

## Exhibit "F"

**BY-LAWS  
OF  
THE COLONY AT HERON RESERVE OWNERS ASSOCIATION, INC.**

**ARTICLE I  
Name, Purpose, Principal Office and Definitions**

Section 1.1 Name. The name of the corporation is The Colony at Heron Reserve Owners Association, Inc, a non-profit corporation existing under the laws of the State of South Carolina (the "Association").

Section 1.2 Purpose. The corporation has been organized for the purpose of administering the The Colony at Heron Reserve Horizontal Property Regime established pursuant to the Horizontal Property Regime Act of South Carolina (the "Act").

Section 1.3 Principal Office. The principal office of the Association shall be located in the State of South Carolina. The Association may have such offices, either within or outside of the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

Section 1.4 Definitions. The words used in the By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Master Deed of The Colony at Heron Reserve Horizontal Property Regime filed in the Office of the RMC for Charleston County, South Carolina, as it may be amended (the "Master Deed"), unless the context indicates otherwise.

**ARTICLE II  
Association: Membership, Meetings, Quorum, Voting Proxies**

Section 2.1 Membership. An Owner of a Unit shall automatically become a Member of the Association as more fully set forth in the Master Deed, the terms of which concerning membership are incorporated by this reference. If title to a Unit is held by more than one (1) person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) weighted vote per Unit, which vote shall be appurtenant to such Unit and weighted in accordance with the percentage of undivided interest in the Common Elements attributable to each Unit, as shown on Exhibit "D" of the Master Deed. In the event an Owner is a corporation, partnership, trust or other legal entity not being a natural person or persons, then any natural person designated by the entity shall be eligible to represent such entity or entities in the affairs of the Association. Membership shall be appurtenant to the Unit and

shall be transferred automatically by conveyance of that Unit and may be transferred only in connection with the transfer of title.

Section 2.2 Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board, either within the Regime or as convenient as is possible and practical.

Section 2.3 Annual Meetings. The first annual meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular meetings shall be held annually at a date and at a time set by the Board.

Section 2.4 Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Members representing at least twenty percent (20%) of the total vote in the Association.

Section 2.5 Notice of Meetings. Written notice stating the day, place, and time of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States Mail addressed to the Member or its address as it appears on the records of the Association, with postage prepaid.

Section 2.6 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members either before or after a meeting. Attendance at a meeting by a Member or the Member's proxy shall be deemed a waiver of notice of the meeting. Attendance at a special meeting shall be deemed waiver of notice of all business transacted at such meeting unless and objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding at least fifty-one percent (51%) of the votes represented at such meeting to a time not less than five (5) nor more than ten (10) days from the time the original meeting was called. At the reconvened meeting, if a quorum

is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Section 2.8 Voting. The voting rights of the Members shall be as set forth in the Master Deed and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference.

Section 2.9 Proxies. At all meetings of the Members, each Member may vote in person (if a corporation, partnership or trust, through any officer, director, partner or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of South Carolina law. All proxies shall be in writing specifying the Unit(s) for which it is given, signed by the Members or its duly authorized attorney in fact, dated and filed with the Secretary of the Association prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving the proxy is entitled to cast. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it is given, or upon receipt of a notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or written revocation, or 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

Section 2.10 Quorum. Except as otherwise provided in these By-Laws or Master Deed, the presence, in person or by proxy, of Members representing Twenty Five percent (25%) of the total vote in the Association shall constitute a quorum at all meetings of the Association. The vote of the Members present and eligible to vote representing Fifty-One percent (51%) of the vote present and eligible to vote shall constitute a decision of the Association.

Section 2.11 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all transactions occurring at such meeting.

Section 2.12 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote, if written consent specifically authorizing the proposed action is signed by all Members entitled to vote thereon. Such consent shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) days of receiving authorization for any action by written consent, the Secretary shall give notice to all Members summarizing the material features of the authorized action.

### **ARTICLE III** **Board of Directors; Powers, Meetings**

Section 3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Developer, the Directors shall be Owners, occupants or eligible Members; provided, however, no Owner shall be eligible to serve as a director if any assessment for such person's Unit is delinquent. An "occupant" shall be a natural person eighteen (18) years of age or older whose principal place of business is a Unit. In the case of a Member who is not a natural person, any officer, director, partner, employee or trust officer of such Member shall be eligible to serve as a director; provided, no Member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by the Developer.

Section 3.2 Number of Directors. The Board of Directors shall consist of up to three (3) directors, as provided by Section 3.4 below.

Section 3.3 Nomination and Election of Directors. Except with respect to directors appointed by the Developer, directors shall be nominated from the floor or may be nominated by a nominating committee, if such a committee is established by the Board of Directors. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and solicit their votes.

Each Owner may cast the entire vote assigned to his or her Unit for each position to be filled. There shall be no cumulative voting. The number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

Section 3.4 Election and Terms of Office.

(A) The initial Board shall consist of three (3) directors appointed by the Developer.

(B) Upon the initial sale of all Units, the Developer's rights to appoint directors shall cease and the Association shall hold an election at which the Members shall be entitled to elect all three directors, the two (2) directors receiving the largest number of votes being elected for a term of two (2) years and one (1) director being elected for a term of one (1) year.

Upon the expiration of the term of office of each initial director elected by the Members, a successor shall be elected to serve a term of two (2) years, and all subsequent terms shall be for two (2) years. The directors elected by the Members shall hold office until their respective successors have been elected.

Section 3.5 Removal of Directors and Vacancies. Any director elected by the Members may be removed, with or without cause, by Members holding two-thirds (2/3) of the votes entitled to be cast for his or her election. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such director.

Any director appointed by the Members who has three (3) or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent (or is the resident in or representative of a Unit that is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of a director elected by the Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Developer. The Developer shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by the Developer.

Section 3.6 Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Members shall be held within ten (10) days thereafter at such time and place as the Board shall fix.

Section 3.7 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as a majority of the directors shall determine, but at least one (1) such meeting shall be held each quarter.

Section 3.8 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice to all directors, signed by the President or at least two (2) directors.

Section 3.9 Notice. Notice of the time and place of a regular meeting shall be communicated to the directors not less than four (4) calendar days prior to the meeting. Notice of the time and place of a special meeting shall be communicated to directors not less than forty eight (48) hours prior to the meeting, and shall specify the time and place of the meeting, and the nature of any special business to be considered.

Section 3.10 Waiver of Notice. The transactions of any meeting of the Board of Directors shall be as valid as though taken at a regular meeting duly held after regular call and notice if a quorum is present, and either before or after the meeting each of the directors not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes.

Section 3.11 Telephonic Participation in a Meeting. Members of the Board of Directors or any committee established by the Board of Directors may participate in a meeting of the Board or committee by means of conference telephone or similar equipment, so long as all persons participating in the meeting can hear each other.

Section 3.12 Quorum of the Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors, unless otherwise specifically provided by these By-Laws or the Master Deed.

Section 3.13 Compensation. Directors shall not receive any compensation from the Association for acting as such. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director or entity in which a director is affiliated for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known prior to approval of the contract or agreement.

Section 3.14 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of Board meetings recording all Board resolutions and all transactions and proceedings.

Section 3.15 Open Meetings. Subject to the provisions of Section 3.16, all meetings of the Board of Directors shall be open to the Members. Notwithstanding the above, the President may adjourn any meeting of the Board, reconvene in executive session, and exclude Members in order to discuss matters of a sensitive nature.

Section 3.16 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the directors, and such consent shall have the same force and effect as a unanimous vote.

Section 3.17 Powers. The Board of Directors shall have all the powers and duties necessary for the administration of the Association's affairs as set forth in the Master Deed, these By-Laws, and as provided by law. The Board of Directors may do or cause to be done all acts and things as are not directed by the Master Deed, these By-Laws or South Carolina law to be done and exercised by the membership generally.

Section 3.18 Duties. The duties of the Board shall include, without limitation:

(A) Preparing and adopting, in accordance with the Master Deed, an annual budget establishing each Owner's share of the Common Expenses;

(B) Levying and collecting such assessments from the Owners, as set forth in the Master Deed;

(C) Providing for the operation, care, upkeep and maintenance of the Common Areas and Limited Common Areas as set forth in the Master Deed;

(D) Designating, hiring and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and the purchase of equipment, supplies and materials to be used by such personnel;

(E) Depositing all funds received by the Association in an appropriate bank account; provided, any reserve fund may be deposited, at the discretion of the Board, in a depository other than a bank;

(F) Making and amending rules in accordance with the Master Deed;

(G) Opening bank accounts on behalf of the Association;

(H) Making or contracting for the making of repairs, additions, replacements and improvements to or alterations of the Common Elements in accordance with the Master Deed and these By-Laws;

(I) Enforcing by legal means the provisions of the Master Deed, these By-Laws and the rules of the Association and bringing any proceedings which may be instituted on behalf of the Owners or the Association; provided that the Board shall have no obligation to bring actions in which it reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(J) Obtaining and carrying property and liability insurance as provided in the Master Deed, paying the cost thereof, and filing and adjusting claims to the Association;

(K) Paying the cost of all services rendered to the Association;

(L) Keeping books with detailed accounts of the receipts and expenditures of the Association;

(M) Making available to any person so entitled copies of the Master Deed, Articles of Incorporation, these By-Laws, rules, and all other books and records of the Association;

(N) Permitting utility suppliers to use such portions of the Common Elements as may be necessary for service to the Units;

(O) Granting utility or other easement upon, over and across the Common Elements;  
and

(P) Indemnifying a past or present director, officer or committee member of the Association to the extent such indemnity is required by South Carolina law, the Master Deed or these By-Laws.

Section 3.19 Management. The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may approve, and may delegate such powers as are necessary to said agent or agents to manage the affairs of the Association, but shall not delegate policy-making authority.

Section 3.20 Accounts and Reports. The following standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (A) Cash basis accounting, as defined by generally accepted accounting principles;
- (B) Accounting and controls should conform to generally accepted accounting principles;
- (C) Cash accounts of the Association shall not be commingled with any other accounts;
- (D) Annual financial statements shall be prepared and made available to the Members of the Association.

Section 3.21 Right to Contract. The Association shall have the right to contract with any person for the performance of various duties and functions.

Section 3.22 Enforcement. In addition to such other rights as are granted in the Master Deed, the Association shall have the power to impose reasonable monetary fines, which shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote for violation of any duty imposed under the Master Deed, these By-Laws, or any Association rules. The failure of the Board to enforce any provision of the Master Deed, these By-Laws, or Association rules shall not be deemed a waiver of the right of the Board to do so thereafter.

#### ARTICLE IV **Officers**

Section 4.1 Officers. The officers of the Association shall be a President, a Vice-President, Secretary and Treasurer, and shall be elected from the members of the Board. The Board may appoint such other officers as it deems desirable, having such authority to perform duties as the Board prescribes.

Section 4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the Board, to serve until their successors are elected.



Section 4.3 Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interest of the Association will be served and may fill any vacancy in any office arising because of death, resignation, removal or otherwise for the unexpired portion of the term.

Section 4.4 Powers and Duties. The officers of the Association shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors.

Section 4.5 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 time later specified therein, and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.6 Agreements, Contract, Deed, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated to make it effective.

Section 4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.13.

**ARTICLE V**  
**Committees**

Section 5.1 Appointment of Committees. The Board of Directors may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

**ARTICLE VI**  
**Miscellaneous**

Section 6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise established by resolution of the Board of Directors.

Section 6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of the Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Master Deed, or these By-Laws.

Section 6.3 Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Master Deed, and these By-Laws, the provisions of South

Carolina law, the Master Deed, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

Section 6.4 Amendment by Developer. For so long as the Developer has the right to appoint and remove directors of the Association as provided in the Master Deed, the Developer may unilaterally amend these By-Laws at any time and from time to time if such amendment, in the sole discretion of the Developer, is deemed necessary. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

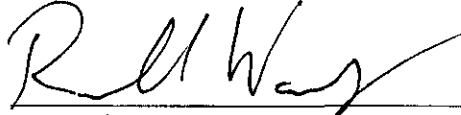
Section 6.5 Amendment by Members. Except as provided in Section 6.4, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding at least two-thirds (2/3) of the total vote of the Association, and for so long as the Developer owns a Unit or has the right to appoint a majority of the directors of the Association, the consent of the Developer. If a meeting is called for the purpose of considering a proposed amendment hereunder, such meeting shall be called in accordance with these By-Laws.

Section 6.6 Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the Office of the RMC for Charleston County, unless a later date is specified. No amendment may remove, revoke or modify any right or privilege of the Developer without the written consent of the Developer for so long as the Developer owns any portion of the Condominium.

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signature on following page.]

The foregoing By-Laws have been adopted by the The Colony at Heron Reserve Owners Association, Inc., at the first meeting of the Board of Directors on the 10<sup>th</sup> day of April, 2006.

The Colony at Heron Reserve Owners Association, Inc.

A handwritten signature in cursive script, appearing to read "Richard G. Worley", written over a horizontal line.

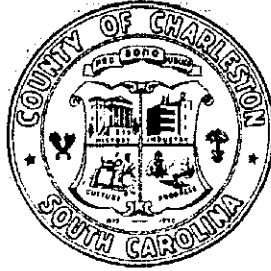
By: Richard G. Worley

Its: President

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**RECORDER'S PAGE**

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April 12, 2006  
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Charlie Lybrand, Register  
Charleston County, SC

*Handwritten initials*

Filed By:

**Buist, Byars, Pearce & Taylor, LLC**

1051 Chuck Dawley Blvd.  
Mt. Pleasant SC 29464

DESCRIPTION	AMOUNT	
		Mas/Con
Recording Fee	\$	145.00
State Fee	\$	-
County Fee	\$	-
Postage		

<b>TOTAL</b>	<b>\$</b>	<b>145.00</b>
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\$ Amount (in thousands):

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MAY - 5 2006

PEGGY A. MOSELEY  
CHARLESTON COUNTY AUDITOR

PID VERIFIED BY ASSESSOR

REP TRR

DATE 5-5-06

DO NOT STAMP BELOW THIS LINE