

*Woodhaven*

**By-Laws**

BY-LAWS OF SEA CABIN HORIZONTAL PROPERTY REGIME  
COUNCIL OF CO-OWNERS, INC.

ARTICLE I

514

NAME

The name of the Corporation shall be the Sea Cabin Horizontal Property Regime Council of Co-Owners, Inc.

ARTICLE II

OFFICES

The principal office of the Corporation shall be located at Sea Cabin Horizontal Property Regime, Hilton Head Island, South Carolina. The Corporation may have other offices within and without the State of South Carolina as the Board of Directors may determine or as the affairs of the Corporation may require from time to time. The Corporation shall have and continuously maintain in the State of South Carolina, a registered agent whose office shall be identical with the registered office. The registered office may be but need not be identical with the principal office of the Corporation and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III

PURPOSE

The purpose of this Corporation shall be to provide a collective government form of administration for the Co-Owners of the Sea Cabin Horizontal Property Regime and manage and control Sea Cabin Horizontal Property Regime and the activities of the Co-Owners therein and of all persons using or occupying the facilities of Sea Cabin Horizontal Property Regime and all things pertinent to and/or related thereto and to carry out all activities, promulgate all Rules and Regula-

tions and to have all responsibilities and purposes that are given to the Sea Cabin Horizontal Property Regime Council of Co-Owners in the Master Deed of Sea Cabin Horizontal Property Regime (hereinafter called the Master Deed), in the South Carolina Horizontal Property Act, Chapter 13, Code of Laws of South Carolina, 1962, as amended (hereinafter called The Act) and in these By-Laws.

515

#### ARTICLE IV

##### DEFINITIONS

All terms and phrases used herein shall, unless the context otherwise requires, have the same definition and meaning as set forth in the Master Deed and/or in The Act.

#### ARTICLE V

##### MEMBERS

Each and every Co-Owner of an Apartment or an interest in an Apartment in Sea Cabin Horizontal Property Regime shall be a Member of this Corporation. Further, there shall be appurtenant to each Apartment in Sea Cabin Horizontal Property Regime one vote which shall be exercised by the voting member of that Apartment as set forth in the Master Deed. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Apartment, such subsequent transferee shall automatically become a Member hereof and likewise the vote appurtenant to that apartment shall automatically pass and the membership of the transferor shall upon such transfer immediately be cancelled and voting rights of the transferor immediately terminated whether any membership certificate or voting certificate be transferred or not; provided, however, the Corporation shall for all purposes be entitled to rely upon the right to membership and voting rights of the person shown as Co-Owner of an Apartment in its



records until notified of such transfer by delivery of written notice thereof to the secretary of the Corporation.

#### ARTICLE VI

516

##### APPLICATION

All present and future Co-Owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the facilities of Sea Cabin Horizontal Property Regime or occupying any Apartment thereof shall be and is hereby subject to all matters, Rules and Regulations set forth in these By-Laws, Rules and Regulations promulgated by the Board of Directors hereof, and all things set forth in the Master Deed and in The Act.

A mere acquisition or rental of an Apartment or use of the facilities of the Regime shall signify these By-Laws and all Rules and Regulations and provisions contained within the Master Deed, The Act or promulgated by the Board of Directors are accepted, ratified and shall be complied with.

#### ARTICLE VII

##### VOTING MAJORITY

Section 1. There is hereby assigned to each Apartment one vote which shall be voted by the Voting Member thereof as described in the Master Deed. Each one vote may not be split in any fashion. If one person is the Co-Owner of an Apartment, he shall be the Voting Member. If an Apartment be owned by more than one person, they shall designate one of them as the Voting Member and notify the Secretary in writing of such designation. In the event a corporation owns an Apartment, the corporation shall designate one agent thereof as the Voting Member and so notify the Secretary in writing. In the case of multiple or corporate ownership of an Apartment, the vote appurtenant thereto shall not be exercised

until written designation of the Voting Member has been delivered to the Secretary. The Voting Member so designated shall remain the Voting Member, entitled to cast the vote of that Apartment on all matters to come before the Council of Co-Owners for vote until the Secretary be given written notice of change. By reason of all Apartments having equal value, one vote assigned to each Apartment represents the percentage value of that Apartment as opposed to the Regime as a whole.

517

Section 2. As used in these By-Laws, the terms Majority of Co-Owners shall mean those Co-Owners who are Voting Members holding 51 percent of the total vote of all the Co-Owners of the Regime and thereby represent 51 percent of the basic value of the Property as a whole. Unless otherwise required herein, in the Master Deed or in The Act, majority vote shall constitute 51 percent of the total outstanding votes of all Co-Owners and shall be required to adopt any decisions affecting the Regime.

Section 3. Except as otherwise provided or required in these By-Laws, the Master Deed or The Act, present in person or by proxy of a Majority of Co-Owners as is defined above shall be required to constitute a quorum.

Section 4. Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board of Directors and must be filed with the Secretary at least 15 days before the appointed time for a regular meeting and at least one day before the appointed time for a special meeting.

Section 5. Membership in the Corporation is not transferable or assignable (except as the same may be assigned by way of proper proxy properly executed). Transfer of a Co-Owner's Apartment or his interest therein in any fashion shall automatically terminate his membership herein and all his voting rights.



ARTICLE VIII  
ADMINISTRATION

Section 1. Corporation shall be managed and governed by a Board of Directors (herein called the Board) consisting of seven (7) members; provided, however, if there be fewer Co-Owners than seven, the number of Directors shall be equal to the number of Co-Owners; provided, however, there shall always be an odd number of Directors. The initial Board of Directors shall be nominated and elected at the organizational meeting. Of the total Directors to be then elected, the number of nominees equal to one-half of the Board to be elected plus one and receiving the most votes shall be elected to the Board for a two-year term; the nominees receiving the next highest number of vote, equal to the remaining positions on the Board shall be elected for a one-year term. Directors elected at subsequent elections shall be elected for a term of two years, and shall be elected at the regular Annual Meeting of the Council of Co-Owners. At such regular Annual meetings, the Voting Members shall vote for the number of Directors necessary to fill the expired terms. Each Voting Member shall vote for as many Board members as there are vacancies on the Board; provided, however, there shall be no cumulative voting. The candidates receiving the most votes shall be declared elected as members of the Board to fill the Board positions vacant at that time. Board members shall serve until their successors are elected and qualified.

Section 2. Any Director who shall cease to be a Co-Owner or who shall be delinquent in payment of any common expenses or assessment (as defined in the Master Deed and/or in The Act) shall automatically cease to be a Member of the Board.

Section 3. Each Board Member must be a Co-Owner

(or the Voting Member for a corporate Co-Owner) and in good standing, current in payment of all fees, assessments and common expenses.

519

#### ARTICLE IX

##### BOARD OF DIRECTORS

Section 1. Consistent with these By-Laws, the Board shall:

- A. Transact all Corporation business and prescribe the Rules and Regulations for the use of Sea Cabin Horizontal Property Regime and all facilities and property thereof and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensations.
  - B. Annually set the common expenses for the operation of the Regime.
  - C. Fix, impose and remit penalties for violations of these By-Laws and Rules and Regulations of the Council of Co-Owners.
  - D. Serve without compensation.
  - E. Elect from the Board within thirty (30) days after each Annual Meeting a President, Vice President, Secretary and Treasurer, all of whom shall serve without remuneration.
- In the event of a vacancy in any one of these offices during the year, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term. In the event of a vacancy on the Board, the President shall have the power



to appoint with the approval of the majority of the Board, a member in good standing to fill the vacancy until the next Annual Meeting.

520

F. Carry out all other duties and obligations imposed and exercise all rights granted it by the Master Deed and Exhibits thereto and The Act.

Section 2. There shall be at least one regular meeting of the Board quarterly at a time designated by the President. The President or two members of the Board may call special meetings of the Board as are deemed necessary or desirable and in the best interest of the Corporation.

Section 3. Notice of regular and any special meeting of the Board of Directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail to each Director at his address as shown in the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice for such meeting except for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither business to be transacted nor other purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-Laws.

Section 4. A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting Corporation business and the affirmative vote of



a simple majority of the entire Board shall be necessary to pass any resolution or authorize any act of the Corporation unless a different vote is required herein, in the Master Deed, its Exhibits and/or The Act. Absentee voting is permitted provided such Director register his vote in writing with the Secretary within twenty-four hours after the termination of such meeting.

521

Section 5. Any action required by law to be taken at any meeting of the Directors or any action which may be taken in a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by two thirds of the Directors.

Section 6. The Board of Directors shall annually on or before November 15 of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the common expenses of the Regime and such other expenses as are deemed necessary or appropriate expenses of the Regime. The Board of Directors shall thereafter on or before December 1 deliver (which delivery may be by mail) the budget for the up-coming year together with statement of the amount(s) due from each Co-Owner for that year and the date or dates upon which payment or payments are due to the Co-Owners. Thereafter, should any increase or decrease be determined appropriate by the Board of Directors in assessments to be paid by Co-Owners, the Board shall notify all Co-Owners so affected at least thirty days prior to the time such assessment so changed shall be due. The Council of Co-Owners shall have a lien upon each Apartment together with the common elements and common surplus appurtenant thereto for payment of all assessments not paid when due in the amount of such unpaid assessments together with the interest thereon from the date due together with the

cost of collection thereof including a reasonable attorney's fees. Such shall be collected and/or lien foreclosed upon in the manner provided for in the Master Deed and Exhibits thereto and/or in the Act.

## ARTICLE X

522

### OFFICERS

Section 1. The principal officers of the Corporation shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by and from the Board. The Directors may appoint assistant treasurers and assistant secretaries and such other officers as in their judgment may be necessary. No two offices may be held by the same person.

Section 2. The officers of the Corporation shall be elected annually by the Board of Directors immediately following the annual meeting of the Council of Co-Owners and shall serve for the twelve month period next succeeding. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall be duly elected and shall qualify.

Section 3. The President shall be the principal executive officer of the Corporation, shall preside at all meetings of the Board and all meetings of the membership, shall appoint committees and shall have general charge of and shall control the affairs of the Corporation according to such rules and restrictions as the Board shall determine.

Section 4. There shall be a Vice-President who shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President. The Vice-President shall also be chairman of the Operations Committee.



Section 5. There shall be a Secretary who shall record the minutes of the Meetings of the Board and meetings of the Council of Co-Owners and who shall perform or have performed the correspondence of the Board and shall have such further duties as may be assigned to the Secretary by the Board.

523

Section 6. There shall be a Treasurer who shall keep the funds of the Regime and shall disburse them to meet the ordinary and usual expenses of the Regime and for other purposes upon order of the Board of Directors after such disbursement order has been entered in the minutes of the Board at a duly constituted meeting and shall have such other duties as may be assigned to him. He shall render a financial report to each regular meeting of the Board and to the Annual Meeting of the Council of Co-Owners. The Treasurer shall be bonded at the expense of the Corporation.

Section 7. If required by the Board of Directors, the assistant treasurers, if any, shall be bonded at the expense of the Corporation. The assistant treasurers and the assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors upon a two-thirds majority vote whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice of the contract rights, if any, of the officers so removed.

Section 8. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

## ARTICLE XI

### MEETINGS

Section 1. There shall be an Annual Meeting of the Council of Co-Owners held during the first quarter of the calendar year and at a time and place designated by the President. Notice of the annual meeting shall be given to all co-owners by mail at least twenty days prior to the date of the meeting.

524

Section 2. Special meetings of the Council of Co-Owners may be called by the Board. Also, upon request of voting members totaling 50 per cent of the total votes in writing made to the Secretary stating the purpose therefor, a special meeting shall be called by the Secretary of the Corporation to be held within forty days thereafter. Special meetings of the Council of Co-Owners may be held at the call of the President upon five days notice by mail to all members. Such notice shall state the purpose for which the special meeting is called and no other business shall be transacted at said meeting.

Section 3. Voting members holding fifty-one per cent of the total votes of the Council of Co-Owners must be present personally or by proxy to constitute a quorum at all Annual and Special meetings of the Council of Co-Owners. Should voting members holding fifty-one per cent of the vote not be present or constitute a quorum at an annual meeting of the membership, a special Board meeting may be called by the President or Secretary and by action of two-thirds of the entire membership of the Board of Directors a quorum may be declared provided there are Voting Members holding at least twenty-five per cent of the total outstanding votes of the Council of Co-Owners present and that the business to be conducted at such meeting does not require that a greater number of Voting Members be present.



Section 4. Any action required by law to be taken at a meeting of the Council of Co-Owners or any action which may be taken in a meeting of the Council of Co-Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Voting Members holding not less than two-thirds of the entire votes entitled to vote on the subject matter thereof and further provided the same is not otherwise prevented by these By-Laws, the Master Deed or the Act.

Section 5. When notice to Co-Owners is required, the mailing of such notice to the last known address of the Co-Owner in the Corporation's records shall constitute notice.

#### ARTICLE XII

##### OBLIGATIONS OF CO-OWNERS

Section 1. Each Co-Owner is obligated to pay all annual, monthly and special assessments and charges levied and imposed by the Council of Co-Owners and/or through its Board of Directors for such purposes as are enumerated in the Master Deed, in The Act and in these By-Laws. Such charges or assessments so levied shall be paid on or before the date(s) set in The Act, the Master Deed, its Exhibits and/or these By-Laws, or, if not so set, on or before the date(s) affixed by resolution of the Board. Written notice of the change in any assessment and the date the payment shall be paid shall be sent to each Co-Owner at the address given by such Co-Owner to the Secretary of the Council. All common assessments shall be prorated dependent upon each Co-Owner's percentage of ownership in the common elements as is determined and set forth in the Master Deed and the Exhibits thereto. Such assessments shall include monthly payments to a general operating reserve in a reserve fund for replacements and all other things as required or set forth in Master Deed, The Act

and/or these By-Laws.

Section 2. The amount of assessment levied shall be paid on or before the date due. If not so paid, the amount of such assessment plus any other charges thereon including interest at the maximum limit provided by law per annum from the date of delinquency and cost of collection, including attorney's fees, shall constitute and become a lien on the Co-Owner's Apartment and share of the common elements and common surplus appurtenant thereto. Upon recording of the lien with the proper governmental authority for Beaufort County, South Carolina, such lien rights shall be as provided for and in accordance with the terms and provisions of the Master Deed and The Act. The notice of assessment which shall state the amount of such assessment and such other charges and giving the number of the Apartment which has been assessed shall be mailed to the Co-Owner thereof. Upon payment of such said assessments and charges or other satisfaction thereof, if a lien has been recorded, the Board shall, within a reasonable time, cause to be recorded a notice stating the satisfaction of and release of said lien. The priority of the lien hereinabove set forth shall be as provided in the Master Deed and/or The Act.

Section 3. The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Council in like manner as a mortgage and in such event, the Council may be a bidder at the foreclosure sale. The Council through its Board or duly authorized agent may also pursue any other remedy against any Co-Owner owing money to it which is available to it by law or in equity for the collection of debt.

Section 4. Upon request, the Board shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.



Section 5. The Council through its Board shall suspend any Co-Owner not paying assessments when due and such Co-Owner and any lessee, guest or invitee or other person planning to occupy that Co-Owner's Apartment by reason of permission of that Co-Owner or use the facilities of the Regime shall be refused entrance into Sea Cabin Horizontal Property Regime and use of the facilities thereof until all assessments and penalties to which such Co-Owner is subject have been paid.

Section 6. Each and every Co-Owner shall perform promptly all maintenance and repair work required of individual Co-Owners by the Master Deed, The Act or these By-Laws or which is within his own Apartment which, if omitted, would affect the Sea Cabin Horizontal Property Regime in its entirety or in a part belonging to some other Co-Owner(s). The Council shall be responsible for all maintenance and repair work required of the Council in the Master Deed, these By-Laws and/or The Act.

A Co-Owner shall reimburse the Council if there be any expenditures incurred in repairing and/or replacing any common elements or facilities damaged by such Co-Owner, his family, guests, invitees or lessees.

Section 7. Each Apartment, other than any Apartment owned by Sea Cabin Corporation, shall be utilized for residential purposes only.

Section 8. No Co-Owner shall make any structural modifications or alterations in his apartment or upon any common elements without the approval of the Council of Co-Owners through the Board of Directors.

Section 9. No Co-Owner, his family, guests, invitees, lessees shall place or cause to be placed in any common areas or facilities any furniture, package(s) or

object(s) of any kind. Such areas shall be used for no purpose other than normal transit through them and/or normal use of the facilities provided.

528

Section 10. Each Co-Owner shall and does hereby grant right of entry to the Board or its duly authorized agent in the case of any situation originating in or threatening an apartment whether such Co-Owner is present at the time or not.

Each Co-Owner shall further and does further grant right of entry to any person authorized by the Board or the Council to enter his apartment on a regular and recurring basis as the same is provided in the Master Deed and/or the Act and is necessary for routine maintenance, inspection and upkeep.

Section 11. No occupant of an apartment shall post any advertisements or posters of any kind in or on the Regime property except as authorized by the Board or as is permitted in the Master Deed; provided, however, this provision shall not be applicable to Sea Cabin Corporation during the period it is selling apartments.

Section 12. Occupants of apartments shall use extreme care about making noises or the use of musical instruments, radio, television and/or amplifiers that may disturb other occupants and in the event so notified by the Board or its duly authorized agent such occupant shall immediately cease and desist such activity.

It is prohibited to hang garments, rugs, etc. from the windows or from any of the sides or from any of the buildings or parts thereof.

It is prohibited to dust rugs, etc. from the windows or to clean rugs, etc. by being on the exterior part of any of the buildings.

It is prohibited to throw or place garbage or trash



outside the disposal installation(s) provided for such purposes.

Section 13. No Co-Owner, occupant or lessee of an apartment shall install wiring for electrical or telephone installation, television antennae, machines or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or roof of any building except as authorized by the Board.

Section 14. Nothing herein contained shall limit in any manner the power of the Council and/or Board to issue or promulgate such Rules and Regulations as are deemed necessary or desirable for the use, occupancy and enjoyment of Sea Cabin Horizontal Property Regime by the Co-Owners and/or occupants thereof. Further all obligations imposed by the Master Deed, its Exhibits and/or the Act are hereby incorporated by reference as further obligations as fully as if herein set forth.

Section 15. The Board of Directors shall have the right to enter into such agreements as it deems desirable to provide common services or to lease equipment for the use and enjoyment of the Co-Owners or any one or more Co-Owners. Such rights shall include but not be limited to the right to enter into lease and/or purchase agreements with third parties to install, sell and/or lease to the Regime a MATV system and/or cable television system and/or television sets. Furthermore, Sea Cabin Corporation, as Grantor, shall have the right to enter into such agreements on behalf of and for the Council of Co-Owners, its Board and the Co-Owners which agreement(s) shall be binding upon each of them.

#### ARTICLE XIII

##### MORTGAGES

Section 1. Any Co-Owner who mortgages his condomini-

nium unit or any interest therein shall notify the Board of Directors of the name and address of his mortgagee and the Board shall maintain such information in a book entitled "Mortgagees of Condominium Units".

530

Section 2. The Board shall, at the request of such mortgagee, report any unpaid assessments due from the Co-Owner of such condominium units so mortgaged.

Section 3. Any and all Institutional Mortgagees shall have all rights and power granted unto them by the Master Deed and/or The Act and nothing herein contained shall supersede such rights and powers. In the event any right or duty or power herein delegated or granted unto the Council or Board by these By-Laws is given to an Institutional Mortgagee by the Master Deed and/or The Act or should that Institutional Mortgagee by reason of the Master Deed and/or The Act have any voice in such decisions, then such Institutional Mortgagee is hereby given and granted such rights and powers and vote in such decisions as are thereby granted.

#### ARTICLE XIV

##### RULES AND REGULATIONS

The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issued as it may in its sole discretion determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any apartments, common areas or facilities contained within Sea Cabin Horizontal Property Regime, subject, however, to such restrictions upon such as contained in the Master Deed, its Exhibits and The Act. Such Rules and Regulations shall be binding upon and enforceable upon all Co-Owners, their families, guests, invitees and/or lessees, and all occupants of



apartments, and, so long as the occupants and owner(s) of the parcels designated III and IV are granted use of certain facilities, upon such owner(s) and occupants; provided, however, no Rules and Regulations shall be binding upon or enforceable upon such owner(s) and occupants which are not likewise binding upon and enforceable upon the Co-Owners of the Regime, their families, guests, invitees and lessees and all occupants of apartments.

531

#### ARTICLE XV

##### CONTRACTS, CHECKS, DEPOSITS, AGREEMENTS AND FUNDS

Section 1. The Board of Directors may authorize any officer or officers or agent or agents of the Council to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Council and/or the Co-Owners thereof. Such authority may be general or confined to specific instances.

Section 2. All checks, drafts or orders for the payment of notes or other evidences of indebtedness issued in the name of the Council shall be signed by such officer or officers, agent or agents of the Corporation in such manner as shall from time to time be determined by the resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer (or duly authorized assistant treasurer) and by the President (or Vice President) of the Corporation.

Section 3. All funds of the Corporation and/or received by it from or on behalf of the Co-Owners shall be deposited from time to time to the credit of the Corporation at such banks, trust companies or other depository as the Board may select.

Section 4. The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the

general purposes or for any of the special purposes of the Corporation.

#### ARTICLE XVI

532

##### CERTIFICATES OF MEMBERSHIP

Section 1. The Board shall provide for the issuance of certificates evidencing membership in the Corporation to each Co-Owner which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President and by the Secretary and shall be sealed with the seal of the Corporation. All certificates shall be consecutively numbered. The name and address of each Co-Owner and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may determine.

Section 2. Upon purchase of a condominium unit, a certificate of membership shall be issued in the name of the Co-Owner thereof and delivered to him by the Secretary. Such certificate shall be non-transferable and shall be immediately surrendered to the Board upon termination of ownership for any reason. Further, should such Co-Owner fail to surrender such certificate upon termination of ownership, such termination shall automatically terminate and such membership certificate shall become null and void.

Section 3. Any Co-Owner failing to pay assessments when due may have his membership in the Corporation and his use of his Apartment and the facilities of the Regime suspended by the Board. Any Co-Owner thus suspended shall immediately be notified in writing by the Secretary.



## ARTICLE XVII

### BOOKS AND RECORDS

Section 1. The Council and the Board shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Council, of the Board and committees having any authority of the Board and/or the Council and shall keep at the registered office a record giving the names and addresses of the Co-Owners who are Voting Members. All books and records of the Corporation may be inspected by any Co-Owner or his agent or attorney for any purpose at any reasonable time during normal business hours upon giving of one business day's notice.

Section 2. For purposes of voting at all meetings of the Council of Co-Owners, that person designated as Voting Member for a particular apartment shall be conclusively so presumed to be the Voting Member therefor until the Secretary be notified of a change in the Voting Member. The names of the Voting Members entitled to vote at any meeting, regular or special, of the Council, shall be determined as of the day notices are delivered of such meeting and may not thereafter be changed without the express permission of the Board. For purposes of this section, deposit of notice in the United States mail postage prepaid or personal delivery shall constitute delivery.

## ARTICLE XVIII

### MISCELLANEOUS

Section 1. Each person elected and qualified as a Director or Officer shall be indemnified by the Council against expenses actually and necessarily incurred by and in connection with the defense by such person of any action, suit or proceeding in which he is made a party by reason of

his being a Director or Officer except as to matters as to which he is adjudged to be liable for gross negligence or wilful misconduct. In said latter matters, such Officer or Director will indemnify the Council for any sum(s) paid in settlement of any action, suit or proceeding based upon gross negligence or wilful misconduct. The right of indemnification shall inure to each Director or Officer when such matter occurred during the time that such person was a Director or Officer even though such action takes place after such Director or Officer has been succeeded in office by someone else. Such payment by the Council shall be included as a part of the common expenses.

534

Section 2. Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.

Section 3. Roberts' Rules of Order shall apply in any meeting of the Board or of the Council unless in conflict with the By-Laws, Master Deed or The Act in which case these By-Laws, the Master Deed and/or The Act shall control.

#### ARTICLE XIX

##### COMPLIANCE

These By-Laws are set forth to comply with the requirements of the South Carolina Horizontal Property Act, Chapter 13, South Carolina Code of Laws, 1962, as amended. In case any of these By-Laws conflict with the provisions of The Act, the provisions of The Act shall apply. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control. In the event of conflict between the provisions of the Master Deed and The Act, The Act shall control, unless variance to The Act is permitted, in which case the Master Deed shall control.



ARTICLE XI.

AMENDMENTS

These By-Laws may be amended by a vote of two-thirds of the total vote of the Regime, which represents two-thirds of the total value of the Property, unless some other or greater vote is required herein, in the Master Deed and/or in The Act. The percentages and vote set forth in the Master Deed and Exhibits thereto are based upon the value of each apartment in relation to the entire Regime property.

535

ARTICLE XXI

DISSOLUTION

Termination of the Regime shall automatically dissolve this Corporation. It may also be dissolved in the manner provided by law. Upon dissolution those funds held by the Corporation for the Co-Owners shall be turned over to the Corporation's successor as governing entity of the Regime, or if the Regime be terminated, after payment of all debts and expenses, divided as provided according to the percentage ownership interests of the Co-Owners in the common elements and disbursed as provided in The Act and/or the Master Deed, provided, however, the residual of any property of any nature owned by the Corporation not held by it on behalf of the Co-Owners or any of them, shall be turned over to one or more organizations which, themselves, are exempt from Federal Income Tax as organizations described in Sections 501(c)(3) and 170(c) of the Internal Revenue Code and from South Carolina State Income Tax, or to the Federal, State or Local Government for exclusively public purposes.

THESE BY-LAWS are hereby adopted, accepted and fully ratified as THE BY-LAWS OF THE SEA CABIN HORIZONTAL

PROPERTY REGIME COUNCIL OF CO-OWNERS, INC., this 30<sup>th</sup> day  
of June, 1977.

Witnesseth:

*Sharon Braden* *Donald W. Smith* (SEAL)  
President and duly Authorized  
Agent

ATTEST:

*Sharon Braden* *J. F. Ramirez* (SEAL)  
Secretary

536



LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 30th day of June, 1977, 587  
by and between Reception Corporation, a South Carolina corporation, with the principal  
office in the City of Columbia, South Carolina, hereinafter called Reception Corpora-  
tion, and Sea Cabin Horizontal Property Regime, Inc., Council of Co-Owners, Hilton Head  
Island, S. C., County of Beaufort, State of South Carolina, hereinafter called "Lessee".

Reception Corporation and Lessee do hereby mutually agree as follows:

1. Reception Corporation will furnish (see below) lease unto Lessee, and Lessee does hereby lease from Reception Corporation, for the term and under the terms and conditions herein set forth the number and type of television sets and/or equipment herein specified. Said equipment shall be delivered by Reception Corporation, (with the exception of conduit which is to be supplied by Lessee at its expense), in rooms located upon premises owned or leased or otherwise lawfully operated by Lessee located in the City of Hilton Head Island, County of Beaufort, State of South Carolina. If the rooms at the premises are suitable for sleeping accommodations, Lessee shall provide same gratuitously to Lessor's employees or Agents, while working on premises. Lessor shall not be liable for delay in, or failure to make delivery of equipment or installation, caused by circumstances beyond its reasonable control, including, but not limited to acts of God, fire, flood, wars, accidents, labor disputes or shortages, government actions and any other similar or different contingency. The number and types of television sets and/or equipment leased under the terms hereof are as follows and are the model, type and design selected by the Lessee as suitable, in his judgment, for Lessee's purpose.

160 19" Solid State Tele-Color Model #LME101 Televisions

4 Same model as above-spate televisions

160 Locking furniture swivels

All equipment to be prepaid by Lessor.

Delivery of televisions shall be in increments not less than 40 units (unless Lessee desires to pick up units in Raleigh). It is understood; however, that Lessee will accept delivery of all 164 units prior to September 30, 1977. Each shipment shall consist of 40 room units plus 1 spare unless otherwise requested by Lessee.

ANTENNA: Lessor will install amplification to receive 3 major networks and will rough wire entire 160 units as well as totally complete to the initial 40 units providing the 40 units are ready for completion when Lessor installs the headend equipment at request of Lessee. In the event that the building renovation has not progressed whereby the rough wiring can be done to all units while TLC technicians are on the job for 1 week to 10 days, then Lessee assumes responsibility for remaining rough wiring (materials only to be furnished by Lessor).

Except for installation of the antenna amplification and wiring as stipulated, all remaining installation will be performed by Lessee. Lessor will assist Lessee as required with supervisory data over the phone and will also furnish at no charge 1 technician for a maximum of 2 days for any required trouble-shooting after completion of the distribution system by Lessee.

INTERIM BILLING: See Reverse.

2. SERVICE

Reception Corporation shall keep and maintain, or cause to be kept and maintained at its sole expense, said leased equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Lessee, his agents and/or employees. Reception Corporation shall promptly replace any defective set or injured part or parts thereof, provided, however, that in the event replacement of any defective set or sets such substituted equipment shall be subject to all the terms hereof.



It is the obligation of the Lessee to notify Reception Corporation of any deficiency in service as rendered by Reception Corporation or its service representative. Reception Corporation shall not be liable to Lessee for any loss, damage or expense of any kind or nature, directly or indirectly caused by the television equipment covered hereby- or because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business or damage whatsoever or howsoever caused, and Reception Corporation shall in no event be liable for any special or consequential damages. Lessee further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing, or replacement of the equipment covered hereby.

538

Lessee hereby agrees to transfer television sets needing service from the guest room to a conveniently located and adequately secured storage space for pick-up and service by Reception Corporation's designated service representative. Reception Corporation's service representative will return repaired sets to the same storage area.

### 3. NON-ASSIGNMENT LEASE

The equipment leased hereunder, shall not be transferred, delivered or sublet to any other person, firm or corporation, and this agreement shall not be assigned by Lessee except upon prior written consent of Reception Corporation.

### 4. LOCATION

Lessee shall not remove said equipment or any part thereof from the premises where installed; nor sell or encumber any of said leased equipment. Lessee further agrees to make no alteration in or repairs to said equipment except through authorized service representative of Reception Corporation.

### 5. TERM

The term hereof shall be for a period of 24 months beginning on the date of the completion of the delivery of the equipment on premises of Lessee, said date to be confirmed in writing by Lessee upon request of Reception Corporation.

### 6. RENT PAYMENTS

As rental for said equipment, Lessee shall pay to Reception Corporation, at Columbia, South Carolina, during the full term hereof, the sum of \$7.45 per set per month, plus tax, based on 164 units. Rental payments are due on or before the 1st day of each month, the first of which shall be due on or before the 1st day of the month following the delivery of equipment. In the event that Lessee requests partial delivery of equipment, Lessee agrees to pay billing on an interim basis, with such billings based on rates for equipment in use, and upon completion of delivery, the full term of this lease shall commence.

(See attached sheet for additional terms and conditions which are part of this Agreement)

SIGNED: (LESSEE)

SEA CABIN HORIZONTAL PROPERTY REGIME, INC., COUNCIL  
OF CO-OWNERS

BY Donald W. Lambright  
President

Witness: William R. Johnson

RECEPTION CORPORATION

BY Charles L. Tomlin  
President

Witness: William R. Johnson

ATTEST FOR SEA CABIN

Virginia Thomas  
Assistant Secretary

ATTEST FOR RECEPTION CORPORATION

Anna B. Becker  
Assistant Secretary



