

RETURN TO:
 Erika V. Harrison
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EXHIBIT B

HIDDEN RIVER ON THE ASHLEY HOMEOWNERS' ASSOCIATION

BYLAWS

ARTICLE I PURPOSE

The Hidden River on the Ashley Homeowners' Association (herein referred to as "the Association"), a non-profit corporation existing under the laws of the State of South Carolina, has been organized for the purpose of administering a planned community established pursuant to the laws of the State of South Carolina which is identified by the name Hidden River on the Ashley, said planned community being located in Charleston County, South Carolina and being identified with more particularity in the Declaration of Covenants and Restrictions for Hidden River on the Ashley (hereinafter the "Declaration") establishing the planned community, Exhibit A, along with the First Amendments to the Declaration, attached hereto as Exhibit B and the Second Amendment to the Bylaws which is simultaneously recorded herewith and is attached hereto as Exhibit C. These Bylaws shall hereafter be the Bylaws referenced in the Declaration recorded in Book S567, Page 039 at the Charleston County RMC Office and identified in said Declaration as Exhibit B to the said Declaration, attached hereto as Exhibit A.

ARTICLE II DEFINITIONS

All terms and phrases used herein shall have the same definition and meaning as set forth in the Declaration and as follows, unless the context otherwise requires:

- 2.1 **Association:** The Association as identified herein shall be the Hidden River on the Ashley Homeowners Association, Inc.
- 2.2 **Common Areas:** Shall have the same meaning as Common Areas as defined in Section 1.6 of the Declaration, attached hereto as Exhibit A.
- 2.3 **Common Expenses:** Shall have the same meaning as defined in Section 1.7 of the Declaration, attached hereto as Exhibit A.
- 2.4 **Community:** Shall refer to Hidden River on the Ashley.
- 2.5 **Declaration:** Shall have the same meaning as defined in Section 1.8 of the Declaration, attached hereto as Exhibit A.
- 2.6 **Eligibility or Eligible Voters:** The Board's determination of a Voting Member's eligibility to vote pursuant to Section 4.8 and 4.9 of these Bylaws.
- 2.7 **Lot:** Shall have the same meaning as defined in Section 1.14 of the Declaration, attached hereto as Exhibit A.

2.8 **Majority of Members:** Members owning fifty-one percent (51%) or more of the Lots in the Subdivision.

2.9 **Members:** Shall be those identified in Section 3.3 of the Declaration, attached hereto as **Exhibit A**.

2.10 **Offices:** The principal office of the Association shall be that place as determined by the Board and subsequently promulgated to the Members as provided in Section 4.5 of these Bylaws. The Association may have other offices within and without the State of South Carolina as the Association may determine or as the affairs of the Association may require from time to time.

2.11 **Occupant:** Shall have the same meaning as defined in Section 1.17 of the Declaration, attached hereto as **Exhibit A**.

2.12 **Owners:** Shall have the same meaning as defined in Section 1.18 of the Declaration, attached hereto as **Exhibit A**.

2.13 **Person:** Shall have the same meaning as defined in Section 1.19 of the Declaration, attached hereto as **Exhibit A**.

2.14 **Subdivision:** Shall refer to Hidden River on the Ashley.

2.15 **Transition Period:** The first 180 days after the recording of these Bylaws.

2.16 **Voting Member:** The designated Owner or Co-Owner of a Lot registered with the Secretary of the Association to vote on any issue, matter, or action presented to the Members for approval.

ARTICLE III
APPLICATION

All present and future Owners, Occupants and any other Person using the facilities of the Subdivision shall be and are hereby subject to all matters set forth in these Bylaws, Rules and Regulations promulgated by the Association hereof, and all things set forth in the Declaration and amendments thereto, attached hereto as **Exhibits A, B and C**. The acquisition or rental of a Lot or use of the facilities of the Subdivision shall signify that these Bylaws and all Rules and Regulations and provisions contained within the Declaration, attached hereto as **Exhibits A, B, and C**, or promulgated by the Association shall be complied with and accepted and ratified.

ARTICLE IV
MEMBERS, MEETING OF MEMBERS, AND VOTING

4.1 **Members.** Each and every Owner of a Lot shall be a Member of the Association. Further, there shall be appurtenant to each Lot in the Subdivision a single vote which, shall be voted by the Voting Member of that Lot. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Lot such subsequent transferee shall automatically become a member hereof and likewise the vote appurtenant to the Lot shall automatically pass and the membership of the transferor immediately terminated whether any membership certificate or voting certificate be transferred or not; provided, however, the Association shall for all purposes be entitled to rely upon the right to membership and

voting rights of the person shown as Owner of a Lot in its records until notified of such transfer by delivery of written notice thereof to the Secretary of the Association.

4.2 **Annual Meeting.** The first meeting of the Members, whether an annual or a special meeting, shall be held on such day and at such time as the Board, upon majority vote, shall determine and which shall occur not more than 180 days after the Recording of this Document with the RMC's office for Charleston County. Subsequent annual meetings of the Members shall be held within the month of January, within thirty (30) days of the month of January, or as set by the Board of Directors.

4.3 **Monthly Meetings.** The Association shall hold Monthly Meetings. Annually, the Board of Directors shall set a schedule for dates, time, and location of the monthly meeting and provide a copy of the schedule to the Members. Each month, notice of the monthly meeting shall be posted in conspicuous places through out the Subdivision. Notice of cancellation of a Monthly Meeting shall be given in the same manner prescribed for notice of the meeting.

4.4 **Special Meetings.** Special Meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request of the President. A special meeting of the Members can be called upon written demand delivered to the Secretary by the Members representing five percent (5%) of the total voting power of the Association. Official notification of such a meeting would be at the cost of the Members calling for the special meeting and all Members will be notified by US Mail within thirty (30) days of the Secretary's receipt of the demand. For purposes of determining the five percent (5%), the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Association to send notice of a Special Meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the Special Meeting and give notice thereof to all Members. Special Meetings can be held during the Monthly Meeting if called for by the President or the Board of Directors, and if called by either, the Monthly Meeting cannot be cancelled.

4.5 **Notice and Place of Meetings.** Unless otherwise provided in the Declaration, or in these Bylaws, written notice of each meeting of the Members, Annual or Special, shall be given by, or at the direction of, the Secretary, by (1): mailing a copy of such notice, first class mail, postage prepaid, (2): emailing such notice to the Members' confirmed email address, or (3) faxing the written notice to a Member's confirmed fax machine, at least thirty (30) but not more than sixty (60) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. In the case of written demand of Members representing five percent (5%) of the total voting power of the Association, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Association. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal:

- (a) removing a Director or Officer without cause;
- (b) filling vacancies in the Board of Directors or Officer positions; or
- (c) amending the Declaration, or these Bylaws.

Meetings shall be held within the City of North Charleston, Charleston County, South Carolina, at the determination of the Board. Only Members will be notified of meetings where voting has been called for or planned to take place. All Members must be notified of meetings unless they sign a waiver, in person or by proxy and deliver it to the Secretary of the Association before or after the meeting. The waiver or the proxy must be delivered to the Secretary of the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

4.6 **Quorum.** Unless otherwise provided herein, or in the Declaration, the presence of Members representing one-half (1/2) of the total Eligible Voters of the Association, in person or by proxy, shall constitute a quorum for the transaction of business. Any absent member who does not execute and return a proxy form which was mailed, emailed, faxed or otherwise delivered to such member with the written notice of the meeting shall be deemed to be present for the purpose of determining the presence of a quorum. The Members present at a duly called or held meeting at which a quorum of one-half (1/2) of the total Eligible Voters of the Association is present may continue to do business (vote) until adjournment unless there is a withdrawal from the meeting of enough Members to leave less than the required number for the quorum. However, that meeting can continue, including voting, provided that twenty percent (20%) of the total Eligible Voters of the Association remain present in person and/or by proxy, and provided further that any action taken shall be approved by the majority of the Eligible Voters remaining which constitute such a quorum. If the required quorum is not present, less than 20% of the Eligible Voters remain, then another meeting may be called, not less than ten (10) nor more than sixty (60) days following the first meeting, and the required quorum at the subsequent meeting shall be the Members present, in person or by proxy, and eligible to vote. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 4.6. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 4.5.

4.7 **Ballots and Representative Voting.**

- (a) **Written Ballots.** Any vote of Members on a matter that would be cast at an annual, monthly or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be

voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceeds the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall

- (1) indicate the record date for the Voting Members eligibility to vote;
- (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement;
- (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and
- (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

(b) Proxies. Each Eligible Voter may vote in person or by proxy at all meetings where voting will be conducted and for elections of Officers and Board Members. All Members must use proxy forms that have been approved by the Association and all proxies must be received by the Secretary no later than (48) hours prior to the beginning of any meeting where voting will be conducted. If a Member using a Proxy becomes ineligible then his proxy may be neither voted nor counted in any vote. Every proxy appointment shall automatically cease upon conveyance by the Member of their Lot or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a Member prior to the counting of the vote, upon revocation of the appointment of the proxy by written notice to the Secretary prior to the vote, or upon the expiration of eleven (11) months from the date of the proxy. Unless the proxy appointment form states otherwise, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. Any proxy appointment form distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon set forth in the notice of the meeting. The appointment shall provide that, where the Member specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the person or persons acting as the proxy and the length of time it will be valid. The Member's signed proxy appointment form shall be delivered to the Secretary by hand delivery, by U.S. mail, and by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other

technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

4.8 Membership and Voting. The Association shall have one (1) class of voting membership as stated in the Second Amended Declaration, attached hereto as Exhibit C or these Bylaws, and any action by the Association which must have the approval of the Members before being undertaken shall require voting approval by a majority of the votes cast by Members at which the required quorum is present.

4.9 Eligibility to Vote. Voting rights attributable to Lots shall not vest until the Association has levied Assessments against those Lots. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Lot and not subject to any suspension of voting privileges as a result of disciplinary proceeding conducted in accordance with the Declaration. A Member's good standing shall be determined as of the record date established in accordance with Section 4.10. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing.

4.10 Record Dates.

(a) Record Dates Established by the Board. For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date. The record dates established by the Board pursuant to this Section shall be as follows:

(1) Record Date for Notice of Meetings. In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) not less than ten (10) days before the date of the meeting;

(2) Record Date for Voting. In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(3) Record Date for Action by Written Ballot Without Meeting. In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(4) Record Date for Other Lawful Action. In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

(5) “Record Date” Means as of the Close of Business. For purposes of this subparagraph (a), a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

(b) Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the record date shall be thirty (30) days prior to the date of such meeting or other action.

4.10 Action Without Meeting. Any action that may be taken at any annual or special meeting of Members (except the election of Directors) may be taken without a meeting. Any form of written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice.

4.11 Conduct of Meetings. Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. At the first meeting, the rules shall be Robert’s Rules of Order. Notwithstanding any other provision of law, notice of meetings of the Members shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records at a reasonable time at the offices of the Association, with all costs of such inspection borne by the Member conducting the inspection. Any Member of the Association may attend meetings of the Board, except when the Board adjourns to executive session to consider litigation, matters that relate to the formulation of contracts with third parties, or personnel matters. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of an Association Member, the Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend the executive session.

4.12 Voting. Each Owner shall have a single vote for each Lot held in the Subdivision, except as otherwise provided herein and except that no Owner may vote at any meeting of the Association or be elected to serve as an officer of the Association if payment of such Owner’s assessment on their Lot is delinquent more than fifteen (15) days. If a Lot is owned by more than one person, the person entitled to cast the vote for the Lot shall be one of the record owners designated by a certificate signed by all of the record owners of the Lot and filed with the Secretary of the Association, and said person shall be designated as the Voting Member with Secretary of the Association. If a Lot is owned by a corporation, limited liability company or similar entity, the person entitled to cast the vote for the Lot shall be designated by a certificate of appointment signed by the president or vice president or manager and attested to by the appropriate officer of the entity that owns the Lot and filed with the Secretary of the Association, and said person shall be designated as the Voting Member with the Secretary of the Association. If a Lot is owned by a general partnership or limited partnership, the person entitled to cast the vote for the Lot shall be designated by a

- (6) Make and amend the Rules and Regulations for the use of the Subdivision and all facilities and property thereof, subject to the terms of the Declaration.
- (7) Fix, impose, and remit penalties for violation of these Bylaws and Rules and Regulations of the Association.
- (8) Open bank accounts on behalf of the Association and designate the signatories thereon.
- (9) Make, or contract for the making of, repairs, additions, and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (10) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations, act on behalf of the Owners with respect to all matters arising out of any eminent domain proceedings against the Common Areas, notify all Members of any litigations against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget.
- (11) Obtain and carry insurance against casualties and liabilities, as provided in these Bylaws or Declaration, pay the premiums therefore and adjust and settle any claims thereunder.
- (12) Pay the cost of all authorized services rendered to the Association and not billed to Owners of individual Lots or otherwise provided for in these Bylaws.
- (13) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Subdivision, specifying the expenses of maintenance and repair of the Common Areas and any other expenses incurred. Such book and vouchers accrediting the entries therein shall be available for examination by the Owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner set and announced by the officers for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting principles.
- (14) Do such other things and acts not inconsistent with the Declaration, attached hereto as Exhibits A, B, and C which the officers may be authorized to do by a resolution of the Association.
- (15) The officers may employ for the Subdivision a "managing agent" at compensation to be established by the Association. The managing agent must be able to advise the officers regarding the administrative operation of the Subdivision and shall employ personnel knowledgeable in the necessary areas. The managing agent shall perform such duties and services, as the officers shall direct. The officers may delegate to the managing agent all of the powers granted to the officers by these Bylaws other than the powers which may not be delegated by the officers pursuant the Declaration, attached hereto as Exhibit A, B, and C. The managing agent shall perform the obligations, duties, and services relating to the management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

7.14 The Executive officers of the Association shall be President, a Vice President, a Secretary, a Treasurer, and at the option of the officers, an Assistant Secretary and/or Assistant Treasurer, all of whom shall be elected annually by the members at the annual meeting of the Association. Any person may hold two or more offices except that the President shall not also be the Secretary-Treasurer or assistant. The Association may, from time to time, select such other officers and designate their powers and duties, as it shall deem necessary to manage the affairs of the Association. Each officer shall hold office until his successor shall be duly elected and qualified.

7.15 The President shall be the chief executive officer of the Association. They shall preside at all meetings of the Association and shall have all of the powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the members from time to time, as the President may in his or her discretion determine appropriate to assist in the conduct of the affairs of the Association. The President or their written designee shall serve as Insurance Trustee for the Association.

7.16 The Vice President shall, in the absence of the President or in the event of their death, inability or refusal act, perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or the Association.

7.17 The Secretary shall record the minutes of all proceedings of the Association. The Secretary shall attend to the giving and serving of all notices to the members and other notices required by law. The Secretary shall have custody of the Seal of the Association and affix the same to instruments requiring a seal when duly signed. They shall keep the records of the Association or cause such to be prepared and kept, and shall perform all other duties incident to the office of secretary of an Association and as may be required by the President.

7.18 The Treasurer shall also keep the records of the Association or cause such to be prepared and kept, and shall perform all other duties incident to the office of Treasurer of an Association and as may be required by the President. Additionally, the Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. These duties may be delegated to a managing agent if the Board chooses to employ one. The Treasurer shall keep the books of the Association in accordance with good accounting practices; and he or she shall perform all other duties incident to the office of Treasurer.

7.19 The compensation of all officers and employees, if any, of the Association shall be determined by the Association. Any officer, or related business in which said officer has an interest, who contracts with the Association to provide labor, material or services shall not vote on any matter regarding such employment or contract.

ARTICLE VIII
MAINTENANCE, REPLACEMENT, UPKEEP AND REPAIRS

Responsibility for the maintenance, replacement, upkeep, and repairs of the Property of the Association are set forth in the Declaration and are further set forth herein:

8.1 Lots.

- (a) **By the Owner.** The responsibility of the Owner shall be as follows:
- (1) To maintain in good, clean and sanitary condition and to repair and replace at his/her expense all portions of the Owner's Lot other than those portions to be maintained, repaired and replaced by the Association. Such shall be done without disturbing the rights of other Owners. Nothing contained in this paragraph shall negate the obligation of any insurer to provide coverage for any insured loss as specified by Article XI of these Bylaws.
 - (2) To perform normal cleaning and maintenance of all items and fixtures within the Owner's Lot. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Lot, the Owner thereof shall be fully responsible for the same.
 - (3) Not to make or cause to be made a structural addition or alteration to its Lot without obtaining prior approval of the Association or applicable agencies thereof or other governmental entities having jurisdiction over such matters. Alterations to the exterior of any Lot may only be made in accordance with the terms of these Bylaws, the Declaration, and its Exhibits.
 - (4) To allow the Association or its representative, agent or employee to enter into a Lot at reasonable times and reasonable notice to the Owner and any applicable tenant for the purpose of maintenance, inspection, repair or replacement or improvement within the Lot and/or Common Areas; to determine in the case of emergency, circumstances threatening the Lot and/or Common Areas; or to determine compliance with the provisions of the Declaration, these Bylaws or the Rules and Regulations of the Association as they may be adopted.
 - (5) To promptly report to the Association any defect or need for repairs, the responsibility of which is that of the Association.
 - (6) To be responsible for all damage to any other Lot or to the Common Areas resulting from his/her failure or negligence to perform any obligation required herein.
 - (7) To be responsible for fines imposed against a Lot whether the result of Owner's failure to comply or Owner's guests, employees, agents, lessees, licensees, or invitees failure to comply with the Rules and Regulation of the Association or The Park at Rivers' Edge's Rules and Regulation.
 - (8) To provide the Association contact information for each Owner to include an official mailing address, an official phone number, and an emergency contact phone number. Each owner will provide the Association, if available, an email address and/or a fax number for official email and/or faxes.

- (9) To provide the Association within 30 days the name and term of any lease, boarding, or rental agreement and copy thereof, if existing, of any Occupant of that Owner's Lot.
- (10) To abide by Section 9.27 of the Declaration, attached hereto as Exhibit A.

8.2 Common Areas.

The maintenance, repair, replacement, upkeep, and operation of the Common Areas shall be the responsibility of the Association as a reasonable Common Expense shared equally among all Lot Owners,

Notwithstanding, that in case of emergency and in order to preserve the Property or for the safety of the occupants, a Owner may assume the responsibility therefore, and he/she shall be relieved of liability for such acts performed in good faith and reimbursed for his/her expense by the Association when approved by the Association.

The Association shall have the power to determine the use to be made of the Common Areas from time to time, provided that no such use shall discriminate against an Owner or otherwise contradict the provisions of the Declaration.

ARTICLE IX FISCAL MANAGEMENT

The making and collection of assessments against Owners for Common Expenses shall be pursuant to the following provisions:

9.1 Assessments. Except as specifically set forth herein, the Association shall assess each Owner an equal amount for the Common Expenses of the community, including but not limited to the road or sidewalk repairs, utilities, services, and Common Area maintenance bills. Also, the cost for insurance required to be maintained by the Association including liability, hazard, (fire, wind and hail), earthquake and flood insurance (if in any special flood hazard zone), will be equally shared by each Owner. Said assessment shall be made and collected in the manner hereinafter provided.

9.2 Accounts. The funds and expenditures of the Association shall be credited and charged according to good accounting practices to accounts under the following classifications or combinations thereof, as shall be appropriate:

- (a) Current Expenses for the Association shall be Common Expenses and shall include all funds and expenditures to be made within the year for which the funds are budgeted for the Association and the Common Areas, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance in this fund at the end of each year may be applied to reduce the assessments for Current Expenses for the succeeding year.
- (b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually, and the amount of which

reserve if any, may be determined by the Board of Directors. Any funds held in this account shall be held by the Association in a fiduciary capacity for the benefit of the Owners for such purpose.

- (c) Reserve for additional improvements, which shall include the funds to be used for capital expenditures for additional improvements, which will be part of the assets of the Association. If capital funds and expenditures are for alterations or further improvements to Owner homes/Lots, then the cost shall be charged to the Owners of Lots.
- (d) Working Capital Fund, which shall include the funds for the use and benefit of the Association by the Board and shall be used to meet unforeseen expenditures, to act as an emergency reserve for common expenses or to acquire furniture, equipment or services deemed necessary or desirable by the Board of Directors.

9.3 Budget. The Association shall adopt a budget for each fiscal year, which shall include funds for expenses of that year and reserves according to good accounting practices as follows:

- (a) Current expenses;
- (b) Reserve for replacement/repair of any Common Area property reasonably expected to require a replacement from time to time and deferred maintenance of any Building or structures located on Common Areas, if any, the amount of which shall not exceed 110% of the budget for this account for the prior year, after the first year such reserve is established;

Provided, however, that the amount budgeted for current expenses, reserve for deferred maintenance and reserve for replacement may be increased over the foregoing limitations when approved by a majority of the Owners.

Copies of the budget and proposed assessment shall be transmitted to each Owner on or before the annual members' meeting during the year for which the budget is made. The proposed budget as it may be amended by motion of an Owner, shall be submitted to a vote of the Owners at the annual meeting and when approved by a Majority of Members, and shall become the budget of the Association for the fiscal year.

The Board retains the right to increase the monthly regime fee by ten percent (10%) for the next year's budget without a Majority of Members. Any increase greater than ten percent (10%) must be approved by a Majority of Members.

9.4 Assessment Procedure.

- (a) Annually; Due Dates. Assessments against the Owners for their share of the items of the budget shall be made for each year. Such assessments shall be payable in monthly installments on the first day of each month. The Association shall have the authority to adjust the payment dates of the assessments as it shall deem appropriate and may elect, upon prior written notice to the Owners, to change from monthly to quarterly or up front yearly payments upon the approval by a majority vote of the Owners. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proves to be

insufficient, the budget and assessments therefore may be amended at any time by the Association.

- (b) Assessments for Emergencies. Assessments for emergency Common Expenses which cannot be paid from the annual assessments for Common Expenses shall be made and voted upon accordance to Section 6.3 Special Assessments and 6.4 Notice of and Quorum for Any Action Authorized Under Section 6.3 of the Declaration, attached hereto as Exhibit A and shall be due after thirty (30) days notice thereof in such manner as the Association shall require.
- (c) Initial Assessments. Subject to the provisions set forth herein, the Association will collect from each initial Owner of each Lot at the time of closing the pro-rate share of that months' assessment for such Lot, and a capital contribution equal to three (3) times the monthly regime fee assessed by the Association against each Lot. The funds are 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 startup costs, and for such other purposes as the Association may determine. All owners must show proof that the initial three (3) month assessment for the Working Capital fund was made at their closing or this fee will assessed against the Lot Owner. All records held by the Association will be checked, but the burden of proof is with the current owner. In the case of multiple historic owners, if the Working Fund was never paid, then it will be assessed against the current owner.
- (d) Transfer Fee. Upon the transfer of title to a Lot in the Subdivision, a transfer fee of two (2) times the monthly regime fee for the transferred Lot shall be payable to the Association by either the seller or purchaser of a Lot to help defray Association administration expenses associated with such transfer.

9.5 Collection of Assessments.

- (a) Interest; Application of Payments. Assessments paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid ten (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, from the date when due until paid. All payments upon account shall be first applied to interest and any costs of collection and then to the assessment payment first due.
- (b) Notice of Delinquency to Mortgagee and/or Guarantors. The Mortgagee and Guarantor shall receive notice of any 60 day delinquency in payments of assessments or charges owed by the Owner of any Lot on which a Mortgagee holds a mortgagee
- (c) Lien. All assessments against any Owner shall constitute a lien against the Owner's Lot in favor of the Association, as provided by the Act, which lien shall become effective when a notice claiming such lien has been duly recorded by the Association in the appropriate Charleston County office. Such claim of lien shall state the description of the Lot, the name of the record owner, the amount due and the date when due. Such claim of lien shall be signed and verified by an officer or agent of the Association prior to its being recorded; and no such claim of lien shall be made by the Association unless the assessment, charge or

expense, giving rise to the lien, remains unpaid for more than ten (10) days after same becomes due. Any such lien may be foreclosed by the Association in the manner provided by law for the foreclosure of real estate mortgages. The lien shall secure the payment of all assessments as described in said claim of lien and, in addition thereof, shall secure the payment of subsequent assessments which come due after the filing of the claim of lien and prior to the satisfaction of such lien by foreclosure or otherwise, including interest thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, together with all costs and reasonable attorneys' fees incurred by the Association incident to the collection of such assessments or the enforcement of such lien. The right of the Association to foreclose a lien as aforesaid shall be in addition to any other remedy, at law or in equity, which may be available to it for the collection of the annual assessment and expenses related to the collection thereof, including any right granted to the Association by the Act and the right to proceed personally against any delinquent owner for the recovery of a judgment "in personam". Any personal judgment against any such delinquent Owner may include all unpaid subsequent assessments which come due after the institution of such suit and prior to such Order of Judgment, including interest thereon at the highest rate permitted by law, together with all costs and reasonable attorneys' fees incurred by the Association incident to the collection of such assessments.

- (d) Rental Pending Foreclosure. In any foreclosure of a lien for assessments, the Association shall, pending foreclosure, be entitled to the appointment of a receiver who shall collect a reasonable rental for the use of the Lot subject to the lien, which rental shall be applied to the obligations of the Owner.

ARTICLE X CONDEMNATION

10.1 Partial Taking of Common Areas. If part of the Common Areas shall be taken or condemned by any authority having the power of eminent domain, such that no Owner's Lot nor any part thereof is taken, then all compensation and damages for and on account of the taking of the Common Area, exclusive of compensation for consequential damages to certain affected Lots, shall be payable to the Association. Nothing herein is to prevent Lot Owners whose Lots are specifically affected by the taking or condemnation proceedings from joining in such proceeding and petition on their own behalf for consequential damages relating to loss of value of the affected Lots, or personal improvements therein, exclusive of damages relating to Common Areas. In the event that the condemnation award does not allocate consequential damages to specific Lot Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between the affected Lot Owners, subject to the rights of Mortgagees of such Lots. If any future building or improvements located on Common Areas are taken to the extent that the Lot(s) and/or other improvements affected cannot be reconstructed or restored substantially in accordance with the Building Plans, the Members of the Association shall be polled in writing, in person or via United States Mail as to whether the affected property be reconstructed, restored, or removed.

would jeopardize the safety or soundness of such Lot, or adversely affect any of the Common Areas, or impair any easement, unless otherwise permitted by the Architectural Control Committee. Any modification improvements or alternations must conform to Article IX of the Declaration, attached hereto as Exhibit A.

15.2 Consent / Common Areas. There shall be no alterations or further improvements of the Common Areas by the Association or any Owner without prior approval of a Majority of Members of the entire Community. Any such alteration or improvement shall not interfere with the rights of any Owners without their consent.

ARTICLE XVI

FAILURE TO COMPLY WITH RULES OF THE COMMUNITY

16.1 Compliance. Each Owner, tenant and occupant of a Lot shall be governed by and shall comply with the terms of the Declaration, these Bylaws, any Rules and Regulations adopted thereunder and said documents as they may be amended from time to time. Failure to comply therewith shall entitle the Association and/or other Owners to relief including but not limited to an action to recover sums due for damages or injunctive relief, or both, which actions may be maintained by the Association, or in a proper case by an aggrieved Owner.

16.2 Liability. An Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by the act, neglect or carelessness of the Owner or by that of the Owner's guests, employees, agents, lessees, licensees, or invitees, but only to the extent that such expense is not paid from the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Lot or its appurtenances, or of the Common Areas.

16.3 Attorneys' Fees. In any proceeding arising because of an alleged default by an Owner under any provisions of the Declaration or these Bylaws, or any Rules and Regulations adopted by the Association, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys fees as may be awarded by the Court.

16.4 Failure to Act. The failure of the Association or any person to enforce any covenant, restriction or other provision contained in the Act, the Declaration, these Bylaws, and/or the Rules and Regulations adopted pursuant hereto and said documents as they may be amended from time to time, shall not constitute a waiver of the right to do so thereafter.

ARTICLE XVII AMENDMENTS

These Bylaws may be amended in the following manner:

17.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

17.2 Resolution. A resolution for the adoption of the proposed amendment shall be presented to a meeting of the Association except as specifically provided for or limited herein. Except as provided in Article XVII of these Bylaws such approval shall be by

a Majority of the Eligible Voters of the Subdivision, unless unanimous approval is required by the Declaration or Bylaws

17.3 Proviso. Provided, however, that no amendment shall discriminate against any Owner nor against any Lot class or group of Lots unless the Owners so affected shall consent, which consent shall not be unreasonably withheld. No amendment shall be made which is in conflict with the Act, the Charter of the Association, the Declaration, or the provisions in these Bylaws for the protection of mortgagees.

17.4 Execution and Recording. A copy of each amendment along with a certificate certifying that the amendment was duly adopted shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the RMC Office for Charleston County, South Carolina.

**ARTICLE XVIII
MISCELLANEOUS**

18.1 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Articles (if any) and Bylaws of the Association, the Declaration establishing the community, or with the laws of the State of South Carolina.

18.2 Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by its Officers. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Association.

18.3 Controls. Any provisions stated herein that are inconsistent with the Declaration, attached hereto as Exhibits A, B and C, and any subsequent Amendments to the Declaration, the provision of the Declaration and it subsequent Amendments shall control, unless stated otherwise herein in these Bylaws and subsequent Amendments to these Bylaws.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed this 23rd day of MARCh, 2011

Michelle J. Byrson

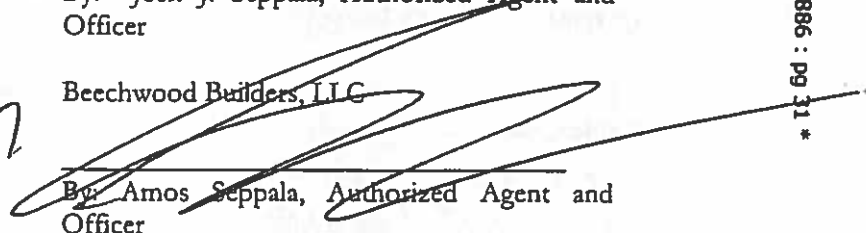
Park at the Ashley, LLC

Witness

Michelle J Bryson
Witness

By: Josh J. Seppala, Authorized Agent and Officer

Beechwood Builders, LLC



By: Amos Seppala, Authorized Agent and Officer

[ACKNOWLEDGMENT -NOTARY PAGE ON FOLLOWING PAGE]

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

I hereby certify that Josh J. Seppala, the appointed Agent and Officer of Park at the Ashley, LLC did personally appear before me this the 23rd day of MARCH, 2011.

C Cliff Rollins
Notary Public for South Carolina
My Commission expires: 07/21/13

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

ACKNOWLEDGMENT

I hereby certify that Amos Seppala, the appointed Agent and Officer of Beachwood Builders, LLC did personally appear before me this the 23rd day of MARCH, 2011.

C Cliff Rollins
Notary Public for South Carolina
My Commission expires: 07/21/13

Hidden River on the Ashley

GATE

