

EXHIBIT F

BY-LAWS OF

RETREAT AT GLENN'S BAY GARDEN HOMES
HORIZONTAL PROPERTY REGIME

HORRY COUNTY, SOUTH CAROLINA

a non-profit corporation existing under
the laws of the State of South Carolina

-providing for-

THE ADMINISTRATION OF

RETREAT AT GLENN'S BAY GARDEN HOMES
HORIZONTAL PROPERTY REGIME

LAW OFFICES NETTLES, FLOYD, TURBEVILLE & REDDECK, P.O. DRAWER 14607, SURFSIDE BEACH, S.C. 29587

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BY-LAWS OF
RETREAT AT GLENN'S BAY GARDEN HOMES
HOMEOWNER'S ASSOCIATION, INC.

a non-profit corporation existing under
the laws of the State of South Carolina

THE ADMINISTRATION OF
RETREAT AT GLENN'S BAY GARDEN HOMES
HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I

Section 1. Applicability. These are the By-Laws of Retreat at Glenn's Bay Garden Homes Homeowner's Association, Inc., a non-profit corporation existing under the laws of the State of South Carolina (hereinafter called the "Association"), which has been organized for the purpose of administering a horizontal property regime established pursuant to the Horizontal Property Act of South Carolina (hereinafter called the "Act"), which is identified by the name RETREAT AT GLENN'S BAY GARDEN HOMES HORIZONTAL PROPERTY REGIME (hereinafter called "Regime" or "Condominium"), said Regime being located at 316 Glenn's Bay Road in Surfside Beach, Horry County, South Carolina, being more particularly described in the Master Deed establishing the Regime. The definitions contained in the Master Deed dedicating Retreat at Glenn's Bay Garden Homes to the Horizontal Property Regime, of which these By-Laws form a part, shall be applicable to these By-Laws.

Section 2. Ratification. All Apartment lessees, Occupants or persons in possession thereof, present or future, and all persons using the facilities of the Condominium and/or the premises thereof shall be bound by the

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provisions hereof. The mere acquisition, lease, or occupancy of an Apartment shall be deemed conclusive as an acceptance and ratification of these By-Laws by any such new Co-Owner, lessee, or Occupant, as the case may be.

Any Co-Owner who sells, leases, or otherwise transfers his/her or its Apartment shall require from the purchaser, lessee, or transferee a statement in the Deed of Sale, lease or transfer, as the case may be, that he knows and will comply fully with the provisions of the Horizontal Property Act, the Master Deed, the Charter, and these By-Laws and other principles of the Horizontal Property Regime.

ARTICLE II

Section 1. Council of Co-Owners. All of the owners of Apartments contained within the Condominium acting as a group in accordance with the Horizontal Property Act, the Master Deed, the Charter and these By-Laws, shall constitute the Council of Co-Owners which shall have the responsibility of administering the Condominium; reviewing an annual budget or budgets for the expenses of said Condominium; establishing the methods of collecting the contributions of the Condominium expenses, charges, special assessments and fees payable by each Co-Owner concerning these expenses; of imposing the special quotas (if any) to the Co-Owners of the Apartment (i) whose tenants or visitors or guests without impeding or encroaching on the lawful rights of the other Co-Owners, regularly makes such intensive use of any Limited or General Common Elements as to cause the operation, maintenance or repair expenses of said Limited or General Common Elements to exceed those which should reasonably be incurred in the normal and regular use of said facility; or, (ii), who, because of the nature of the activity which he/she law-

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fully carries out in an Apartment in accordance with the purpose assigned to it in the Master Deed, causes certain Common Expenses in excess of such as would be incurred if said activity were not carried out in the Apartment in question; passing on claims that Co-Owners may present before special meetings; approving the execution of special works and improvements and assessments; and performing all acts that may be required to be performed by the Council of Co-Owners, by the Horizontal Property Act, and the Master Deed and the Charter. Except as to those matters which either the Horizontal Property Act or the Master Deed specifically require to be performed by the vote of the Co-Owners, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth in these By-Laws.

Section 2. Annual Meeting. The first annual meeting of the Association shall take place either when seventy-five (75%) percent of all the Apartments of the Condominium have been sold by the Grantor or three (3) years from recordation of the Master Deed, whichever shall first occur. Thereafter, the Association shall hold the annual meeting at the same time and on the same date and month of each succeeding year unless the date falls on a legal holiday and then it will be held on the following working day. In said meeting a majority of Co-Owners as herein defined, shall elect the Board of Directors for the Association. In addition, the Co-Owners shall have the right to consider and pass on any new matters or subject which may be brought before them.

Section 3. Special Meetings. The President or Vice President or by a majority of the Board of Directors, or upon written request of Co-Owners who represent at least

Fifty (50%) percent of the percentages of participation in the General Common Elements as stated in Exhibit "E" which is attached and made a part of the Master Deed may call special meetings at any time. The call of the meeting shall be signed by the person or persons making it. The notice shall be in writing and shall state forth the date, the time, place of the meeting, and the matters to be considered and shall be delivered as early as possible at Apartments belonging to each Co-Owner by general mail addressed to the place designated for such purposes by the Co-Owners who do not reside in the Condominium, but in no instance shall the notice be mailed less than seven (7) days prior to the date of the meeting. It will always be each Co-Owner's responsibility to notify the Association of a current mailing address.

Section 4. Notice of Annual Meeting. The President or the Secretary shall deliver to each Co-Owner the notice for the regular annual meeting at least ten (10) days prior to the date of the meeting, but not more than thirty (30) days prior to the date of the meeting. Such notice shall be in writing to each member at his or her address as it appears on the books of the Association. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of the meeting may be waived before or after the meeting.

Section 5. Quorum. A quorum at Council of Co-Owner meetings shall consist of Co-Owners with fifty-one (51%) percent or more of the basic value of the Condominium Property, as a whole, as set forth in the Master Deed and Exhibit "E" thereto. The acts approved by of fifty-one: (51%) percent, a quorum being present, shall constitute a

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decision of the Co-Owners and shall be binding upon the Co-Owners, except where approval of a greater percentage is required by the Act, the Master Deed establishing the Regime, the Charter of the Association, or these By-Laws.

Section 6. Voting. Each Co-Owner shall have a vote equal to his or her percentage ownership in the Regime property as a whole as set forth in Exhibit "E" to the Master Deed. If an Apartment is owned by one person, his or her right to vote shall be established by the recorded title to his or her apartment. If any Apartment is owned by more than one person, those having interest in said Apartment shall appoint a single person to represent their interest and to vote their percentage at any meeting of the Association. When one or more units belong to, or are owned by a corporation, partnership, or other business entity, the entity shall designate one of its officers, partners, agent, or trustee to attend the meeting and exercise the right to vote corresponding to it. The Board of Directors at its discretion may request that a certificate of appointment be signed by a duly authorized officer, general partner or trustee or agent as the case may be, and filed with the Secretary of the Association prior to any voting. The certificate should designate the person entitled to cast the vote of an Apartment. If such a certificate is requested by the Board, it should be on file with the Secretary of the Association at least twenty-four (24) hours prior to any annual or special meeting, and if said certificate is not on file such Co-Owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

Any Co-Owner who owes two (2) or more Assessment installments shall be temporarily deprived from executing the

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right to vote at the meetings of the Association until the debt is fully paid. At each meeting of the Association, the Treasurer shall have available a list of the Co-Owners who owe two (2) or more installments and said list shall be presumed to be correct unless proven erroneous.

Section 7. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid for such period as provided for by law, unless a shorter period is designated in the proxy, and must be filed with the Secretary before the appointed time of the meeting or any adjournment thereof.

Section 8. Lack of Quorum. When a quorum is not obtained at a meeting to adopt a decision, for lack of attendance of the Co-Owners, the majority present, either in person or proxy, may adjourn the meeting from time to time until a quorum is present.

Section 9. Agenda. The order of business in a regular meeting of the Council of Co-Owners shall be the following:

- A. Roll Call and Certifying of Proxies;
- B. Proof of Notice and Waiver of Notice (if any);
- C. Approval of Minutes;
- D. Report of Officers;
- E. Report of Committees;
- F. Election of Ballot Inspectors;
- G. Election of Directors;
- H. Unfinished Business;
- I. New Business;
- J. Adjournment;

Section 10. Meeting Place. The meetings of the Association shall be held at Retreat at Glenn's Bay Garden Homes Horizontal Property Regime, 316 Glenn's Bay Road, Surfside

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Beach, Horry County, South Carolina, if space is available in the building or at any other convenient location in Horry County to be determined from time to time by the Board of Directors.

Section 11. Majority. At least one-half (1/2) of the Co-Owners whose Apartment represents at least fifty-one (51%) percent of the value in the General Common Elements in accordance with the percentages assigned to the Apartments pursuant to Exhibit "E" to the Master Deed shall constitute a majority of Co-Owners.

Section 12. Roster of Unit Owners. Each Co-owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Co-owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Co-owners shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting. No Co-owner shall be entitled to vote or to be counted for purposes of determining a quorum if delinquent in the payment of Assessments as elsewhere herein provided.

ARTICLE III

SECTION 1. The Board of Directors. The Board of Directors of the Association (hereinafter called the "Board") shall be composed of not less than three (3) nor more than five (5) persons who shall be Co-Owners in good standing of Apartments in the Condominium, as the Association of Co-Owners shall decide and shall constitute the executive

organ of the Condominium Association. Co-Owners who are more than thirty (30) days delinquent in the payment of Common Expenses may not be nominated for election to the Board of Directors. All Directors must be Co-Owners.

Section 2. Powers and Duties. The Board shall have the following powers and duties:

A. Care, upkeep, and surveillance of the Condominium relating to the good government, administration, and operations of the Regime and especially in regard to General and Limited Common Elements.

B. To prepare and approve and to submit to the Council of Co-Owners for their review only the annual general budget of foreseeable expenditures and receipts and to fix the proportionate contribution corresponding to each Co-Owner separate from the general budget or budgets.

C. To direct the financing matters concerning the collection and payments and to keep a book with a detailed account, in chronological order, of the receipts and expenditures affecting the property and its administration and specifying the maintenance and repair expenses of the Association, and to have available for examination by all the Co-Owners, at convenient hours and days that shall be set for general knowledge, said books as well as the vouchers accrediting the entries made.

D. To open a bank account in the name of the Council of Co-Owners, into which it shall deposit all the receipts of the Condominium, making the deposits, and to draw checks against said account to meet all necessary payments, but taking care not to draw them to bearer and that each one has its corresponding voucher and receipt.

E. To arrange for a yearly audit of the Association's

books by either a Certified Public Accountant or public accountant, to be determined by the Board.

F. To care for the maintenance of the Property and order the ordinary repairs; and as to the special maintenance, to adopt the necessary measures, forthwith notifying the Association.

G. To keep the book of Co-Owners in which shall be entered the names and other data of the Co-Owners of the Apartments as well as the succeeding transfers or leases that may take place in connection with those Apartments.

H. To comply and enforce compliance with the provisions of the Horizontal Property Act and of the Master Deed, the Charter, and of the By-Laws and of the resolutions of the Association.

I. To increase or reduce the assessment for Common Expenses and to fill vacancies of members of the Board of Directors subject to these By-Laws.

J. Designation and dismissal of the personnel necessary for the maintenance and operation of the Condominium, the General Common Elements and the Limited Common Elements.

K. Any other powers and duties that may be assigned thereto by the By-Laws of the Association, Master Deed, Charter or Act as well as any and all other powers and duties as may be necessary for the administration and management of the affairs of the Association not reserved by law to the Co-Owners. The Board of Directors may delegate such duties and powers to a management agent as it may deem proper or convenient.

Section 3. Term. The term of the first Board elected at the first regular annual meeting of the Association shall be three (3) years for one director, two (2) years for one

director, and one (1) year for one director. If more than three directors are elected, then the fourth director shall serve a term of two (2) years and the fifth director shall serve a term of one (1) year. At the expiration of the term of each director, his successor shall be elected for a term of three (3) years.

Section 4. Location of Meetings. All meetings of the Board shall be held at Retreat at Glenn's Bay Garden Homes 316 Glenn's Bay Road, Surfside Beach, South Carolina, if possible, and if not, at a convenient location to the Board, to be decided by and at the discretion of the Board of directors.

Section 5. Vacancies. Vacancies of the Board resulting from any cause other than removal by the Association shall be filled by a majority of the remaining Directors, and any person so appointed shall hold office until their successor shall have been duly elected and qualified in the next annual meeting of the Council of Co-Owners.

Section 6. Removal. At any regular or special meeting of the Association duly called, one or more of the directors may be removed with or without cause by sixty-six and two-thirds (66-2/3) percent of the Co-Owners and a successor elected to fill the vacancy. A director whose removal shall have been proposed by the Co-Owners shall have the right to be heard at the meeting at which his removal shall be considered.

Section 7. Regular and Special Board Meetings. The Board of Directors shall hold such special Board of Directors meetings as may be called by the President, or by majority of directors, provided, however, that the Board shall hold at least one (1) regular meeting which shall take

place within ten (10) days of their election to elect officers and take care of other business.

Section 8. Notice of Regular and Special Board Meetings. Notice for a regular or special Board of Directors meeting shall be given to each Director personally, by mail, telegraph, or telephone at least three (3) days prior to the date for the meeting and shall state the time, date, place and purpose of the meeting.

Section 9. Waiver of Notice. On or before any meeting of the Board of Directors, any Director may waive notice thereof in writing and any such waiver shall be deemed a notice given as provided herein. The presence of a Director at a meeting shall be deemed a waiver of notice. No notice shall be necessary for a meeting at which all Directors shall be present and any matter may come before such meeting.

Section 10. Board Quorum. A majority of the Board shall constitute a quorum at a meeting of the Board of Directors and any action taken at such a meeting shall be taken as an action of the Board. A meeting at which less than a quorum shall be present may be adjourned by the Directors present from time to time until a quorum shall be present. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 11. Fidelity Bond. In addition to any powers heretofor granted to the Board by these By-Laws, the Board shall have the power to require the giving of fidelity bond by any official or any employee dealing or having to do with funds, monies, or valuables of the Council of Co-Owners and

the Association shall pay the premiums therefor.

Section 12. Compensation. Directors or officers shall not be entitled to any compensation or per diem for their services unless a majority of the Co-Owners (other than Grantor) so approve.

ARTICLE IV

Section 1. Officers. The principal officers of the Association shall be a president who shall be a director, a vice president who shall be a director, and a secretary/treasurer who shall be a director, all of which shall be elected by the Board of Directors. If the Board consists of more than three members, the office of Secretary/Treasurer shall be separated into two offices.

Section 2. Removal of Officers. Any officer may be removed by a majority of Board of Directors affirmatively voting to do so, and any person removed as a director shall also be deemed to be removed as an officer. Vacancies caused by removal or resignation of any officer shall be filled by a majority of the remaining directors appointing any Co-Owner to hold the office subject until their successor shall have been duly elected and qualified at the next annual meeting of Co-Owners.

Section 3. President. President shall be the chief executive officer of the Council of Co-Owners and shall preside at all meetings of the Association and of the Board. The President shall have the powers and duties normally reposed in his office and/or delegated to him by the Board, including but without limitation thereto the execution of documents, deeds and papers for and on behalf of the Association, and the appointment of committees from and among the Co-Owners to help in the management of the affairs of the

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Association.

Section 4. Vice President. The Vice President shall perform the duties of the President in the absence or incapacity of the latter and such other duties as may be required of the Vice President from time to time by the Board. If the office of Vice President is not occupied, the Treasurer will fill this role.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall have the following duties and powers:

A. Shall prepare the call to meetings of the Association and of the Board and notify the same.

B. Shall prepare minutes of the meetings of the Association and of the Board and enter them in the corresponding book.

C. Shall certify the minutes of each meeting;

D. Shall issue, as they appear in the minute book, all certificates which may be necessary with the approval of the Board of Directors.

E. Shall communicate to all absent Co-Owners all resolutions adopted in the manner herein provided for the notice of the calls to the meetings of the Association.

F. Shall have custody of all documents concerning the meetings of the Association and of the Board and keep them at the disposal of the Co-Owners.

G. Shall have any other functions that may logically fall within the jurisdiction of the Secretary, because of the nature of the office, and such others as may be assigned to the Secretary by the By-Laws or the Association.

Section 6. Treasurer. The Treasurer shall:

A. Have custody of the funds and securities of the

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Association and shall keep full and accurate accounts of receipts and disbursements in the books belonging to the Association and shall deposit all monies, securities, and valuables in the name of and to the credit of the Association with such depositories as may be designated from time to time by the Board.

B. Keep books in such a manner as to accurately reflect receipts, accounts receivable, payments and accounts payable.

C. Disburse the funds of the Association as may be ordered by the Board pursuant to these By-Laws.

D. Collect the assessment from the Co-Owners and report the status of the collections and delinquencies to the Board.

E. Have check co-signature authority along with the President of the funds of the Association.

F. These duties may be assigned to an administrator (manager) if so approved by the Board of Directors.

ARTICLE V

Section 1. Liability and Indemnification of Officers and Directors. The Council of Co-Owners shall indemnify every officer and director of the Board of Directors against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been an officer or director of the Association, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall

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not be liable to the Co-Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Co-Owners of Apartments) and the Association shall indemnify and forever hold each such officer and director free and harmless against any any all liabilities to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights which any officer or director of the Association may have. The Board of Directors may and shall, if reasonably available, purchase liability insurance to insure all directors, officers, or agents past and present against all expenses and liabilities as set forth above. The premiums for such insurance shall be paid by the Association as part of the Common Expenses.

ARTICLE VI

FISCAL MANAGEMENT

Section 1. Finances. The funds of the Association shall be deposited in such banks and with such depositories as may be determined from time to time by resolution of the Board and shall be withdrawn only by checks and demands for money signed by an officer or officers designated by the Board who shall also sign the obligations of the Association. The signature of an officer will not be required by an administrator (managing agent) who may be employed by the Board if it is demonstrated that the administrator carries appropriate fidelity bond insurance at the administrator's

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own expense and that the bond may not be cancellable without thirty (30) days notice to the Board.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year, but may be changed by the Board of Directors from time to time.

Section 3. Assessments. The making and collection of assessments against Co-Owners for Common Expenses shall be pursuant to the following provisions:

A. Each year, and no later than thirty (30) days on or before the beginning of a fiscal year, the Board of Directors shall prepare and adopt a budget for review by the Council of Co-Owners.

B. A general budget for the Condominium should be prepared containing an estimate of the total amount it considers necessary to pay the cost of utility services, maintenance, management (if any), operation, repair and replacements of the Limited and General Common Elements and those parts of the Apartments as to which it may from time to time be the responsibility of the Board of Directors to maintain, repair, and replace, and the cost of wages, materials, insurance premiums, services, supplies, and any other expenses that may be declared to be Common Expenses by the Act, by the Master Deed, by the Charter, by these By-Laws, or a resolution of the Council of Co-Owners, and which will be required during the insuing fiscal year for the administration, operations, maintenance, and repair of the Condominium and the rendering to the Co-Owners of all related services. The general budget may also include:

(i) The cost of the maintenance or repair of any Apartment in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to

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protect the Common Elements or to preserve the appearance or value of the project or is otherwise in the interest of the general welfare of all Co-Owners of the Condominium; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the Co-Owner of the Apartment proposed to be maintained and provided further that the cost thereof shall be assessed against the Apartment on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said Apartment at which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all respects as provided in these By-Laws.

(ii) Any amount necessary to discharge any lien or encumbrance levied against the project, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against the Common Elements rather than the interest therein of the owner of any individual Apartment.

(iii) The Board of Directors may also include in the budget such reasonable amounts as the Board of Directors considers necessary to provide working funds for the Association, a general operation reserve, or reserve for contingency or such other reserves as may be established by the Board of Directors.

C. Initial Capital Payment. (i) Upon taking office, the first Board of Directors elected or designated pursuant to these Bylaws shall determine the budget, as defined in this Section, for the period commencing thirty days after such selection and ending on the last day of the fiscal year

in which such selection occurs. Assessments shall be levied and become a lien against each Co-owner during such period as provided in Section 9 of this Article.

(ii) The Grantor, as the agent of the Board of Director, will collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the estimated monthly assessment for Common Expenses for such purchaser's Unit. The Grantor will deliver the funds so collected to the Board of Directors to provide the necessary working capital for the Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, and for such other purposes as the Board of Directors may determine.

D. (i) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Co-owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Co-owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due more than ten (10) days after such new annual or adjusted budget is adopted.

(ii) Accounts. All sums collected by the Board of Directors with respect to assessments against the Co-Owners or from any other source may be comingled into a single fund or held for each Co-owner in accordance with his Percentage Interest.



Section 4. Notice of Assessment. The Board of Directors shall send to each Co-Owner a copy of the budget or budgets, in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Co-Owner, at least ten (10) days prior to the beginning of the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Co-Owner's contribution for the Common Expenses of the Association.

Section 5. Payment of Assessments.

A. The total amount of the estimated funds required for the operation of the Property set forth in the general budget for the fiscal year adopted by the Board of Directors shall be Assessed against each Co-Owner in proportion to his or her respective percentage value in the Common Elements as set forth in Exhibit "E" of the Master Deed, and shall be a lien against each Co-Owner's Apartment as follows: All sums assessed by the Board of Directors or the management agent, if any, as specified in these By-Laws, but unpaid, for a share of Common Expenses chargeable to any Apartment shall constitute a lien on such Apartment prior to all other liens except only (i) tax liens on Apartments and, (ii) mortgage or other liens duly recorded covering the Apartment. Such lien may be foreclosed by suit by the Board of Directors or their agent as specified in the By-Laws and acting on behalf of the Council of Co-Owners, in like manner as a mortgage of real property. In any foreclosure, the Board of Directors or its agent, acting on behalf of the Council of Co-Owners, shall have the power to bid on the Apartment at foreclosure sale and to acquire, lease, or mortgage and convey the same.

Where the Mortgagee of any mortgage of record or other purchaser of an Apartment obtains title at the foreclosure

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sale of such a mortgage, such acquirer of title, his successors and assigns shall not be liable for the share of Common Expenses of assessments by the Co-Owners chargeable to such Apartment accruing after the date of recording such mortgage but prior to the acquisition of title to such Apartment by such acquisition. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectable from all of the Apartment Co-Owners, including such acquirer, his successors and assigns.

On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, such Co-Owner shall be obligated to pay to the Board of Directors or the management agent (as determined by the Board of Directors), one-twelfth (1/12th) of the Assessment for such fiscal year made pursuant to the foregoing provisions. The Board may also collect Assessments on a quarterly or annual basis as they determine from time to time. Any amount accumulated in excess of the amount required for actual expenses and reserves may, if the Board of Directors deems it advisable, be credited according to each Co-Owner's percentage value in the Common Elements pursuant to Exhibit "E" of the Master Deed to the installments due in the succeeding months of that fiscal year.

B. All Co-Owners shall be obligated to pay the Common Expense assessed by the Board of Directors. No Co-Owner may exempt himself or herself from liability of Assessments or carrying charges by waiving the use or enjoyment of any of the Common Elements or by abandoning any Apartment he or she owns. The Assessments shall be made prorata according to the value of the Apartment as stipulated in the Master Deed.

C. The Board of Directors of the Association shall make

reasonable efforts to fix the amount of the Assessment against each Apartment for each Assessment period at least ten (10) days in advance of such date or period and shall, at that time, prepare a roster of the membership and Assessments applicable thereto which shall be kept by the Treasurer of the Association. The omission of the Board of Directors, before the expiration of any Assessment period, to fix Assessments for that or the next period shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any Co-Owner from the obligation to pay the Assessment. The Assessment fixed for the preceding period shall continue until a new Assessment is fixed.

Section 6. Provided, however, that until Glenn's Bay, Inc., a South Carolina Corporation, the Grantor of the Apartments within the Condominium has annexed all phases as herein set forth the total Assessments of each Co-Owner of Phase I Apartments will not be established. The Budget per Exhibit "H" of the Master Deed is for Phase I only and is not a full occupancy Budget. Provided, however, that until Glenn's Bay, Inc., a South Carolina Corporation, the Grantor of the Apartments within the Condominium has sold and closed all of the units in a particular phase of the Condominium Project the total Assessments of Grantor for the units not sold and closed in said phase shall be the amount of the assessment per unit set aside for "Reserves" as shown on the Budget per Exhibit "H" of the Master Deed. Provided, however, that the Grantor guarantees to be responsible for any deficit in funding the maintenance fees collected from Co-Owners based on the budget which is attached to the Master Deed as Exhibit "H". The Grantor additionally agrees

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that of the Assessments collected from each Co-Owner, including the Grantor's unsold Apartments that the proportionate amount which is attributable to the reserves per Exhibit "H" will be subtracted from the Assessments which are collected from each Co-Owner to be set aside in a reserve account. The remaining amount will be utilized for the operating and maintenance costs of the Condominium with any deficit to be made up by Grantor until the sale and closing of all the units in said phase.

Section 7. Special Assessments for Capital Improvements. This section shall apply solely to capital improvements to be made on the Condominium and shall not be applied towards reserve line items. In addition to the regular Assessments authorized by this Article, the Association may levy in any Assessment year a special Assessment or Assessments, for the purpose of defraying, in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the project, including the necessary fixtures and personal property related thereto, provided that any such Assessment shall have the assent of the Co-Owners representing fifty-one (51%) percent of the total value of the project. A meeting of the Co-Owners shall be duly called for this purpose; written notice of which shall be sent at least seven (7) days but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 8. Reserves. The Board of Directors shall build up, maintain and periodically review reasonable reserves for working capital, operations, and replacements. Extraordinary expenditures not originally included in the

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annual budget which may become necessary during the year shall be charged first against reserves, if the reserves are inadequate for any reason, including non-payment of any Co-Owner's Assessment, the Board of Directors may at any time levy a further Assessment, which shall be assessed against the Co-Owners according to their respective percentage assigned in the Common Elements, and which may be payable in a lump sum or in installments as the Board of Directors detemines. The Board of Directors shall serve notice of any such further Assessment on all Co-Owners by a statement in writing giving the amount and reason therefor, and such further Assessment on all Co-Owners by a statement in writing giving the amount and reason therefor, and such further Assessment shall, unless otherwise specified in the notice, become effective with the next monthly amount. The payment and collection of the Assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of Assessments in these By-Laws and the Act, including, without limitation, the right reserved to the Board of Directors to accelerate payment of Assessments and the right to recover attorney's fees and costs.

Section 9. Collection of Assessments and Default.

A. The Board of Directors may take prompt action to collect any Assessments for Common Expenses due from any Co-Owner which remain unpaid for more than ten (10) days from the date due to payment thereof.

B. Any regular or special Assessment levied pursuant to these By-Laws, or any installment thereof, which is not paid on the first day of each month, shall be in default. The Assessment shall, together with interest thereon and the

cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Apartment belonging to the Co-Owner against whom such Assessment is levied. The Assessment shall bind such Apartment in the hands of the then Co-Owner, his/her or its heirs, devisees, personal representatives and assigns. The personal obligations of the Co-Owner to pay such Assessment shall, however, remain his/her or its personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any Assessment levied pursuant to these By-Laws, or any installment thereof, may be maintained without foreclosing or waiving the lien herein pursuant to the Master Deed or these By-Laws, and any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Directors, bear interest at the prevailing rate not to exceed the lawful rate of interest according to South Carolina law. The member obligated to pay this delinquent Assessment, may, by resolution of the Board of Directors, be subject to such penalty or "late charge" as the Board of Directors may fix prior to the fiscal period in which non-payment occurs. The Association may bring an action at law against the Co-Owner personally obligated to pay the same or foreclose and/or enforce the lien against the Apartment then belonging to said Co-Owner in the manner now or hereinafter provided for the foreclosure of mortgages or other liens on real property in the State of South Carolina, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorney's fees shall be added to the amount of each Assessment. Upon the sale or conveyance of

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an Apartment, all unpaid Assessments against a Co-Owner for his or her prorata share in the Common Expenses shall be paid out of the sales price or by the acquiescence in preference over any other Assessments or charges of whatever nature except the following:

(1) Assessments, liens and charges for taxes past due and unpaid on the Apartment.

(2) Payments due under mortgage instrument or encumbrances duly recorded.

In the event any proceeding to foreclose the lien for any Assessment due the Association pursuant to this Article is commenced with respect to any Apartment, upon resolution of the Board of Directors, the Co-Owner may be required to pay a reasonable rental for such Apartment and the Association shall be entitled to the appointment of a receiver to collect the same.

C. Upon default in the payment of two or more monthly installments in succession of any Assessment levied for the Assessment year pursuant to the Master Deed and/or these By-Laws, or any other installment thereof, the entire balance of said yearly or other Assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

Section 10. Additional Default. Any recorded first mortgage secured by an Apartment in the Condominium shall provide that any default by the mortgagor in the payment of any Assessment levied pursuant to these By-Laws, or any installment thereof shall likewise be a default in such mortgage (or the indebtedness secured thereby). Failure to include such a provision in any such mortgage shall not affect the validity or priority thereof and the protection

extended to the holder of such mortgage (or the indebtedne. secured thereby) by reason of such failure shall not be altered, modified or diminished by reason of such failure.

ARTICLE VII

Section 1. Compliance and Default. In the event of a violation (other than non-payment of an Assessment) by a Co-Owner of the provision of the Horizontal Property Act and/or the Master Deed and/or the By-Laws as the same may be amended from time to time, the Association may notify the Co-Owner and its Mortgagee, if any, in writing of said default and if such violation shall continue for a period of thirty (30) days from the date of notice, the Association shall have the election to file (a) an action at law to recover damages on behalf of the Association and/or the remaining Co-Owners; (b) an action to enforce performance on the part of the defaulting Co-Owner; or (c) an action for such relief as may be necessary. If the Court decides in favor of the Association, the defaulting Co-Owner shall reimburse the Association the attorney fees, court costs, and expenses incurred in bringing the action. Failure of the Association to file any such action within thirty (30) days from the date a written request therefor from any Co-Owner shall authorize any Co-Owner to bring action in the manner aforesaid on behalf of the Association. Any violation which the Board may find to be a hazard to the health or peace of the Co-Owners may be corrected immediately as an emergency by the Association and the cost thereof shall be charged to a Co-Owner as an Assessment which shall be a lien against said unit to the same extent, force and effect as if the charge were a part of the Common Expense.

Section 2. Liability. Each and every Co-Owner shall be

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responsible for the expenses of any maintenance, repair, or replacement rendered necessary by his act, negligence or carelessness, or that of any member of his family or their guests, employees, licensees, or invitees, but only to the extent that such expenses are not met by proceeds of insurance carried by the Association. Such liability shall include without limitation any increase in insurance rates occasioned by use, misuse, occupancy, or abandonment of an Apartment by a Co-Owner.

ARTICLE VIII

SURVIVAL OF LIABILITY

The termination of ownership of an Apartment in the Condominium shall not relieve or release the former Co-Owner from any liability or obligation incurred under or in any way connected with the Apartment during the period of ownership or impair any rights or remedies of the Association against such former Co-Owner arising out of, or in any way connected with such ownership and/or with the obligations incidental thereto.

ARTICLE IX

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board may from time to time adopt or amend rules and regulations governing and restricting the use and maintenance of Limited and General Common Elements provided, however, that copies of the rules and regulations shall be furnished each Co-Owner prior to the time the same shall become effective and that the same shall be posted in a conspicuous place in the Condominium. No amendments or changes to the rules and regulations shall be made that may be in conflict with any clauses or provisions of the Master Deed or these By-Laws. Nothing

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in this Article or otherwise herein set forth shall be construed from prohibiting the Grantor from the use of any Apartment which Grantor owns for promotion, marketing, or display purposes as model apartments, or from leasing any Apartment or Apartments which Grantor owns.

Section 2. Co-Owner Responsibility. The rules and regulations contained hereinafter shall be in effect until added to or amended by the Board of Directors and/or the Association and shall apply to and be binding upon any Co-Owners and tenants or lessees or guests. The Co-Owners, tenants, and lessees or guests shall obey the rules and regulations at all times and shall use their best efforts to see that they are observed in full by their families, guests, invitees, servants, and persons over whom they may exercise control and supervision.

Section 3. Residential Use. Except for the areas of the Condominium designated for recreational use, all Condominium Apartments shall be used for private residential purposes exclusively except such temporary non-residential uses as may be permitted by the Board of Directors from time to time. Furthermore, no Apartment may be occupied by more than the permitted number of heads of household and their family pursuant to county and state zoning regulation and law. No improper, offensive or unlawful use shall be made of the Property nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of such Property shall be the same as the responsibility for the maintenance and repair of the Property concerned.

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Section 4. Obstruction. The entrances, passages, corridors, stairways, garage and parking area and other Limited and Common Elements of the Condominium shall not be obstructed, encumbered, or used for any purposes other than ingress and egress to and from the Condominium and/or Apartment and other purposes for which they are intended and no carriages, bicycles, mopeds, wagons, carts, chairs, benches, tables, toys, or other objects, or things, regardless of the nature thereof shall be left or stored therein.

Section 5. Children. Children shall not play or loiter in the hallways, corridors, stairways, or other public areas of similar nature of the Condominium.

Section 6. Storage. Personal property of the Co-Owners shall be stored in their respective Apartments or storage cubicle.

Section 7. Articles. No garbage cans, supplies, no bottles, or other articles shall be placed in the corridors, on the balconies, decks, patios, on the stairways, on any other Limited or General Common Elements of the Condominium, nor shall lines, cloths, clothing, curtains, windows, doors, or balconies, patios, or exposed on any part of the windows, doors, or balconies, decks, patios, or be exposed on any part of the Limited or General Common Elements unless written permission is obtained for the Council of Co-Owners.

Section 8. Debris. Limited and General Common Elements shall be kept free of rubbish, debris, garbage, or unsightly material.

Section 9. Safety. Co-Owners shall take reasonable precautions not to permit anything whatsoever to fall from his/her Apartment nor shall he sweep or throw from the Apartment or other part of the Condominium any dirt or sub-

stance into the corridors, halls, balconies, decks, patios, or other similar areas in the Condominium.

Section 10. Trash. Refuse, rubbish, and garbage shall be deposited of and in a manner provided for and not placed outside in the corridors, hallways, balconies, decks, patios, or stairways, etc.

Section 11. Windows. The Co-Owners of any Apartment shall, at his own expense, clean, repair and maintain both the interior and exterior surfaces of all windows. Drapes or shades covering the windows in individual Apartments shall be completely lined with white lining, except those drapes or shades used in the model units for such time as they are used as model units. Variances from this Section may be given by written approval of the Board of Directors.

Section 12. Employees of the Association. Employees of the Association (if any) shall not be sent out of the Condominium by Co-Owners at any time for any purpose other than by the Board of Directors. Neither shall employees of the Association come in and service or repair or replace items that are the responsibility of the Co-Owners while working for the Association.

Section 13. Fire Equipment. Fire prevention and fire fighting equipment throughout the Condominium shall not be tampered with.

Section 14. Parking. The parking spaces, and facilities shall be used exclusively for parking of automobiles except upon written consent of the Board of Directors and then only in designated areas. Except as herein provided no trailers, tractors, campers, wagons, or trucks that exceed three-quarter ton or other commercial type motor vehicles shall be parked therein except vehicles while loading an.