



## Victoria Square Rules Summary

*This summary is intended to provide an overview of the Association Rules as per the Victoria Square Declaration of Covenants. It is not intended to replace the Covenants or to be a complete listing of all regulations. Please consult Section 6, Use Rules and Restrictions, of your Covenants for the complete list.*

1. **Residential Use.** Homes are to be used for single family residential use only.
2. **Leases.** No portion of a home (other than the entire home) may be rented. Owners are responsible for the behavior of their tenants. The Association has the right of eviction.
3. **Nuisances.** No obnoxious or offensive activity, loud noises, or noxious odors shall not be permitted. No use or practice shall be allowed which interferes with the peaceful possession or proper use of the homes or surrounding areas.
4. **Outside Storage.** The personal property of any Owner shall be kept inside the Owner's Home or fenced-in yard, except for patio furniture and accessories, and other personal property commonly kept outside, which must be kept in the rear of the Lot and must be neat appearing and in good condition.
5. **Parking.** No parking shall be permitted on the street at any time. No recreational vehicles, campers, trailers, boats, aircraft or motorcycles may be parked on the property for more than two (2) days, except within a garage or storage area. No parking is permitted on grass areas, common or private, at any time. Any vehicle parked within the Property must be in good condition and repair, and must have valid plates. No ATV's or similar vehicles are permitted to be operated on pathways or unpaved common property or parked outside of a garage overnight.
6. **Garages.** No garages shall be permanently enclosed so as to make the garage unusable by an automobile. No portion of the garage originally intended for parking shall be converted into a living or storage space. All garage doors shall remain closed when vehicles are not entering or leaving the garage. Carports shall not be permitted.
7. **Owner's Responsibility.** All maintenance of Lots and all structures, parking areas, landscaping, and other improvements on each lot shall be the sole responsibility of the Owner who shall maintain such Lot in a manner consistent with the Victoria Square Standards and this Declaration. In the event the Board determines that any Owner has failed or refused to properly maintain, repair, or replace items for which such Owner is responsible, the Association may perform such maintenance, repair or replacement for the Owner at the expense of the Owner. Except in an emergency situation, the Association shall give the Owner prior written notice of the Association's intent to provide such necessary maintenance, repair, or replacement. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary.
8. **Refuse.** Each Owner shall regularly pick up all garbage on his lot. Trash receptacles cannot be left at the street for pickup. Arrangements should be made to have them picked up from under the porch or service yard. The containers must be stored out of view at all times.
9. **Temporary Buildings.** No tents, trailers, shacks or other temporary buildings or structures shall be placed on the property without the prior written approval of the Architectural Review Committee.
10. **Animals and Pets.** Only commonly domesticated household pets may be kept on any Lot or in a Home, but in no event for the purpose of breeding or for any commercial purposes whatsoever. No animal may be kept that causes distress or is a nuisance to another property owner, resident or guest. All pets must be leashed when on common property, and all pets must be cleaned up after.
11. **Additions and Alterations.** No exterior alterations to the Home or Lot will be permitted without prior written approval from the Architectural Review Committee.

12. **A/C Units.** Only central air conditioning units are permitted. No window, wall or portable units are permitted. No air conditioning equipment shall be installed on the ground in front of or attached to any front wall of any Home.
13. **Clotheslines.** No clotheslines or clothes poles shall be erected, and no outside clothes-drying is permitted.
14. **Antennas and Satellite Dishes.** No owner may erect or maintain a television or radio antenna, satellite dish or similar apparatus unless it is dark in color and less than 18 inches in diameter. It must be screened from public view and located behind the Home either in the rear yard or affixed to the rear roof, when these locations will provide for adequate signals. All antennas and satellite dish installation requires written approval from the Architectural Review Committee.
15. **Signs.** No signs shall be placed at any home with the exception of one "For Sale" sign or one "Open House" sign limited to six square feet in size.
16. **Window Treatments.** Window treatments shall consist of draperies, blinds, decorative panels or other tasteful window coverings. No temporary window treatments are permitted except for periods not exceeding one week after an Owner or tenant first moves into a Home.
17. **Lakes.** There shall be no swimming, use of personal flotation devices, or boating of any type on the lakes. No owner shall construct or install any piers or docks on any portion of a lake or adjacent open space.
18. **Swimming Pools.** No swimming pools, spas, hot tubs or similar equipment or facilities shall be installed without the prior written consent of the Architectural Review Committee and only if screened from view. No above-ground swimming pools except for small children's wading pools shall be permitted.
19. **Fences and Walls.** A fence design must be submitted to and approved by the Architectural Review Committee prior to construction of the fence. Fencing is to be constructed for backyards only and may extend no more than 5 feet along the side yards as measured from the rear corner. Only white picket fences 3-4 feet high shall be allowed. Fencing can be no more than 70% opaque. Fencing material shall only be wood, painted white or white vinyl. All other fence materials are prohibited. No fences of any type may be built behind homes backing on the lake or on corner lots. Any existing fences on homes that do not meet these specifications will be "grandfathered" for the existing owner. In the event these "grandfathered" homes are sold, the owner must remove the fence or replace it with an approved fence prior to closing on the sale of the home.
20. **Mailboxes.** No mailboxes are permitted except for mailboxes which are identical to mailboxes originally provided for the homes by the developer.
21. **Rules.** The Board of Directors has the authority to enforce these and any other rules that they feel are necessary to the well being of the property.
22. **Swimming Pool Rules.** The swimming pool rules are posted at the pool. The pool rules are as follows:
  - The pool is open from April 1<sup>st</sup> to October 1<sup>st</sup> from 9 a.m. to 9 p.m.
  - There should be no solo swimming.
  - Running and boisterous or rough play are not allowed at the pool.
  - No person under the influence of alcohol or drugs should use the pool.
  - There should be no spitting, blowing a nose or urinating in the pool.
  - Persons with diarrhea illness or nausea should not enter the pool.
  - Persons with skin, eye, ear or respiratory infections should not enter the pool.

- Persons with open lesions or wounds should not enter the pool.
- No animals or pets are allowed in the pool or in the fenced in pool area.
- Glass is not allowed in the pool or pool area.
- Children under the age of 13 are not allowed in the pool without supervision.
- All pool users should shower before entering the pool.
- A first aid kit is located in the hallway next to the telephone.
- An emergency telephone is located in the hall to the left.
- Diving is not allowed in the pool.
- All infants and toddlers, who are not potty trained, must wear leak-proof pants, “swimmies” or similar protection.

**23. Community Parking Lot.** The Community Parking lot is open to all homeowners and guest vehicles for temporary parking on a first come, first served basis. Parking in the community lot is a privilege. All fees must be paid current or on a payment plan to park in the community lot. All vehicles parked in the lot must have a current VS Decal or VS Guest Pass visible through the front windshield at all times. Five (5) spaces plus one (1) handicap marked space will be designated as Guest Parking and will be reserved at all times for use by homeowner’s guests with a VS Guest Pass. Visitors with a Guest Pass may park in any open space in the parking lot when Reserved Guest spaces are full. Homeowners may park in one of the Reserve Guest spaces while using the pool during designated pool hours during the pool season only if no other spaces are available.

NO commercial vehicles can be parked in the community parking lot. Any vehicle parked in the lot without a VS Decal or VS Guest Pass will be cited for violating this policy and fined. All unpaid parking fines will be handled in accordance with Section 4 of the Declaration of Victoria Square Covenants and Fining Policy.

If a homeowner has more vehicles than parking spaces on his/her lot including one space in the garage, the homeowner may park the extra vehicle in an open parking lot space daily with Board approval and subject to the policy set forth above.

### Victoria Square Fining System

In order to help enforce these regulations, the Board of Directors has developed a fining system as follows:

1. Owner is notified of the infraction and given seven days to make correction.
2. A fine of \$25.00 is levied after seven days if no correction is made.
3. An additional fine of \$50.00 is levied after fourteen days if no correction is made.
4. An additional fine of \$100.00 is levied after twenty-one days if no correction is made.
5. Additional fines of \$10.00 per day are levied after thirty days if no correction is made.

All fines will be placed directly on the owner's account and will be treated as any other balance due. (i.e. could incur late fees, legal fees or even cause a lien upon the property if unpaid). Fines incurred by the tenant are the responsibility of the owner and will be billed to the owner's account.

Our purpose is not to impose a hardship on any owner, but to have a standardized procedure for rules enforcement. Should an owner have a question or problem with a notification or fine, they should contact Atlantic States Management, who will bring their appeal to the attention of the Board of Directors.

BYLAWS  
OF  
VICTORIA SQUARE  
PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I  
ASSOCIATION

The following Bylaws shall govern the operation of Victoria Square Property Owners' Association, Inc.

Section 1. Association. In conjunction with the development of Victoria Square subdivision as shown on the plat recorded in the Beaufort County Register of Deeds Office in Book 69 at Page 113 ("Property"), a South Carolina non profit corporation known as Victoria Square Property Owners' Association, Inc. has been formed ("Association"). The offices of the Association shall be at the offices of LOM Development, LLC ("Declarant"), located at 140-C Beach City Road, Hilton Head Island, South Carolina 29926, or such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. Bylaws Applicability. The provisions of these Bylaws are applicable to the Association. All terms used herein and not otherwise defined shall have the meaning ascribed to them in the Covenants for the Property which were recorded in the Beaufort County Register of Deeds Office in Official Record Book 1226 at Page 2273.

Section 3. Personal Application. All present or future Owners, tenants, or their employees, or any other person who might use the Property in any manner, are subject to these Bylaws as they may be amended from time to time. The acquisition or rental of any Lot, or the act of occupancy of any of any Lots, will signify that these Bylaws, and any authorized amendments to the foregoing are accepted and ratified, and will be complied with by the Lot Owner, renter, their guests or invitees.

ARTICLE II  
VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Eligibility. Any Lot Owner is deemed to have consented to be a Member of the Association. There shall be one membership for each Lot owned. Transfer of ownership of a Lot, either voluntary or by operation of law, shall terminate membership in the Association, and said membership becomes vested in the transferee. If the Lot ownership is vested in more than one Lot Owner, then all of the Lot Owners so owning such Lot shall agree upon the designation of one of the Lot Owners of such Lot to act as a Member of the Association. If Lot ownership is vested in a

corporation, partnership, limited liability company, or other entity, said entity must designate one individual to act as a Member of the Association.

Section 2. Voting. Each Member shall have Association votes equal to the number of Lots owned by the Member. Additionally, as set forth in the Covenants, the Declarant shall have one (1) vote for each Class "A" vote held by Members other than the Declarant until the Declarant ceases to own two (2) lots or January 1, 2006, whichever first occurs.

Section 3. Majority Vote. As used in these Bylaws, the term Majority Vote shall mean fifty-one percent (51%) or more of the total number of Class "A" and Class "B" votes as defined in the Covenants.

Section 4. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a Majority Vote as defined in Section 3 of this Article shall constitute a quorum.

Section 5. Proxies. Member votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association before the appointed time of each meeting.

Section 6. Voting Of Members. The vote of a majority of the Class "A" and Class "B" Members' votes represented at any meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where in the Covenants, or in these Bylaws, or by law, a higher percentage vote is required.

### ARTICLE III

#### VICTORIA SQUARE PROPERTY OWNERS ASSOCIATION, INC.

Section 1. Association Responsibilities. The Association shall have the responsibility of administering the Property and electing the Board of Directors.

Section 2. Place Of Meetings. All meetings of the Association shall be at the offices of the Association, or at such other place as designated by the Board of Directors or the Management Agent and stated in the notice of meeting.

Section 3. Annual Meetings. The annual meetings of the Association shall be held once a year during the month of October or at such other time as a majority of the Owners may agree upon. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these Bylaws, and there shall be a report by the President or Secretary-Treasurer on the activities and financial condition of the Association. The Owners may also transact such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the Secretary to call a special meeting of the Owners as directed by: (i) resolution of the Board of Directors; (ii) at the request by a majority of the Directors; (iii) or upon a petition signed by twenty percent (20%) of the Owners and presented to the Secretary. A notice of any special meeting shall state the time and place of such meeting and the purpose or purposes thereof. No business shall be transacted at a special meeting except as stated in the notice. If an Owner intends to raise a matter at a special meeting, said Owner shall submit such request in writing to the Secretary or President at least ten (10) days before the date notice is to be mailed to the Owners in order for such matter to be included in the Notice of Special Meeting.

Section 5. First Meeting. The first meeting of the Association shall be held within one hundred twenty (120) days from the date that seventy-five (75%) percent of the Lots in the Property, have been conveyed by the Declarant to individual Lot Owners.

Section 6. Notice Of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, to each Owner of record at least fifteen (15), but not more than sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in this Section 6 shall be considered notice served. The notice of meeting shall include any matters the Owners intend to raise at the meeting if a request is submitted to the Secretary or President in writing at least ten (10) days prior to notice being mailed, which requests sets forth the matters to be raised.

Section 7. Quorum Requirements. A Majority of the Owners present in person or by proxy constitutes a quorum for any meeting purpose.

Section 8. Adjourned Meeting. If any meeting of the Association cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. The time, date, and place of the meeting shall be set and announced before adjournment of the first meeting. Upon the reconvening of said meeting a quorum shall be constituted if thirty percent (30%) of the Owners are present in person or by proxy at said reconvened meeting.

Section 9. Order Of Business. The order of business at all Annual Meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

The order of business at a Special Meeting of the Association shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

Section 10. Record Date. The Board of Directors shall fix a record date for determining Owners entitled to notice of and to vote at each annual or special meeting. Such record date shall be at least ten (10) days, but not more than forty (40) days before the meeting. Only Owners holding title to Lots as reflected in the Beaufort County records on the record date shall be entitled to notice.

Section 11. Action By Written Consent. Whenever the vote of Owners at a meeting is required or permitted by these Bylaws to be taken in connection with action of the Association, the meeting and vote of Owners may be waived if a majority of Owners who would have been entitled to vote consent in writing to such action being taken. Notice of such action shall be given to all Owners, unless all Owners participated in the approval of such action.

Section 12. Waiver And Consent. Any Owner may waive any notice of meeting required by these Bylaws if the waiver is submitted in writing, signed by the Owner entitled to notice, and delivered to the Association prior to the date of the meeting. An Owner's attendance at a meeting waives objection to lack of notice or defective notice of the meeting unless the Owner objects to holding the meeting or transacting business at the meeting at the beginning of the meeting. Further, an Owner's attendance at a meeting waives objection to considerations of a particular matter at the meeting that is not within the purpose described in the notice for the meeting, unless the Owner objects to the consideration of the matter at the time when it is presented at the meeting.

Section 13. Membership List. After a record date for a notice of meeting has been fixed by the Board of Directors, a complete list of Members of the Association shall be prepared by the Secretary or Treasurer. This Membership list shall list the Members and shall include the addresses and number of votes each Member is entitled to vote at the meeting. Such list shall be maintained in the office of the Association beginning the day after notice is given of the meeting for which the list was prepared and continuing through the meeting.

## ARTICLE IV

### BOARD OF DIRECTORS

Section 1. Number And Qualification. The affairs of the Association shall be governed by a Board of Directors ("Board") comprised of three (3), five (5) or seven (7) persons. The Declarant shall appoint the initial Board. Initially, Directors do not need to be Members. So long as the Declarant owns one or more Lots, the Declarant shall be entitled to appoint at least one Director to the Board of Directors. After the Declarant has conveyed all its Lots, all Directors shall be Members.

Section 2. General Powers And Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association.

Section 3. Specific Powers And Duties. In addition to the general powers referenced above, the Board shall be responsible for the following:

- (a) Care and upkeep of the Common Property.
- (b) Establishment of the annual budget. A proposed budget shall be available to all Members at least fifteen (15) days in advance of the Association's annual meeting. The budget may be modified by the Association at the annual meeting or a special meeting of the Association by a majority vote of the Members present at such meeting, in person or by proxy.
- (c) As a part of the annual budget described in (c) above, establishment and maintenance on behalf of the Association of an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Common Property.
- (d) Employment, dismissal and control of the Management Agent and any personnel necessary for the maintenance and operation of the Common Property.
- (e) Collection of all assessments and fees from the Members.
- (f) Obtaining of insurance for the Property.
- (g) Grant or relocate easements which are not inconsistent with the Owners' full use and enjoyment of the Common Property.
- (h) Making of, or causing to be made, repairs, additions and improvements to or alterations of, the Common Property and repairs to and restoration of the Common Property.
- (i) To make available for inspection, upon request during normal working hours or under other reasonable circumstances, to Lot Owners, the holders, insurers or guarantors of any first mortgage on any Lot, Bylaws, other rules or regulations pertaining to the Association, and the books, records and financial statements of the Association.
- (j) To adopt and implement a policy regarding resale of Lots, the purpose of said policy to assist Lot Owners to provide timely information to prospective buyers while not burdening the Association financially.

Section 4. Management Agent. The Board of Directors may retain a Management Agent, at the compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Any contracts with the Management Agent shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said contracts.

Section 5. Board Of Directors. The first Board of Directors consisting of three (3) persons shall be designated by the Declarant at an organizational meeting. These appointments will continue until the first annual meeting of the Members held pursuant to the provisions of these Bylaws. At the first Annual Meeting of the Association, the Board shall be increased to five (5) directors. The initial term of office for two (2) directors of the Board shall be fixed at three (3) years. The term of office of two (2) directors of the Board shall be fixed at two (2) years, and the term of office of one (1) director of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each director of the Board, a successor shall be elected to serve a term of three (3) years. The directors of the Board shall hold office until their successors have been elected and hold their first meeting. All directors shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article.

Section 6. Vacancies. Vacancies in the Board of Directors caused by reason other than the removal of a director of the Board by a vote of the Members shall be filled by vote of the majority of the remaining directors. Each person so elected shall be a director of the Board until a successor is elected at the next meeting of the Association. If a quorum cannot be achieved due to vacancies in the Board, only a majority of the remaining Board shall be required to elect successor Board members.

Section 7. Removal Of Director. At any annual or special meeting of the Association, any one or more of the directors of the Board may be removed with or without cause by a majority of Members and a successor may then be elected to fill the vacancy. Any director of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting. If a director ceases to be an Owner, said director shall either resign or be removed by the Board. Notwithstanding any other provision contained herein, any director of the Board who was elected by the Members shall only be removed by the Members at a meeting where the purpose, or one of the purposes, as stated in the Notice of Meeting, is the removal of said director.

Section 8. Organizational Meeting. The organizational meeting of the Declarant's appointed first Board shall be held at such time and place as shall be determined by the Declarant. No notice shall be necessary to the newly elected Board members to legally constitute such an organizational meeting, providing a majority of the Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least four (4) such meetings shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary or Treasurer, or other designated person to each Board member personally, by mail, or facsimile at least two (2) days prior to the day of the meeting.

Section 10. Special Meetings. Special meetings of the Board may be called by the President, on three (3) days prior notice to each director, given personally, by mail, or facsimile, which notice shall state the time, place, and the purpose or purposes of the meeting.

Section 11. Waiver Of Notice. Before or at any meeting of the Board, a director may waive in writing notice of such meeting. Attendance or participation by a director at any meeting of the Board shall constitute a waiver of notice. If all directors are present at a meeting of the Board, no notice shall be required.

Section 12. Action Without A Meeting. Actions of the Board may be taken without a meeting if the action is taken by all directors of the Board and evidenced by one or more written consents describing the action taken, signed by each director, and included in the corporate records of the Association.

Section 13. Board Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business. Actions and resolutions approved by a vote of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. Directors may participate in a regular or special meeting by, or conduct the meeting

through any means of communication by which all directors participating may hear each other simultaneously during the meeting, and directors so participating by this means shall be deemed to be present in person at the meeting. If at any meeting of the Board there is less than a quorum present, the majority of the directors present may adjourn the meeting to another time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. Proxies shall not be available for either a Board quorum or for voting purposes.

Section 14. Fidelity Bonds. The Board may require that any Management Agent, officers or employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 15. Compensation. No director shall receive any compensation from the Association. However, a Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 16. Liability Of The Board Of Directors. Except as required under the laws of South Carolina, the directors shall not be liable to the Lot Owners or Members for any mistake of judgment, negligence, or otherwise, except for willful misconduct. To the extent permitted under the laws of South Carolina, the Lot Owners and Members shall indemnify and hold harmless the Board of Directors against all contractual liability to others arising out of contracts entered into by the Board of Directors on behalf of the Association, unless any such contract is contrary to the provisions of the Covenants or of these Bylaws. Directors who are members of, or employed by Declarant, are authorized and allowed to contract with Declarant and affiliated corporations without being charged with self-dealing.

## ARTICLE V

### OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, and a Secretary and/or Treasurer all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as, in their judgment, may be necessary. One person may hold more than one office.

Section 2. Election Of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal Of Officers. Upon an affirmative vote of a majority of the directors of the Board, any officer may be removed either with or without cause, and a successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No officer shall continue to serve as such if he or she shall cease to be an Owner.

Section 4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the office.

Section 5. President. The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of President of an incorporated nonprofit Association, including but not limited to, the power to appoint committees from among the Lot Owners as appropriate to assist in the conduct of the affairs of the Association. The President shall sign all leases, mortgages, deeds and other written contracts and instruments and shall co-sign all checks and promissory notes, and perform all of the duties which may be delegated from time to time by the Board of Directors.

Section 6. Vice President. The Vice President shall take the place of the President and perform the President's duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other director of the Board to perform such duties on an interim basis. The Vice President shall also perform other duties as requested by the Board.

Section 7. Secretary And Treasurer. The offices of Secretary and Treasurer may be combined or separated. The Secretary or Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association. The Secretary or Treasurer shall have charge of the record books and papers of the Association and shall authenticate the records of the Association. The Secretary or Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association and shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board.

## ARTICLE VI

### NOTICES

Section 1. Definition. Whenever under the provisions of the Covenants or these Bylaws notice is required to be given to the Board of Directors, the Management Agent or a Member, it shall not be construed to require personal notice; but such notice may be given in writing, by first class, certified or registered mail, by depositing the same in a post office or letter box, in a postpaid sealed envelope, addressed to the Board of Directors, the Management Agent or the Member, at such address as appears on the books and records of the Association. Notice shall be deemed given as of the date of mailing.

## ARTICLE VII

## OBLIGATIONS OF THE OWNERS

Section 1. Assessments For Common Expenses. All Owners shall be obligated to pay the Assessments imposed by the Association and to meet all Association expenses for upkeep and maintenance of Common Property as set forth in the Covenants.

Section 2. Assessments To Remain In Effect Until New Assessments Made. The omission by the Board of Directors before the expiration of any year to fix the Assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Covenants and Bylaws or a release of any Owner from the obligation to pay Assessments, or an installment thereof, for that or any subsequent year, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed by the Board at a duly held Board meeting.

Section 3. Records. The Management Agent or Board of Directors shall keep detailed records of the receipts and expenditures affecting the Common Property and any other Association expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the Owners during reasonable business hours.

Section 4. Default In Payment Of Common Charges. The Board shall take prompt action to collect any Assessment due from an Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Owner in paying Assessments, such Owner shall be obligated to pay interest, late charges and collection charges as set forth in the Covenants.

Section 5. Statement Of Assessments. When requested in writing, the Board shall promptly provide any purchaser, Owner, mortgagee or prospective mortgagee of a Lot with a written statement of all unpaid Assessments due from the Owner of that Lot for a reasonable fee. The purchaser or mortgagee's liability therefor shall be limited to the Assessment amount as set forth in the statement. Any mortgagee holding a lien on a Lot may pay any unpaid Assessments payable with respect to such Lot and upon such payment such mortgagee shall have a lien on such Lot for the amounts paid of the same rank as the lien of his encumbrance. Any mortgagee holding mortgages on more than five (5) Lots shall be entitled, upon request, to receive a statement of account on the Lots securing all of said mortgages once each calendar year without any fee or charge.

Section 6. Statement Upon Resale. No Owner shall convey or sell a Lot unless and until all unpaid Assessments against the Lot shall have been paid. Such unpaid Assessments, however, may be paid out of the proceeds from the sale of a Lot or by the Owner's grantee. Upon the written request of an Owner or the Owner's prospective purchaser, the Board or the Management Agent shall furnish a written statement of the unpaid Assessments due from such Owner for a reasonable fee, which shall be conclusive evidence of the payment of Assessments prior to the date of the statement. Further, the Association shall undertake to provide copies of the Covenants, these Bylaws, or other materials regarding the Association upon the written request of an Owner in connection with the sale of a Lot. A reasonable charge may be made by the Board for the issuance of Assessment statements and Association materials.

Section 7. Maintenance And Repair. All maintenance, repair and replacement to the Common Property shall be made by the Board or its agent and shall be charged to all the Owners as Common Expenses, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of an Owner, in which such case the expense shall be charged to such Owner.

Section 8. Use Of Lots. A Lot Owner shall make no changes or additions whatsoever to the exterior of a residence on the Lot, or to any of the Common Property without prior written approval of the Board and/or the Architectural Review Board. The Board may also approve minor additions to landscaping and other exterior minor changes or additions of this nature which in its sole discretion will not interfere or conflict with the overall scheme of the Property and appearance of the Common Property. If any changes as described herein are approved by the Board and/or the Architectural Review Board, the Owner requesting such change shall be financially responsible for the cost of such change and the incurred costs, if applicable, of the maintenance and repair of such change. The Board, through its agent, may include this additional maintenance cost in the Assessment for the Owner's Lot.

Section 9. Use Of Common Property. An Owner shall not place or cause to be placed in the roads or other Common Property any vehicles, furniture, packages or obstructions of any kind. The Common Property shall be held in common for the enjoyment of the Owners and shall be used for no other purpose.

Section 10. Right Of Entry.

(a) An Owner shall grant the right of entry to the Management Agent or to any person authorized by the Board in case of any emergency originating in or threatening a Lot, whether the Owner is present at the time or not.

(b) All Owners shall permit other Owners, or their representatives, when so required, to enter their Lot for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergency, the right of entry shall be immediate.

Section 11. Rules Of Conduct. To assure the peaceful use and enjoyment of the Lots and Common Property, the Owners may from time to time adopt, modify, and revoke in whole or in part by a vote of a majority of Members present in person or represented by proxy at any meeting duly called for the purpose, reasonable rules and regulations, to be called "Rules of Conduct", governing the conduct of persons on the Property as the Association may deem necessary. Such Rules of Conduct, and every amendment, modification, and revocation thereof, shall be delivered promptly to each Owner by posting same with postage prepaid addressed to the Owner at the last registered address of the Owner and shall be binding upon all Owners and the occupants of Lots. Amendment, modification and revocation of the Rules of Conduct shall not be considered a Bylaw amendment. The following shall constitute the initial Rules of Conduct:

(a) Residents shall exercise care to avoid unnecessary noise or the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.

- (b) No Owner shall:
- i) Post any advertisements or posters of any kind in or on the Property except as authorized by the Association;
  - ii) Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the residences within the Property;
  - iii) Throw or keep trash or garbage outside the garbage areas for such purpose;
  - iv) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Lots;
  - v) Maintain pets which cause distress to other Residents through excessive barking, biting, or damaging of Property.
  - vi) Park or store on the Property any recreational vehicles, motor homes, commercial trucks, trailers, commercial vans or boats which are not screened from view.

Section 12. Abatement And Enjoinment Of Violations By Lot Owners. The violation of any Rules of Conduct or the breach of any provision of the Covenants or Bylaws shall give the Board the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Lot in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including attorneys' fees, and until such expense is recovered it shall be a lien upon said Lot which lien shall be inferior to the lien of all prior mortgages.

Section 13. Fiscal Year. The fiscal year for the Association shall be determined by the Board of Directors.

Section 14. Litigation. No judicial proceeding or litigation shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the votes eligible to be cast by the Owners. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Covenants or Bylaws (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided herein; (c) proceedings involving taxation, including, e.g., challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. In the event any judicial proceeding or litigation is instituted, then the Association shall assess all Owners for the costs of such litigation, including, without limitation, attorneys' fees incurred, and funds from regular Assessments shall not be used for any such claim or litigation.

## ARTICLE VIII

### INSURANCE

The Board of Directors shall be required to obtain and maintain insurance policies covering the Property Common Property without prejudice of the right of the Owner to obtain additional individual insurance policies at his or her own expense.

## ARTICLE IX

### MORTGAGES

Section 1. Notice To Board. An Owner who mortgages a Lot shall notify the Board of the name and address of the Mortgagee. The Association shall maintain such mortgagee information.

Section 2. Notice To Mortgagee. The Board shall give reasonable advance written notice of the events below to all Regime mortgagees from which it receives a written request. Such written request must identify the name and address of the mortgagee and the encumbered Lot number and address:

- (a) Any unpaid Assessments due the Association for over ninety (90) days from the Owner(s) of the Lot;
- (b) Any default by the Owner of the Lot in the performance of obligations under the Covenants or Bylaws when such default is not cured within sixty (60) days.
- (c) Any notice of special or annual meetings of the Association.
- (d) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Lot on which there is a first mortgage held, insured, or guaranteed by such mortgagee;
- (e) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (f) Any proposed action which would require the consent of a specified percentage of mortgagees as specified in these Bylaws or in the Covenants.

Section 3. Statements To Mortgagee. Upon written request to the Association from any mortgagee of which it has notice as herein provided, the Board shall supply such mortgagee with a reasonably current financial statement of the Association within a reasonable time of such request.

## ARTICLE X

### AMENDMENTS

Section 1. Requirements For Amendments. These Bylaws may be amended only with the consent of at least sixty-seven (67%) percent of the Owners of Lots in the Property. Notwithstanding the foregoing, so long as the Declarant remains the Owner of more than one Lot in the Property, these Bylaws shall not be amended so as to adversely affect the Declarant without the Declarant's consent.

## ARTICLE XI

### MISCELLANEOUS MATTERS

Section 1. Number. When the context requires, the use of the singular includes the plural.

Section 2. Definitions. The definitions contained in the Covenants apply to these Bylaws.

Section 3. Execution Of Documents. The President, Vice President, or Secretary are responsible for preparing, executing, filing and recording amendments to the Covenants and Bylaws, and shall be authorized to execute any other document which the Association may from time to time be required to execute.

Section 4. Notices. All notices required by these Bylaws shall be hand delivered or sent by mail to the Association at the address of the President; to Lot Owners at the address of the Lot or at such other address as may have been designated by such Lot Owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed or delivered, except notice of changes of address which shall be deemed to have been given when received.

Section 5. Captions. The captions contained in these Bylaws are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision of the Bylaws.

Section 6. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 7. Conflict. These Bylaws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended, and the South Carolina Non-Profit Corporation Act of 1994, and may be amended from time to time. In the event of any conflict between these Bylaws and the provisions of such statutes or the Covenants, the provisions of such statutes or the Covenants, as the case may be, shall control.

Section 8. Waiver. No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violations or breaches thereof which may occur.