

STATE OF SOUTH CAROLINA ) AMENDED AND RESTATED  
 ) DECLARATION OF COVENANTS AND  
 ) RESTRICTIONS FOR FAIRWAY ONE AT  
COUNTY OF CHARLESTON ) OCEAN WINDS

WHEREAS, by instrument entitled "Declaration of Covenants and Restrictions for Fairway One at Ocean Winds," dated June 26, 2002, and recorded on July 1, 2002, in Book W410, Page 489, in the Office of the RMC for Charleston County ("CCRs"), Sessions Properties, Inc., and Fairway One at Ocean Winds Property Owners Association, Inc., a South Carolina non-profit corporation, placed certain covenants and restrictions upon certain property known as Fairway One at Ocean Winds and shown on a plat recorded in Plat Book EF, Page 680, in the RMC Office for Charleston County, South Carolina; and

WHEREAS, the CCRs were thereafter modified by First Amendment to Declaration of Covenants and Restrictions for Fairway One at Ocean Winds dated May 24, 2012, and recorded June 4, 2012, in Book 0255 at Page 563 in the Office of the RMC for Charleston County; and

WHEREAS, the CCRs were thereafter modified by Second Amendment to Declaration of Covenants and Restrictions for Fairway One at Ocean Winds dated May 31, 2013, and recorded June 6, 2013, in Book 0336 at Page 563 in the Office of the RMC for Charleston County; and

WHEREAS, at a duly called meeting of the Association at which a quorum was present, by the affirmative vote of at least two-thirds of the Owners present in person or by proxy and entitled to vote thereat, the Association voted to adopt the within Amended and Restated Declaration of Covenants and Restrictions for Fairway One at Ocean Winds ("Declaration") to supercede all prior CCRs and Amendments thereto;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that undersigned Fairway One at Ocean Winds Property Owners Association, Inc. hereby covenants and agrees on behalf of all the Owners in Fairway One at Ocean Winds and their successors, heirs, assigns, and successors in title as follows:

1. DEFINITIONS:

- (a) "Association" shall refer to FAIRWAY ONE AT OCEAN WINDS PROPERTY OWNERS ASSOCIATION, INC., a South Carolina Non-Profit Corporation.
- (b) "Board of Directors" shall mean and refer to the Board of Directors of the Association.
- (c) "Bylaws" shall refer to the Bylaws of the Association as amended from time to time. The Bylaws are attached hereto as Exhibit B and incorporated herein by reference.
- (d) "Common Area" shall mean and include all fixtures, real property and personal property, including lines for public water, sanitary sewer, stormwater, drainage, and irrigation, and also any and all equipment owned by the Association for the common use and enjoyment of the

Owners. Common Areas, with respect to the property subject to this Declaration, shall be shown on the various plats of Fairway One at Ocean Winds recorded or to be recorded in the RMC Office for Charleston County and designated thereon as "Common Areas" or "H.O.A." but shall exclude all individually owned Lots as herein defined. The Common Area is more particularly described in the attached Exhibit "A" incorporated herein by reference. All Common Areas are to be maintained by, devoted to, and intended for the common use and enjoyment of the Owners of all Lots.

(e) "Declaration" shall mean this Amended and Restated Declaration of Covenants and Restrictions for Fairway One at Ocean Winds.

(f) "Lot" shall mean and refer to any individually owned and taxed plot of land shown upon the attached Exhibit "A" as Parcels A-1 through G-3, with the exception of the Common Area, and shall include all improvements thereon. Each Lot of land is the area for one (1) residential unit, designed for single-family ownership.

(g) "Member" shall mean and refer to an Owner who holds membership in the Association pursuant to Article 2 of this Declaration.

(h) "Occupant" shall mean and refer to any person residing in any Lot with the permission of the Owner.

(i) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(j) "Properties" shall mean and refer to all that certain real property subject to this Declaration, described in the attached Exhibit A incorporated herein by reference, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

(k) "Rules and Regulations" shall mean and refer to a set of Rules and Regulations promulgated by the Board of Directors that shall govern the conduct of Members upon Common Areas.

(l) "Standards for Exterior Appearance" shall mean and refer to a set of Standards for Exterior Appearance promulgated by the Board of Directors that shall govern the appearance of each Lot from the outside.

(m) "Use Restrictions" shall mean the specific items enumerated in Item 10 of this Declaration.

## 2. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION:

Every Owner of Lots A-1 through G-3 shall be a Member of the Association. Members shall be entitled to one vote for each Lot owned and when more than one person or entity owns such interest in any Lot, all such persons or entities shall be Members and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

## 3. PROPERTY RIGHTS:

Every Owner shall have a right and easement of enjoyment in and to their Lot and the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

- (a) The right of each Lot Owner to have access to such Owner's Lot by an easement appurtenant thereto for ingress, egress and regress over and upon the Common Areas;
- (b) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas;
- (c) The right of each Lot Owner to have an easement appurtenant for utilities to such Lot over and upon the Common Areas;
- (d) The right of the Association, by and through its Board of Directors, to adopt and publish Standards for Exterior Appearance of the Lots, and to adopt and publish reasonable Rules and Regulations concerning the use and enjoyment of the Common Areas in order to promote the recreation, health, safety and welfare of the Owners, and to enforce, and issue fines for violations of Standards for Exterior Appearance of the Lots, and to enforce, and issue fines for violations of Rules and Regulations as provided in this Declaration;
- (e) The right of the Association, by and through the Board of Directors, to impose fines and penalties for any violation of this Declaration and to enforce this Declaration; and
- (f) The right of the Association, as provided in its By-Laws, to suspend the enjoyment of rights of any Member for any period during which any violation of this Declaration remains uncured for any period in excess of Thirty (30) days, or for any infraction of its published Standards for Exterior Appearance or its Rules and Regulations, it being understood that any suspension for either an uncured violation of the Declaration, or a breach of the Standards for Exterior Appearance, or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to cure the respective violations; and
- (g) The right of the Association to dedicate or transfer to any public or private utility, utility easements, provided for herein, or otherwise, on any part of the Common Areas.

#### 4. MAINTENANCE ASSESSMENTS:

Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be expressed in such deed, agrees to all of the terms and provisions of this Declaration and agrees to pay to the Association: (1) a minimum initial working capital assessment of not less than \$500.00 at the time of Lot purchase; (ii) a regular annual maintenance and management assessment in the amount of not less than \$1,200.00 per year, payable in quarterly installments of \$300.00 per quarter; and (iii) special assessments established and collected from time to time as hereinafter provided. The assessments provided for hereunder, whether initial working capital, annual, or special assessments, together with interest thereon and costs of collections thereof as hereinafter provided, shall be a charge and continuing lien on the Lot against which each such assessment is made. The lien of any Lot shall be junior and subordinate to any mortgage encumbering the Lot that was duly recorded before the assessment was due. Each such assessment shall also be the personal obligation of the person(s) or entity who was the Owner of such Lot at the time when the assessment was levied. In the case of co-ownership of a parcel, all such co-owners shall be jointly and severally liable for the entire amount of the assessments. If any assessment is not paid within **Thirty (30) days** after the due date, the assessment will bear a delinquency charge of **\$35.00** plus interest from the date of delinquency at the rate of **1.5% per month**. The Association may bring an action at law against the Owner personally obligated to pay the same or an action at equity to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs and fees of enforcement including but not limited to court fees, filing fees, and attorney fees. In the event a judgment is obtained, such judgment shall include the costs and fees of enforcement including but not limited to court fees, filing fees, and attorney fees, as well as such interest as may accrue at the judgment rate prevailing at the time the judgment is rendered.

All assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the properties, and in particular, for the administration, improvement and maintenance of the Properties, services, and facilities devoted to this purpose. The assessments may be utilized for: the exterior maintenance of the townhouses situated upon the Property; for the use and enjoyment of the Common Areas, including but not limited to, the cost of utilities, repairs, replacements and additions, the cost of labor, equipment, materials, management, maintenance, and supervision; the payment of taxes assessed against the Common Areas; the procurement and maintenance of insurance in accordance with the By-Laws; the payment of charges for garbage service, water service, and sewer service rendered to the Common Areas; and the employment of association management, accountants, attorneys, and other professionals to represent the Association when necessary. The assessments may also be utilized for such other common needs of the Association as may arise.

The Board of Directors of the Association shall have the right and power to fix all types of assessments for each of the Lots. Notwithstanding the foregoing, no special assessment shall exceed \$2,000.00 in any calendar year. Upon sale or conveyance of a Lot to a new Owner, the new Lot Owner shall pay at the time of closing the initial **working capital assessment** in the amount as it is **then fixed by the Board of Directors**, as well as a pro-rata portion of the annual assessment for the current quarter in the amount as it is then fixed by the Board of Directors. Thereafter, each Owner shall pay in advance each quarterly portion of the annual assessment against his Lot. Such payments shall be used by the Association to create and continue a fund to be used by the Association for the purposes stated herein. Any assessment, whether it be initial working capital, annual, or special, shall be delinquent when not paid within Thirty (30) days after the full assessment or any installment payment thereof becomes due. Nothing herein shall prohibit the Board of Directors from imposing a monthly or semi-annual or annual assessment in lieu of the quarterly payments of the annual assessment herein contemplated.

Any assessment whether it be initial working capital, quarterly, or special, may be increased, adjusted, or decreased from time to time by the Board of Directors pursuant to the authority contained in the By-Laws without the approval of the full Association. Any assessment whether it be initial working capital, quarterly, or special, may also be increased, adjusted, or decreased from time to time by the Association at a duly called annual or special meeting of the Association, upon proper notice and quorum requirements being met and upon the affirmative vote of two-thirds of the Owners appearing at the meeting in person or by proxy and entitled to vote thereat. Each Lot shall be subject to the same increases, adjustments, or decreases in any assessment levied hereunder.

At the option of the Board, annual and special assessments may be payable in monthly or quarterly or other convenient installments; however, upon default of one installment payment that remains unpaid for a period of longer than Thirty (30) days, the Board may, at its option, accelerate and demand payment for the entire annual or special assessment from the delinquent Owner upon providing the delinquent Owner with Ten (10) days written notice of the Board's intent to accelerate.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Notwithstanding the foregoing, a sale or transfer pursuant to mortgage foreclosure shall not extinguish the former Lot Owner from personal liability for any unpaid assessments.

5. MAINTENANCE FUND:

The assessments collected by the Association shall be used to create a maintenance fund for the following: (i) providing lighting, landscape maintenance and general maintenance; (ii) improving and maintaining driveways and parking areas comprising portions of the Common Areas; (iii) maintaining and improving the common roof, all exterior painting, exterior improvements and amenities and recreational facilities located on or near the Common Areas of the Association; (iv) paying of taxes on the Common Areas; and (v) doing any other thing necessary or desirable in the opinion of the Board of Directors of the Association, to keep the property neat and in good order, and to eliminate health and safety hazards, or to provide useful amenities, which in the opinion of the Board of Directors may be of general benefit to the Owners of the Lots.

6. OTHER COVENANTS:

The parcels shall be subject to the Protective Covenants of Seabrook Island dated April 22, 1974, and recorded in the records of Charleston County, South Carolina, in Book M105 at Page 194, as amended by Modification dated October 29, 1976, and recorded in the RMC Office aforesaid in Boot Y110 at Page 145, and as further amended by instrument dated April 30, 1985, recorded in Book B145 at Page 246, and any other amendments and exhibits thereto. Also; the parcels are subject to the Second Restated and Amended By-Laws of Seabrook Island Property Owners Association, dated October 18, 1984, recorded in Book B141 at Page 267, as amended by instrument recorded in Book J144 at Page 059, Charleston RMC Office, and any other amendments and exhibits thereto.

7. EXTERIOR APPEARANCE OF DWELLING:

No change shall be made to the exterior appearance of any dwelling on a Lot which shall include the erection of any exterior window covering, awnings, or shutters, which can be seen from the outside of the dwelling, without the express prior approval of the Board of Directors. The Board of Directors shall have the authority to adopt and enforce Standards for Exterior Appearance of the dwellings on all Lots.

8. EXTERIOR MAINTENANCE:

Notwithstanding anything contained herein, the Association, in addition to maintaining the Common Areas shall have the right, but not the obligation, to provide exterior maintenance to each Lot with improvements thereon including, but not limited to, the common roof. Any cost incurred in connection with such maintenance shall be a lien against the Lot and may be collected in the same fashion as an assessment described in Item 4, supra. In order to enable the Association to make all necessary maintenance and repairs, the Association shall have an easement of unobstructed access for ingress and egress, over, across and under and upon each parcel at all reasonable times to perform maintenance as provided in this paragraph.

9. PARTY WALLS:

Each wall that is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. No alterations may be made to any party wall other than alterations to the interior surface.

The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

If a party wall is destroyed or damaged by fire or other casualty, any Owner who shares the wall may restore it, and any other Owners who make use of the wall shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Notwithstanding any other provision of this Article, an Owner who by his neglect or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

10. USE RESTRICTIONS:

The Board of Directors of the Association shall have the power to adopt, publish, enforce and issue fines for violations of Standards for Exterior Appearance of the Lots, and reasonable Rules and Regulations concerning the use and enjoyment of the Common Areas in order to promote the recreation, health, safety and welfare of the Owners. Such Standards for Exterior Appearance and Rules and Regulations may provide for imposition of fines or penalties for the violation thereof. Further, any violation of any of the covenants and conditions contained in this Declaration may subject the Owner to the imposition of fines or penalties for such violations. The following specific Use Restrictions shall apply to all Lots and Owners:

(a) No noxious, offensive, or illegal activity shall be carried out upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood. Examples of such offensive activities shall include, but not be limited to, the origination or emission of any loud or disturbing noise or vibrations, the emanation of strong or offensive odors, the maintenance of unsightly outdoor storage of personal property, or

similar unsightly activity not in keeping with the aesthetic character and appearance of the neighborhood.

(b) Each Owner of a Lot shall be responsible for ensuring that the Owner's family, guests, tenants and Occupants comply with all provisions of this Declaration, the By-laws, the Standards for Exterior Appearance of the Lots, and all Rules and Regulations of the Association. Further, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or Occupants, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or Occupants.

(c) The Association, by and through the Board of Directors, may impose fines and penalties for any violation of this Declaration or for any violation of the Standards for Exterior Appearance, or for any violation of the Rules and Regulations.

#### 11. DURATION AND TERMINATION

This Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot for a term of Twenty (20) years from the date of the recordation of this instrument, after which time said Declaration shall be automatically extended for successive periods of Ten (10) years unless two-thirds of the then Owners vote to terminate this Declaration at a duly called meeting of the Association.

#### 12. SEVERABILITY:

Should any paragraph, sentence, clause, phrase or term of this instrument be declared to be void, invalid, illegal, or unenforceable, for any reason by the jurisdiction of any competent court having jurisdiction, the same shall be declared to be severable and the rest of the provisions of this Declaration shall remain in full force and effect.

#### 13. ENFORCEMENT:

Enforcement of this Declaration and any Standards for Exterior Appearance or any Rules and Regulations adopted by the Association shall be by any proceedings at law or in equity against any person or persons violating or attempting to violate any Standard for Exterior Appearance, any Rules and Regulations, or any part of this Declaration, either to restrain violation or to recover liquidated damages in amounts established by the Association and assessed as a lien against the land, or to proceed against the land to enforce any lien created by these covenants. Failure by the Association or any Owner to enforce any part of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.



14. MODIFICATION:

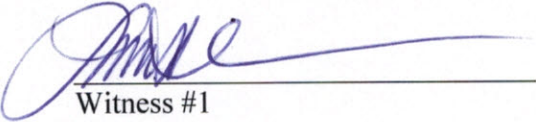
This Declaration may be amended at any time upon the affirmative vote of two-thirds of the Owners entitled to vote at a duly called meeting of the Association.

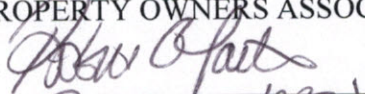
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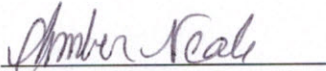
IN WITNESS WHEREOF, the below named Fairway One at Ocean Winds Property Owners Association, Inc., has set its hand and seal as of this 13<sup>th</sup> day of February, 2016.

IN THE PRESENCE OF:

FAIRWAY ONE AT OCEAN WINDS  
PROPERTY OWNERS ASSOCIATION, INC.

  
\_\_\_\_\_  
Witness #1

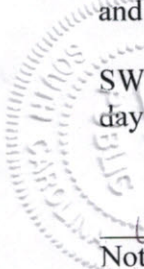
  
\_\_\_\_\_  
By: ROBERT B. MARTIN (print name)  
Its: President

  
\_\_\_\_\_  
Witness #2 (can be notary)

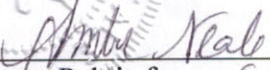
STATE OF SC )  
 )  
COUNTY OF Charleston )

ACKNOWLEDGMENT

PERSONALLY appeared before me, the undersigned Notary Public, the above-named Fairway One at Ocean Winds Property Owners Association, Inc., by Robert Martin (print name), its President, who acknowledged the due execution of the foregoing Amended and Restated Declaration of Covenants and Restrictions for Fairway One at Ocean Winds, as its act and deed this 13<sup>th</sup> day of February, 2016.



SWORN to before me this 13  
day of February, 2016.

  
\_\_\_\_\_  
Notary Public for South Carolina  
My commission expires: 2/19/2024

## Exhibit A

### Property Subject to this Declaration

#### Individually Owned Lots

All those certain pieces, parcels or lots of land, together with the buildings and improvements thereon, situate lying and being in the Town of Seabrook Island, County of Charleston, State of South Carolina, being more particularly known as Parcels A-1 through G-1 on that certain plat of survey entitled, "Final Subdivision Plat Fairway One at Ocean Winds, Town of Seabrook Island, Chas Co, SC" by Stantec Consulting Services, Inc., dated March 29, 2002, and recorded on June 19, 2002, in Plat Book EF at Page 680 in the Office of the RMC for Charleston County.

Parcel A-3	3025 High Hammock	147-09-00-361
A-2	3026 High Hammock	147-09-00-360
A-1	3027 High Hammock	147-09-00-359
Parcel B-3	3028 High Hammock	147-09-00-358
B-2	3029 High Hammock	147-09-00-357
B-1	3030 High Hammock	147-09-00-356
Parcel C-3	3031 High Hammock	147-09-00-355
C-2	3032 High Hammock	147-09-00-354
C-1	3033 High Hammock	147-09-00-353
Parcel D-3	3034 High Hammock	147-09-00-352
D-2	3035 High Hammock	147-09-00-351
D-1	3036 High Hammock	147-09-00-350
Parcel E-2	3037 High Hammock	147-09-00-349
E-1	3038 High Hammock	147-09-00-348
Parcel F-3	3039 High Hammock	147-09-00-347
F-2	3040 High Hammock	147-09-00-346
F-1	3041 High Hammock	147-09-00-345
Parcel G-3	3042 High Hammock	147-09-00-344
G-2	3043 High Hammock	147-09-00-343
G-1	3044 High Hammock	147-09-00-342

**Common Areas**

All that certain piece, parcel or lot of land, together with the buildings and improvements thereon, situate lying and being in the Town of Seabrook Island, County of Charleston, State of South Carolina, being more particularly known as Parcel I, Stage II Fairway One at Ocean Winds Residual 2.134 Acres, 92,956 Sq. Ft. on that certain plat of survey entitled, "Final Subdivision Plat Fairway One at Ocean Winds, Town of Seabrook Island, Chas Co, SC," by Stantec Consulting Services, Inc., dated March 29, 2002, and recorded on June 19, 2002, in Plat Book EF at Page 680 in the Office of the RMC for Charleston County.

TMS # 147-09-00-106

All that certain piece, parcel or lot of land, together with any improvements thereon, situate lying and being in the Town of Seabrook Island, County of Charleston, State of South Carolina, being more particularly known as 0.156 Ac. Ocean Winds Drive 60' R/W on that certain plat of survey entitled, "Seabrook Island, Charleston County, S.C. Plat of a 5.545 Ac. Tract & Ocean Winds Drive," by Forsberg Engineering & Surveying, Inc., dated November 25, 1985, and recorded on December 27, 1985, in Plat Book BG at Page 110 in the Office of the RMC for Charleston County.

TMS # 147-09-00-302

EXHIBIT "B"

BY-LAWS OF FAIRWAY ONE AT OCEAN WINDS  
PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I:

NAME, LOCATION AND PURPOSE

- Section 1. The name of this Association shall be FAIRWAY ONE AT OCEAN WINDS PROPERTY OWNERS ASSOCIATION, INC. ("Association").
- Section 2. Its principal office shall be located at 3714 Betsy Kerrison Parkway, Suite 1, Johns Island, Charleston County, SC 29455.
- Section 3. The object, purpose and business which this Association proposes to do shall be:
- (a) To own, acquire, build, operate and maintain open spaces, streets and certain other common facilities incident to its ownership of the Common Areas located at FAIRWAY ONE AT OCEAN WINDS, Town of Seabrook Island, Charleston County, South Carolina.
  - (b) To fix assessments or charges to be levied against the Lots in FAIRWAY ONE AT OCEAN WINDS.
  - (c) Enforce any and all terms of the Declaration, Standards for Exterior Appearance of the Lots, Rules and Regulations, and agreements applicable to the Lots, including the right to issue fines and penalties for violations thereof.
  - (d) Pay taxes, if any, on the Common Areas and facilities at FAIRWAY ONE AT OCEAN WINDS, Town of Seabrook Island, Charleston County, South Carolina.

ARTICLE II:

SEAL

The Association shall have a seal bearing the words "Seal" in the center, and having the words "FAIRWAY ONE AT OCEAN WINDS PROPERTY OWNERS ASSOCIATION, INC.," encircling the edge.

ARTICLE III:

MEMBERSHIP AND VOTING RIGHTS

Every legal person or entity who is the record owner of the fee simple title to any Lot in FAIRWAY ONE AT OCEAN WINDS, Town of Seabrook Island, Charleston County, South

Carolina, which is subject to assessment by the Association, shall be a Member of the Association. Members shall be entitled to one vote for each Lot owned, and when more than one person or entity own such interest in any Lot, all such persons or entities shall be Members and vote for such Lots shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

#### ARTICLE IV:

##### BOARD OF DIRECTORS

- Section 1. The affairs of the Association shall be managed by a Board of Directors (the "Board"). The Board of Directors shall consist of five (5) Directors who shall be elected to serve for staggered Three (3) year terms until their successors shall be elected.
- Section 2. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors and any such appointed Director shall hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.
- Section 3. The Board shall meet for the transaction of business at such place as may be designated from time to time. Special meetings of the Board may be called by the President or two members of the Board, provided at least 72 hours' notice of such meeting, including the time and place, shall be given to each Board member before the time appointed for such meeting. If necessary, a waiver of notice can be executed.
- Section 4. The Directors shall act only as a Board and the individual Directors shall have no power as such. A majority of the Directors in office shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same, from time to time, without notice, until a quorum be at hand. Board Members must be present in person, not by proxy. The act of a majority of Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise provided by law. Any and all regular and special meetings of the Board of Directors may be conducted through the use of any means of communication by which all the Directors participating may hear each other simultaneously during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.
- Section 5. The Board of Directors, after the close of the fiscal year, shall submit to the Members of the Association a report as to the condition of the Association and

its property and shall submit also an account of the financial transactions of the past year.

Section 6. The Board of Directors shall have the power:

- (a) To call special meetings of the Members whenever it deems necessary and it shall call a meeting of the voting membership, as provided in Article VII, Section 2 of these Bylaws.
- (b) To appoint and remove, as they deem appropriate, all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security and fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.
- (c) To enforce the Declaration, including but not limited to the imposition of fines and penalties for any violation of the Declaration.
- (d) To establish, levy, assess, and collect the assessments or charges referred to in the Declaration.
- (e) To adopt, publish, and enforce Standards for Exterior Appearance of all dwellings on the Lots.
- (f) To adopt, publish, and enforce Rules and Regulations governing the use of the Common Areas and facilities and the conduct of the Members and their guests or Occupants thereon, and any pets of the Members or their guests or Occupants.
- (g) To repeal any Rule or Regulation governing the use of the Common Areas and facilities and the conduct of the Members and their guests or Occupants thereon, and any pets of the Members or their guests or Occupants, upon the written request of at least a majority of the Members. Such written request must be signed by at least a majority of the Members, and need not be an action taken at a regular or special meeting in order to be valid. The Board is entitled to rely on the written document and signatures thereon on its face without any independent verification thereof.
- (h) To repeal any Standard for Exterior Appearance of all dwellings on the Lots upon the written request of at least a majority of the Members. Such written request must be signed by at least a majority of the Members, and need not be an action taken at a regular or special meeting in order to be valid. The Board is entitled to rely on the written document and signatures thereon on its face without any independent verification thereof.
- (i) To adopt a schedule of warnings, fines, and penalties for the violation of any Standards for Exterior Appearance, Rules and Regulations, or the Declaration, to be

assessed against the Lot or any person or persons violating any such Standards for Exterior Appearance, Rules and Regulations, or the Declaration.

- (j) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting or to Members in this Declaration. The action or inaction of a prior Board of Directors shall in no way act as a waiver of any current or subsequent Board to exercise such powers, duties and authority vested in or delegated to this Association.
- (k) To suspend the enjoyment of rights of any Member for any period during which any violation of this Declaration remains uncured for any period in excess of Thirty (30) days, or for any infraction of its published Standards for Exterior Appearance or its Rules and Regulations, it being understood that any suspension for either an uncured violation of the Declaration, or a breach of the Standards for Exterior Appearance, or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to cure the respective violations. Any action taken pursuant to this subsection shall be cumulative to any and all other remedies available to the Association.

Section 7. It shall be the duty of the Board of Directors:

- (a) To keep records of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such is requested in writing by three members of the voting membership, as provided in Article VII, Section 3 of these Bylaws.
- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (c) A minimum of Seven (7) days prior to the date for the annual meeting each year, the Board shall send either by email or regular US mail a complete package of financial information of the Association for the upcoming fiscal year. The financial information package shall contain the following:
  - (1) The proposed new annual operating budget for the upcoming year ("Operating Budget");
  - (2) The balance sheet for the end of the prior fiscal year ("Balance Sheet"); and
  - (3) The current reserve account information including a budget of upcoming capital expenditures ("Capital Expenditure Budget"). Collectively, the current reserve account information and Capital Expenditure Budget shall be known as the "Reserve Study".



The Board, at its discretion, may supplement the financial information package as needed. The financial information package shall accurately denote all income, expenses, and capital expenditures as recommended and approved by the Board.

- (d) As more fully provided in Sections 4 and 5 of the Declaration applicable to the Properties:
  - (1) To fix the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;
  - (2) To prepare a roster of the Properties and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Members; and
  - (3) To send written notice of each assessment to every Owner subject thereto.
- (e) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid.

#### ARTICLE V:

##### OFFICERS

- Section 1. The Executive Officers of the Association shall be a President, a Vice President, and a Secretary/Treasurer. The officers shall be elected annually by the Board of Directors, and they shall take office immediately after election. The officers of the Association shall be Members of the Association.
- Section 2. Subject to the direction of the Board of Directors, the President shall be the chief executive officer of the Association, and shall perform such other duties as from time to time may be assigned to him by the Board. The President shall be ex-officio a member of all committees.
- Section 3. The Vice President shall have the power to and shall perform such duties as may be assigned to him by the Board of Directors or the President. In case of the absence or disability of the President, the duties of that officer shall be performed by the Vice President.
- Section 4. The Secretary/Treasurer shall keep the minutes of all proceedings of the Board of Directors and all committees and the minutes of Members' meetings and books provided for that purpose; he shall have the custody of the corporate seal and such books and papers as the Board may direct; he shall have custody of all the receipts, disbursements, funds, and securities of the Association; and he shall in general perform all the duties incident to the

office of Secretary/Treasurer, subject to the control of the Board of Directors and the President.

- Section 5. The President, with the approval of the Board of Directors, may appoint such other officers and agents as the Board may deem necessary, who shall hold office at the pleasure of the Board and who shall have such authority and perform such duties as from time to time may be prescribed by the President or by the Board.

#### ARTICLE VI:

##### INDEMNIFICATION OF THE BOARD MEMBERS AND OFFICERS

- Section 1. No Board member or officer of the Association shall be liable to any Member for any decision, action or omission made or performed by such Board member or officer in the course of his duties unless such Board member or officer acted in bad faith or in reckless disregard of the rights of any Member or of the terms of these By-Laws.
- Section 2. The Association shall indemnify and defend each Board Member or officer of the Association from any liability claimed or imposed against him by reason of his position or decision, action or omission as a Board member or any officer of the Association if all of the following conditions are satisfied:
- (a) Such Board member or officer has not acted in bad faith or in reckless disregard of the rights of any person or of the terms of these By-Laws.
  - (b) Such Board member or officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same.
  - (c) Such Board member or officer cooperates with the Association in defending against the liability.
- Section 3: The expense of indemnifying a Board member or an officer shall be borne by all the Members, including such Board member or officer, and shall be collected by special assessment.

#### ARTICLE VII:

##### MEETINGS OF MEMBERS

- Section 1. There shall be an annual meeting of the Members of the Association, at such place as may be designated, between January 15<sup>th</sup> and March 15<sup>th</sup> of each calendar year, for the transaction of such business as may come before the meeting. Notice of each annual meeting, stating time, date, place and in

general terms, the purpose thereof, shall be sent by mail to the last known address of all Members at least thirty (30) days prior to the meeting.

Section 2. At the annual meeting of the Members, the Members shall either approve or disapprove, in totality, the annual Operating Budget and the annual Capital Expenditure Budget contained in the Reserve Study. In the event either budget is not approved, the Board will have Thirty (30) days within which to submit the revised Operating Budget and/or the revised Capital Expenditure Budget to the Members for a vote, which vote may be conducted via ballot and does not necessitate another meeting of the Members. In the event the revised Operating Budget is not approved following the ballot vote, the Association shall continue to operate pursuant to the prior year's approved budget. In the event the revised Capital Expenditure Budget is not approved following the ballot vote, the Association shall continue with its capital expenditures pursuant to the prior year's approved budget.

Section 3. Special meetings of the Members shall be held whenever called by the Board of Directors or by at least three Members. Notice of each special meeting, stating the time, date, place, and in general terms, the purpose or purposes thereof, shall be sent by mail to the last known address of all Members at least ten (10) days prior to the meeting.

Section 4. At any meeting of the Members, a quorum shall consist of Members owning two-thirds of the parcels in FAIRWAY ONE AT OCEAN WINDS, present either in person or by proxy. A majority in amount of such quorum shall decide any question that may come before the meeting.

#### ARTICLE VIII:

##### NOTICE

Section 1. Whenever, according to these By-Laws, a notice shall be required to be given to any Member or Director, it shall not be construed to mean personal notice but such notice may be given in writing by depositing the same in a post office in Charleston County, South Carolina, in an envelope with proper postage affixed, addressed to such Member or Director at his address as the same appears on the books of the Association; and the time when such notice is mailed shall be deemed the time of the giving of such notice.

Section 2. Any notice required to be given by these By-Laws may be waived by the person entitled thereto.

#### ARTICLE IX:

##### CONTRACTS AND OWNERSHIP OF PROPERTY

Section 1. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract and execute and deliver any instrument in the name of the Association, and such authority may be general or confined to specific instances.

Section 2. All instruments in writing affecting any real estate which may be owned by the Association, shall be executed and acknowledged in the name of the Association by the President and attested by the Secretary, with the corporate seal affixed thereto.

#### ARTICLE X:

#### AMENDMENT OF BY-LAWS

Section 1. These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted at any regular or special meeting of the Association, by two-thirds vote of those in attendance, either in person or by proxy, and eligible to vote. Notice of such meeting stating the time, date, place and in general terms the subject of such amendment, shall be sent by mail to the last known address of all Members, at least thirty (30) days prior to the meeting.

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