES OF MEMBERSHIP

The Board of Directors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or by the Secretary-Treasurer or an Assistant Secretary and shall be sealed of the Association. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered in the records of the Association. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine.

ARTICLE X

BOOKS AND RECORDS

The books, records and paper of the Association shall at all times be subject to the inspection by any member during reasonable business hours. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection and purchase by any member at the principal office of the Association. The Association may make a reasonable charge for copies of documents made for members.

ARTICLE XI

VOTING

Section 1. Each member entitled to vote may vote in person or by proxy at all meetings of the Association.

Section 2. All proxies shall be executed in writing by the member or by his duly authorized attorney-in-fact and filed with the Secretary-Treasurer; provided, however, that proxies shall not be required for any action which is subject to a referendum in accordance with the Covenants. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date and no proxy shall be valid after eleven (11) months from the

date of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the member of his Lot.

ARTICLE XII
CONSTRUCTION

In the event of a conflict between the Declaration and the Articles of Incorporation or the By-laws, the Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the By-Laws that the Declaration does not resolve, the Articles of Incorporation shall control. The Corporation, Directors, and Officers shall have all powers as set forth in the South Carolina Nonprofit Corporation of Act of 1994 (the "Act"). In the event of a conflict, the By-Laws shall prevail if such conflict is permitted by terms of the Act. If there is a conflict in the By-Laws which are not permitted by the Act, then the terms of the Act shall prevail.

ARTICLE XIII
ASSESSMENTS

As more fully provided in the Covenants, each member is obligated to pay to the Association annual and special Assessments which are secured by a continuing lien upon the Lot against which the Assessment is made. Any Assessment which is not paid when due shall be delinquent. Any Assessment not paid within fifteen (15) days of the due date shall be subject to an administrative fee of twenty-five dollars (\$25.00) per month or any portion of any month from the date each such installment is due until such payment is received by the Association, in addition to any interest charges which may be payable. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall, unless such interest is waived by the Board of Directors, bear interest commencing thirty (30) days after the due date at the judgment rate of fourteen percent (14%) per annum and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise

escape liability for the Assessments provided for herein by nonuse of the Common Areas or abandonment of his Lot.

ARTICLE XIV
INDEMNIFICATION

Section 1. Indemnification. The Association shall indemnify any Person who was or is a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding (including a proceeding brought by the Association) whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director, officer, employee or agent of the Association against expenses (including attorney's fees), judgments, fines and amounts paid in settlement in connection with such action, suit or proceeding if the indemnified Person (i) acted in good faith, without fraudulent intent or gross negligence (or, if the action is brought by the Association, without negligence or breach of any contractual or fiduciary obligation to the Association) and in a manner he reasonably believed to be in or not opposed to the best interest of the Association and (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by an adverse judgment, order or settlement or plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Determination. If a Director, officer, employee, or agent of the Association is successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other

indemnification under Section 1 hereof shall be made by the Association only upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Section 1 hereof. Such determination shall be made by the Board by a majority vote of a quorum consisting of Directors excluding the Person whose indemnification is being considered.

Section 3. Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon a majority vote of a quorum of the Board (excluding the Person whose indemnification is being considered) and upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article.

Section 4. Scope of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under (i) any provision in the Declaration, the Articles of Incorporation or the By-Laws, (ii) any other agreements, (iii) votes of disinterested Members or Directors or (iv) applicable law. The indemnification authorized by this Article shall apply to all present and future Directors, officers, employees and agents of the Association and shall continue as to such Persons who cease to be Directors, officers, employees or agents of the Association and shall inure to the benefit of the heirs and legal representatives of all such Persons.

Section 5. Insurance. The Association may purchase and maintain insurance on behalf of any Person who was or is a Director, officer, employee or agent of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under

the By-Laws or the laws of the State of South Carolina, as the same may hereafter be amended or modified.

Section 6. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute Common Expenses of the Association and shall be paid with funds of the Association.

ARTICLE XV

FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January each year and shall end on the 31st day of December next following, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVI

RULES AND REGULATIONS

Section 1. Rules and Regulations. The Board may from time to time adopt, amend, repeal and enforce development guidelines and reasonable rules and regulations ("Rules and Regulations") governing the use and operation of the Property to the extent that such Rules and Regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Declaration or these By-Laws. Without limitation, such Rules and Regulations may include establishment of reasonable fees for architectural review, fees for guests or for special use of facilities in the Common Areas, definition of the times and conditions of use of facilities in the Common Areas and reasonable charges or fines for failure to observe the terms of this Declaration or the Rules and Regulations. Upon request of any Owner, such Owner shall be provided a copy of the Rules and Regulations or the Declaration, provided that the Board may charge a reasonable fee to cover any reproduction, mailing or administrative costs involved.

ARTICLE XVII

NOTICES

Section 1. Notices. Notices required hereunder shall be deemed given when in writing and delivered by (i) hand, (ii) private or public carrier that provides evidence of delivery, with delivery charges prepaid, (iii) facsimile, in which event receipt shall be the date of electronic or written confirmation of receipt, (iv) if within the United States, five (5) calendar days after being deposited in the United States Mail, First Class, postage prepaid or (v) registered or certified mail, return receipt requested, in which event receipt shall be the date the receipt is signed. All notices to members shall be delivered or sent to such addresses or facsimile telephone numbers as have been provided in writing to the Association or, if no address had been provided, then at the address of any completed Lot owned by such member or at the address then shown as that of the Owner in the property tax records of Charleston County.

All notices to the Association shall be delivered or sent in care of the Association at:

The Cottages at Cypress Point Homeowners Association, Inc.,
c/o Laplante Associates
151 Treeduck Court
Kiawah Island, SC 29455

or to such other address as the Association may, from time to time, notify the members.

ARTICLE XVIII

AMENDMENT OF BY-LAWS

Section 1. Amendment by Association. The By-Laws may be amended by approval of the proposed amendment by vote of two-thirds (2/3) of the then-existing Board of Directors. Notice of the proposed amendment shall be given to the Board in writing by a Director proposing the amendment and the notice shall

contain a general description of the proposed amendment and the purpose of the proposed amendment. No amendment to the By-Laws that imposes or reasonably could be construed to impose a greater economic or legal burden on Declarant than exists under the then current provisions of these By-Laws shall be valid unless it is approved, in writing, by Declarant and no amendment of the By-Laws that is contrary to this statement shall be valid.

Section 2. Amendment by Declarant. Declarant may amend the By-Laws without the consent of the Association, the Board, any Owner or any mortgagee if, in Declarant's opinion, such amendment is necessary to (i) bring any provision of the By-Laws or the Declaration into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination that is in conflict with the Declaration or the By-Laws; (ii) enable any title insurance company to issue title insurance coverage with respect to any Lots subject to the Declaration; (iii) enable any mortgagee to make mortgage loans on any Lot or other improvements subject to the Declaration; (iv) enable any governmental agency or private mortgage insurance company to insure mortgages on the Lots subject to the Declaration; (v) enable any insurer to provide insurance required by the Declaration; or (vi) clarify any provision of the By-Laws or the Declaration or eliminate any conflict between provisions of the By-Laws and/or the Declaration.

ARTICLE XIX

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: The Cottages at Cypress Point Homeowners Association, Inc., State of South Carolina, 2009.