

BY-LAWS OF THE VILLAGES OF ST. JOHN'S WOODS

ARTICLE I: DECLARATION AND PURPOSE

- 1.1 The name of this corporation shall be The Villages of St. John's Woods Property Owners Association, Inc. ("ASSOCIATION"). The Association may have a corporate seal in form approved by the Board.
- 1.2 Its principal office shall be located at the office of the agent designated each year at the annual meeting of members and included in the minutes thereof.
- 1.3 The purpose and business of the corporation shall be to:
 - 1.3.1 Develop and implement programs to protect the environment and to provide for the health, safety, security and welfare of Property Owners;
 - 1.3.2 Protect, operate and maintain such of the roads, playgrounds, open spaces and other Common Properties as are deeded, leased or otherwise conveyed to their Association or held in trust for the benefit of the Association of the Property Owners.
 - 1.3.3 Acquire, construct, manage, maintain and care for Association properties, including structures, systems and equipment, for the general benefit of the Property Owners and others as determined by the Board, and, if the Board so elects, to maintain and care for the exterior of Properties;
 - 1.3.4 Adopt, distribute, and enforce regulations for the common good, including, but not limited to, regulations pertaining to (i) maintenance of property, (ii) sanitation, (iii) use of Common Properties (iv) responsibilities and obligations of all residents, including Property Owners, tenants, guests and invitees, and others using facilities and properties owned and/or operated by the Association, for the maintenance of good order and otherwise, (v) security and safety, and (vi) sanctions for violations;
 - 1.3.5 Establish assessments and fees and collect same member of the Association and others who use the facilities and properties owned and /or operated by the Association;
 - 1.3.6 Obtain insurance of such types, in such amounts and with such companies as the Board, in its sole discretion, deems necessary or desirable for the protection of the Association, of persons acting for or on behalf of the Association, and of the Common Properties and/or other properties in which the Association has an insurable interest; and, in its sole discretion, to purchase one or more "package" insurance policies for some or all of the Properties and/or to impose minimum insurance requirements with respect to Properties, to require proof that such insurance is in effect, and to impose such sanctions and/or take such action as it

deems appropriate with respect to noncompliance with any such requirements;

- 1.3.7 Engage in such other activities as may be of benefit to the membership; and
- 1.3.8 The matters stated above are and shall be powers and authorities only and shall not in any way be deemed to impose on the Board or the Association any obligation or duty to perform any of the functions enumerated or referred to hereinabove.
- 1.4 The Board of Directors of the Association shall be permitted to perform any of the functions authorized to the Association, except as specifically reserved to the membership in these By-Laws.
- 1.5 The Board may delegate functions to Committees as hereinafter provided and may contract with private individuals or entities for the performance of such functions as it deems appropriate.
- 1.6 Mutual Benefits and Responsibilities of Members. Each member of the Association, his/her family members, guests, and invitees (except where specifically excluded by regulations adopted by the Board of Directors) shall be entitled to use and enjoy the Common Properties and services provided by the Association. Members and such other persons shall be governed in their use of such properties and services and in their conduct by all applicable Covenants recorded in Charleston County, South Carolina, for The Villages of St. John's Woods, by the By-Laws and Rules and Regulations of The Villages of St. John's Woods Property Owners' Association, and by these By-Laws and any and all regulations adopted by the Board and on file in the Association's office, as well as the effective Planned Unit Development Zoning Regulations.
- 1.7 Territory and Jurisdiction. These By-Laws shall be applicable to the land areas known as The Villages of St. John's Woods, Johns Island in Charleston County, South Carolina, the same being more fully represented and delineated on plat(s) of the same, made by Hoffman Lester Associates, Inc. dated October 29, 2001, and recorded in the R.M.C. Office for Charleston County, in Plat Book EF, pages 267-269

ARTICLE II. AUTHORITIES

- 2.1 Authorities Reserved to Membership.
 - 2.1.1 To amend or repeal these By-Laws as set forth in Section 10.1.
 - 2.1.2 To elect members of the Board of Directors ("Board") except where interim vacancies occur (Sec. 2.2.7).
 - 2.1.3 By referendum of the members, to purchase, mortgage, sell and convey title to real properties in the form of land improvements and structures which require future commitment of Association funds, except where such authority is

specifically granted to the Board (Sec. 2.2.5).

2.2 Authorities Delegated to the Board

- 2.2.1 To appoint and remove from office any officer; to employ and terminate employees and agents, to fix compensation, and to supervise them; in its discretion to delegate day-to-day operating responsibility to the chairman of committees and staff; to manage and operate the business of the Association and to establish its own administrative and operating policies, except as otherwise specifically reserved to the vote of the membership in these By-Laws.
- 2.2.2 To enter into leases and contracts and to purchase and sell supplies and equipment needed for operations of the Association within the limits of section 7.2.
- 2.2.3 To borrow for a period of up to three years, and to allocate and invest funds as, in its discretion, the Board finds needed for urgent fiscal operations and emergencies. Any loans for a period longer than three years or which require the mortgaging of the Association's real property shall be subject to approval by a majority of the Property Owners, except when such authority is specifically granted to the Board (Sec 2.2.5).
- 2.2.4 To prepare a budget and to publish an annual balance sheet, income and expense statement, and other financial reports and to levy assessments and other fees as provided in Section 7.1.
- 2.2.5 To accept title to real property which involves roads, parking facilities, rights-of-way, drainage systems, or which results from the actions taken by the Association in order to secure the payment of delinquent maintenance, service, and usage fees, and special assessments, as provided in Section 7.3. To purchase mortgage, sell and convey title to real property for these same purposes. All deeds and other documents affecting real property owned by the Association, and which require formal corporate execution shall be executed and acknowledged in the name of the Association by the President.
- 2.2.6 To employ attorneys, engineers and consultants necessary to conduct the Association's business and to participate in proceedings in courts of law and before public agencies as needed to protect and advance the Association's business.
- 2.2.7 To fill Board vacancies between annual membership meetings by appointing a new Director to serve until the next annual membership meeting, at which time the members shall elect a Director to serve for the remainder of the unexpired term of the Director whose departure created the vacancy.
- 2.2.8 To adopt, distribute and enforce regulations for the common benefit, governing members, employees, agents, invitees, tenants, guests and other authorized personnel, and others using facilities and properties owned and/or operated by the Association with respect to their conduct and use of the streets, roads and other Common Properties and also with respect to administration and enforcement of applicable protective covenants and restrictions affecting the Properties. The

Board shall also have the authority to levy special fees and impose other sanctions for violation of the regulations adopted by the Board.

- 2.2.9 To obtain an independent financial examination at such intervals and of such type and form as it may from time to time in its sole discretion deem appropriate.
- 2.2.10 To initiate referenda to act on such matters as the Board may determine.
- 2.2.11 To engage in such other activities, and to take such timely action as the Board considers necessary under the circumstances for the mutual benefit of Property Owners in the Association, as well as to carry out such specific projects and studies, funds for which have been provided in accordance with these By-Laws.

ARTICLE III. MEMBERSHIP

- 3.1 **Qualifications.** Every Property Owner in the Association by acceptance of title becomes a member of the Association. Where two or more owners hold title to a given property, all such owners shall be members of the Association, subject to the limitations hereinafter set forth in section 3.2, but are entitled to vote only in accordance with Article III, Section 3.7. Whenever a member shall cease to be an Owner he/she shall automatically be removed from the membership list.
- 3.2 **Member's Rights and Privileges.** A member shall have no vested right, interest or privilege of, in or to the assets, functions, affairs, or franchises of the Association, or any right, interest or privilege which may be transferable or inheritable, or which shall continue after his/her membership ceases. When a Property is owned by multiple persons or by a corporation, partnership or like entity, the multiple owners of the entity shall be entitled to designate up to four (4) users who shall be entitled to the privileges of membership at any one time, except with respect to voting, which is governed by Article III, Section 3.7. The names of the designated users shall be submitted to the Association in a writing signed by all of the owners or, in the case of an entity, on behalf of the entity owning the Property, and may be changed from time to time in like manner. Persons other than the designated users who rely on such multiply-owned or entity-owned Property for use of Association facilities will be considered and treated as guests of the designated users and will be subject to all policies and requirements relating to usage by guests.
- 3.3 **Annual Meetings.** There shall be an annual meeting of the members of the Association to be held each year, at such date, time and place as fixed by the Board, for the purpose of electing directors and for the transaction of other business.
- 3.4 **Special Meeting.** Special meetings of the membership may be called at any time by the Board and must be called by the Secretary upon written request of members owning five (5) or more units of Property, stating the purpose of the meeting. No business may be transacted at such meeting except that specified in the Notice.
- 3.5 **Notice of Meetings.** Notice of annual meetings or any special meeting of the membership

shall be mailed by the Secretary at least thirty (30) days prior to such meeting.

- 3.6 Quorum. At any meeting of the membership, a quorum shall consist of the members owning fifty (50%) per cent of the Properties entitled to vote (Sec. 3.7), present in person and/or by proxy. Approval by a majority of the votes authorized to be cast by those present in person and/or by proxy shall determine any vote so taken.
- 3.7 Voting and Proxy. The Owner or Owners of each Property as defined by the Board is/are entitled to one vote for each such Property at any membership meeting or in any referendum. Any undivided and undeveloped tract or parcel of Property which is subject to the annual maintenance and service assessment pursuant to Article VII, Section 7.3, is entitled to one (1) vote until it is further subdivided. Votes may be cast in person or by proxy. If more than one Owner attempts to cast a vote with respect to a single Property, no vote shall be counted with respect to such Property inasmuch as it shall not be the duty of the Board or the Association to resolve such conflicts among Owners of a Property. Owners delinquent in payment of charges or assessments shall not be eligible to vote, nor shall they be counted in determining a quorum, unless such payment is the subject of a pending appeal.
- 3.8 Adjournment. Any meeting of the membership at which a quorum is not present in person and/or by proxy may be adjourned for not more than thirty (30) days. In such case, twenty (20) days written notice shall be given by mail to all members, stating the time, place and subject matter for such adjourned meeting.

ARTICLE IV. BOARD OF DIRECTORS

- 4.1 Number of Members. The business and affairs of the Association shall be managed by a Board of Directors consisting of five (5) members or spouses of members, each of whom must comply with the requirements of Section 4.4 and as otherwise herein provided. A member and his/her spouse shall not serve on the Board at the same time.
- 4.2 Compensation and Reimbursement. No Director of the Association shall be entitled to any salary or other compensation for services rendered. The Treasurer may reimburse any Director and any chairman of any committee for reasonable expenses incurred in connection with the performance of Association business.
- 4.3 Election and Terms of Office. At each annual meeting of the Association, Directors shall be elected from among the membership and their spouses to serve until the next annual meeting and/or until their successors have been elected and qualified. Vacancies in the Board shall be filled by a majority of the remaining Directors, and any such appointed Director shall hold office until his successor is elected by the members, who may make such election at the next annual meeting of the members, or at any special meeting duly called for that purpose. All elected Directors shall assume office immediately upon their

- election. If a quorum is not present at an annual meeting of the membership, the Board shall approve Directors to serve until a meeting with a quorum is held, at which time Directors will be elected.
- 4.4 Quorum. At any meeting of the Board, a quorum shall be not less than three (3) members of the Board present in person or by proxy. A simple majority of those voting shall decide any and all matters.
- 4.5 Actions of the Board. The Directors shall act only as a Board and the individual Directors shall have no authority as such unless the Board shall have specifically delegated authority to such Directors or to a standing committee, management entity or other committee chairman
- 4.6 Liability of Directors. No individual Director, Officer or other person or entity acting on behalf of the Board, or pursuant to its direction, shall be liable for the destruction, loss, injury or damage to the person or property of any member of the Association or of any commercial entity within the Seabrook Island Development.
- 4.7 Fiscal Year. The business affairs, bookkeeping, accounting and reporting to governmental agencies shall be maintained on a calendar year basis, or as established by the affirmative vote of three (3) Directors
- 4.8 Regular Meetings of the Board. The Board shall have at least one (1) regular meeting during any fiscal year. All regular meetings of the Board shall be open to the membership; provided, however, that the Board shall have authority to adjourn and reconvene in executive session. The Board shall establish appropriate rules for direct membership participation in Board meetings.
- 4.9 Special Meetings. The President or any one (1) Director may call a special meeting of the Board by filing with the Secretary a written request for such meeting, stating the purpose and matters to be considered.
- 4.10 Action Without Meeting. Action taken without a meeting by a majority of Directors or by such larger vote as the Articles of Incorporation or these By-Laws may require, shall be deemed action of the Board if all Directors, either before or after the action is taken, execute a written consent thereto and such consent is filed with the records of the Board.

ARTICLE V. OFFICERS

- 5.1 The officers of the Association shall be a President and such other officers as the Board may from time to time deem necessary or appropriate, which officers shall be elected by the Board from among their own number at the regular meeting immediately following the annual meeting of the membership. They shall hold office for the term of one year

and until their successors are elected. Any vacancy in an office shall be filled by the Board, which shall also have authority in its sole discretion, to remove any officer. The same individual may hold more than one office simultaneously. A management entity or agent may be employed to perform some or all of the functions hereinafter described for the Secretary and/or Treasurer. If so, wherever the terms "Secretary" or "Treasurer" appear in these By-Laws, they shall be deemed to include such management entity or agent. The following statements of functions shall not be construed as requiring that an individual in fact be elected to fill each position.

- 5.2 President. The President shall be the chief executive officer of the Association and shall preside at the annual meeting and any special meetings of the membership, as well as at all meetings of the Board. He/She shall establish the agenda at all membership and Board meetings. Except as otherwise provided, he/she shall appoint the committee chairmen for all committees with approval of the Board. He/She shall act as ex-officio member of all committees. All deeds, mortgages, and contracts shall be signed by the President or his designee on behalf of the Corporation. He/She shall perform all duties incident to the office of President, as well as those assigned to him/her by the Board.
- 5.3 Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He/She shall exercise such other duties as shall be prescribed by the Board.
- 5.4 Secretary. The Secretary shall have custody of, and regularly make available for examination by members, the membership records and the minutes of the annual meeting and of the Board. He/She shall regularly post in the Association office notices of all regular Board meetings; shall have the responsibility for conducting the correspondence of the Association and of the Board; shall have custody of the corporate seal, if any; shall arrange for the proper execution and custody of all contracts, title deeds, legal documents and other important papers; and shall be responsible for all other duties incident to his/her office. He/She shall perform all duties incident to the office of Secretary, as well as those assigned him/her by the Board.
- 5.5 Treasurer. The Treasurer shall collect and receive all monies due and belonging to the Association and shall have custody of all funds and securities, either directly or as delegated by the Board. He/She shall arrange for payment of all lawful bills of the Association, subject to specific or general approval of the Board. He/She shall arrange for the preparation of the Annual Budget, monitor performance against such budget, and recommend revision of such budget when necessary. He/She shall submit regular financial reports to the Board at its meetings, and at each annual meeting of the membership, shall submit a report showing the financial condition of the Association for the preceding fiscal year. He/She shall have responsibility to arrange for internal financial control systems and shall oversee the operation of the accounting system. He/She shall perform all duties incident to the office of Treasurer, as well as those

assigned him/her by the Board.

- 5.6 Indemnification of Directors and Officers. Any person (including the heirs, executors, administrators, estates, legatees or devisees of such person), who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the Association or is or was serving as a staff member or committee member or designated representative of the Association, shall be indemnified by the Association for any expenses, settlements, verdicts, judgments, fines or other monetary amounts, to include a reasonable attorney's fee, actually or reasonably incurred by him or her in connection with such action, claim, suit or proceeding, to the full extent permitted by law. This indemnification shall not apply to any wrongful intentional acts or to acts outside the scope of the person's authority. The indemnification provided by this By-Law shall not be deemed exclusive of any other rights to which a person indemnified may be entitled under any statute, By-Law, article of incorporation, agreement, vote of the membership or disinterested Directors or otherwise, but the invalidity of this sentence shall not affect the other provisions hereof.

ARTICLE VI. COMMITTEES

- 6.1 Committees. The President shall have the power to constitute, with approval of the Board, from time to time such committees as he/she deems necessary or advisable and to appoint the chairmen thereof.

ARTICLE VII. MAINTENANCE, SERVICE AND USAGE FEES

- 7.1 The Board shall have the responsibility and authority to assess all Property Owners in the Association, excepting the Association, which is the Owner of the roads, rights-of-way and all Common Properties, an annual maintenance and service fee which shall be based upon the Association's Annual Budget. The Board shall also have the authority to establish and collect assessments from others who use the facilities and properties owned and/or operated by the Association. These fees may be increased, decreased or adjusted from time to time by the Board, to reflect the accepted Annual Budget and any amendment thereof. These charges may be set at a uniform rate or separate rates on the basis of a reasonable categorization of the Properties, designated by the Board in its sole discretion, based upon reasonable cost sharing principles reflecting such factors as number of bedrooms, benefit, availability and/or use of the common Properties and services of the Association. Properties shall become subject to assessment upon issuance of a certificate of occupancy. The Board also shall have authority to levy special assessments applicable to the year of such assessment and not more than the next two (2) successive years, over and above the annual maintenance and service assessments or to authorize the expenditure of unrestricted fund balances for the purpose of defraying, in whole or in part; the cost of any construction, reconstruction, repair or replacement of the

capital improvements upon the Common Properties, including fixtures and personal property related thereto, or when emergency circumstances dictate, when delay until approval of the next annual budget is unacceptable or when, in the judgment of the Board, a special project is deemed to be in the best interest of the membership as a whole. A special assessment or authorization to expend unrestricted fund balances requires an affirmative vote of three (3) members of the full Board. The Board shall also have the authority to levy special parcel assessments upon any unit or parcel of Property, for the purpose of maintaining the exterior appearance thereof, if the Owner shall have failed or refused to do so, including, but not limited to, mowing and cleaning of unsightly brush and debris, painting, repairs, replacing and caring for roofs, gutters, downspouts, and exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements necessary to keep the Owner's Property from deteriorating or becoming unsightly. Special parcel assessments may also be imposed by the Association upon any unit or parcel of Property to cover the cost of repair of damage to the Common Properties resulting from actions or neglect by an Owner or any of his guests, tenants, licensees, agents, or members of his family. Nothing in this paragraph shall be deemed to preclude the Board's electing to provide exterior care and maintenance of the Properties, including painting and landscaping, and providing for the cost thereof through the annual maintenance and service assessment.

- 7.2 The Board shall establish a budget of expenditures intended to carry out the purposes and business of the Association stated in Section 1.3 or called for in a special assessment and to meet its operating and administrative requirements. The maintenance and service fees may be utilized for any purpose outlined in Section 1.3 or for doing any other thing necessary or desirable, in the opinion and judgment of the Board of Directors, to keep the Common Properties in good order and to eliminate health hazards to persons and safety hazards to both persons and properties, or which, in the opinion and judgment of the Board of Directors, may be of general benefit to the Owners or occupants of the land included in the Association. A special assessment may be used only for the specific purpose for which it was imposed.
- 7.3 The Board, except as provided above with respect to special assessments, special parcel assessments and as provided below for unforeseen matters, may not authorize expenditures in excess of the total budgeted expenditures, unless: there is additional income beyond the Budget that is available for such expenditures and/or there are economic or environmental conditions not contemplated when the Budget was adopted, and such expenditures are necessary in the opinion and judgment of the Board to maintain appropriate standards for security, safety, and operating maintenance and otherwise to carry out the purposes and business of the Association.
- 7.4 The Board shall have the power to borrow funds for a period of up to three (3) years for urgent fiscal operations and to meet emergencies. (Sec. 2.2.3.)

- 7.5 The annual maintenance, service and usage fees and any special assessments or special parcel assessments shall be billed on a timely basis after budget approval, or after determination by the Board, in the case of special assessments or special parcel assessments, and shall be due and payable within (30) days after billing. Other assessments, such as occasional usage fees, shall be payable as determined by the Board. The Board shall assess a late penalty fee of 5.0% on any assessment if unpaid by the due date. Thereafter, continuing until the balance is paid in full, the Board shall assess interest compounded at the rate of 1.50% per month (18% per annum) or such other rate as the Board may determine on any unpaid balance, including prior years' assessments, late penalty and interest charges. Due to changes in money market or economic conditions, the Board, in its discretion, may make changes in the application and rates of late penalty fees and interest charges for delinquent payments.
- 7.6 In order to secure the payment of delinquent maintenance, service and usage fees, special assessments and special parcel assessments, the record Owners of the subject Properties and users of Common Properties shall be personally liable and the Association shall have the right to file suit in any court of competent jurisdiction to collect the amounts due and owing to it, together with late penalty fees, interest charges, reasonable collection expenses, attorney's fees and court costs.
- 7.7 To the extent and in the manner permitted under South Carolina law, the Association shall also have the right to file liens and/or lis pendens against the subject Properties and enforce its lien rights to the extent permitted by South Carolina law.

ARTICLE VIII. ENFORCEMENT

- 8.1 The Board shall have the power to impose reasonable sanctions, including but not limited to the power to impose fines, which in the case of violations by Property Owners or their tenants, guests or invitees shall constitute a lien upon the Property of the violating Property Owner or of the Property Owner whose tenant, guest or invitee is in violation, to terminate or suspend any common services, and to suspend the Property Owner's right to vote and/or the violator's right or privilege to use the Common Properties or services (subject to the Property Owner's right of access to his Property) for violation of any duty imposed under the Covenants, these By-Laws, or any rules and regulations duly adopted pursuant hereto. In the event that any tenant, guest or invitee of a Property Owner violates the Covenants, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against such tenant, guest or invitee; provided, however, if the fine is not paid by the tenant, guest or invitee; provided, however, if the fine is not paid by the tenant, guest or invitee within the time period set by the Board, the Property Owner shall be liable for payment of the fine upon notice from the Association. The failure of the Board to enforce any provision of the Covenants, By-Laws, or any rule or regulation shall not be deemed a waiver of the rights of the Board to do so thereafter.

- 8.2 Notice. Prior to imposition of any sanction hereunder, the Board or its designee shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the appropriate committee of the Board, as to matters within committee jurisdiction, or to the Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within the time prescribed in the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed. Notice shall be deemed satisfied upon placement in the mail.
- 8.3 Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner or other alleged violator a reasonable opportunity to be heard. Proof of proper notice of such hearing shall be placed in the minutes of the meeting, which notice shall be hand delivered or deposited in the mail, postage prepaid, at least seven (7) days in advance of such hearing. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the Office, Director, or agent who delivered or mailed such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the hearing. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board or the appropriate committee of the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the period reserved for requesting a hearing. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.
- 8.4 Appeal. Following a hearing before the appropriate committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the President or Secretary of the Association within thirty (30) days after the date of the hearing from which the appeal is taken. Notice of the appeal hearing before the Board shall be given and minutes shall be recorded as provided in Section 8.3 above.
- 8.5 Additional Enforcement Right. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provision of the Covenants, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Property Owner, tenant, guest, invitee or other person responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

ARTICLE IX. FINANCIAL PROVISIONS

- 9.1 Fiscal Year. The fiscal year of the Association shall begin on January 1st of each year and end December 31st, or as established by the affirmative vote of three(3) Directors. The Association's maintenance, service and usage fee year shall be the same as the fiscal year
- 9.2 Fidelity Bonds. All officers and employees of the Association who handle funds of the Association shall be covered by fidelity bonds in amounts to be determined by the Board.
- 9.3 Financial Review. The Board shall obtain an independent financial examination at such intervals and of such type and form as it may from time to time in its sole discretion deem appropriate.
- 9.4 Checks. The Board shall establish appropriate provisions for approval of amounts payable by the Association and for signing of checks by Board officers or designated agents or representatives.
- 9.5 Funds. Funds of the Association shall be deposited in such bank or trust company, or other investment institution, where such deposits are insured by a government agency, as may be recommended by the Treasurer and approved by the Board. Securities and other valuable documents belonging to the Association shall be held in a safety deposit box or equivalent alternate custody as may be approved by the Board

ARTICLE X. GENERAL GOVERNANCE

- 10.1 Amendments. Amendments to these By-Laws may only be proposed by resolution of the Board, or by a petition of at least Nine (9) members in good standing representing (10%) of units of Property stating the substance of the proposed amendments and filed with the Secretary at least sixty (60) days prior to an annual meeting. Under either proposal procedure, if the amendment is to be considered at a meeting, the notice of meeting to the membership shall set forth the By-Law proposed to be amended, the proposed amendments and the reasons given for the proposed amendments. If the amendments are to be considered by referendum, the information accompanying the ballot shall include the By-Laws proposed to be amended, the proposed amendments and the reasons given for the proposed amendments.

Any amendment so proposed may be adopted (1) at an annual meeting (at which a quorum is present) by the lower of two-thirds (2/3) of the votes authorized to be cast by the members present in person or by proxy or more than fifty (50%) per cent of the votes authorized to be cast by the membership as a whole, or (2) by a referendum conducted by the Board when the membership approves the amendment by ballot as indicated by more than fifty (50%) per cent of the votes authorized to be cast. (Sec. 10.7.3.) Allocation of votes shall be as provided in Sec. 3.7

- 10.2 Conflicts. If there is any conflict between terms contained in the Covenants affecting the Association, as approved by the Property Owners, the Articles of Incorporation of the Association and these By-Laws, the terms of the Articles of Incorporation shall prevail over these By-Laws, and the terms of the Covenants shall prevail over the Articles of Incorporation and these By-Laws.
- 10.3 Notices. Whenever a notice is required to be given to any member or Director, it shall be given in writing and sent by regular mail, postage prepaid, and addressed to such member or Director at his/her address as it appears on the books of the Association at the time when such notice is given. It shall be the responsibility of each member to keep the Association apprised of changes of ownership and/or address. Changes of ownership and/or address submitted by members shall be promptly recorded in the books of the Association. Any notice required by these By-Laws may be waived by the person entitled thereto.
- 10.4 Waiver of Notice. Unless otherwise provided by law, whenever any notice is required to be given to any member or Director under the provisions of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Further, attendance at a meeting for any purpose other than to protest the lack of notice shall be deemed to be a waiver of notice by each person so attending.
- 10.5 Meeting Procedures. All meeting of the membership shall be conducted in accordance with Roberts Rules of Order as revised, except, where there may be a conflict, these By-Laws shall prevail.
- 10.6 Availability of Minutes. It shall be incumbent upon the Association's Board to promptly make available, for examination by the members, on reasonable notice during normal business hours, copies of the minutes of meetings of the membership and of regular meetings of the Board.
- 10.7 Definitions. The following terms used in these By-Laws are deemed to have the meanings expressed in this section. Terms defined in recorded covenants shall have the meanings specified therein.
- 10.7.1 Emergency. The term "emergency" shall refer to an unpredictable occurrence such as, but not limited to, a hurricane, earthquake, fire, flood, severe storm or accident, which, in the exercise of its discretion, the Board may find would require an immediate commitment for and/or an expenditure of funds to meet the Association's responsibilities under these By-Laws.
- 10.7.2 Delinquent. The term "delinquent" shall refer to any member or members of the Association or others subject to assessment by virtue of their use of the facilities

and properties owned and/or operated by the Association, whose annual maintenance, service and/or usage fees or any special assessments, special parcel assessments or any other charges have not been received by the Association and remain unpaid more than thirty (30) days after the due date.

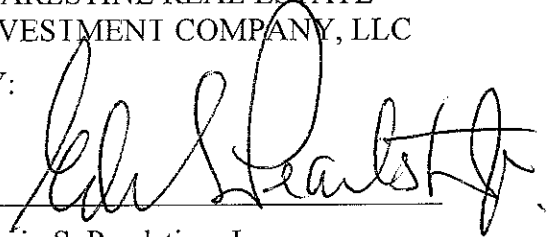
10.7.3 Referendum. The term "referendum" shall refer to a written ballot to vote on one or more issues or questions submitted by the Board to the total membership by regular mail, and in which procedure the approval of the membership as indicated by a simple majority of the votes authorized to be cast, excluding the votes of delinquent members, shall govern the action of the Board.

IN WITNESS WHEREOF, the undersigned, PEARLSTINE REAL ESTATE INVESTMENT COMPANY, LLC, Declarant by virtue of the provisions of Article I, Section 4 of the Covenants, has caused this instrument to be executed by its proper officer(s) the day and year first above written.

WITNESS my Hand and Seal this 24th day of November, 2003.

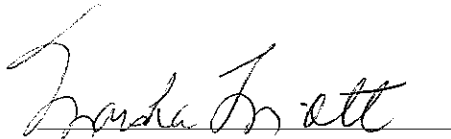
PEARLSTINE REAL ESTATE
INVESTMENT COMPANY, LLC

BY:



Edwin S. Pearlstine, Jr.

Its: Owner/Member



Witness



Witness

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PROBATE

ALL DOCUMENTS RETURNED TO
WINDSOR MANAGEMENT INC.
1000 WINDSOR DRIVE
COLUMBIA, SC 29201

PERSONALLY appeared before me the undersigned witness, and made oath that he/she saw the within named PEARLSTINE REAL ESTATE INVESTMENT COMPANY, LLC, by and through its proper member, Sign, Seal and as its Act and Deed deliver the within written By-Laws; an that he/she with the other subscribing witness witnessed the execution thereof and saw the corporate seal affixed thereto.

Larry A. Lips

SWORN to me before this 24th
day of November, 2003.

Marsha M. Ott (L.S.)
Notary Public for South Carolina
My Commission Expires: 9/11/2010