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Singleton By The Beach



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General Affidavit

The within named person (Affiant), Richard Anthony Stephens,  
who is a resident of Beaufort County, State of South Carolina

personally came and appeared before me, the undersigned Notary Public, and makes this his/her statement, testimony and General Affidavit under oath or affirmation, in good faith, and under penalty of perjury, of sincere belief and personal knowledge that the following matters, facts and things set forth are true and correct, to the best of his/her knowledge:

"I declare I am currently an elected officer of the Board of Directors of Singleton By The Beach Owners Association, Inc."

Dated this 3 day of March, 2025

Richard A. Stephens

Signature of Affiant

State of South Carolina

County of Beaufort

Subscribed and sworn, or affirmed, before me on this 3 day of March,

2025 by Affiant Richard Patterson

Nicole Buquet

Signature of Notary Public

My commission expires: 10/20/2027

Nicole Buquet  
Notary Public, State of South Carolina  
My Commission Expires Oct. 20, 2027

SINGLETON BY THE BEACH OWNERS ASSOCIATION  
35 CORINE LANE  
HILTON HEAD ISLAND, SC 29928

Return to: nlh

DECLARATION  
OF  
COVENANTS, CONDITIONS  
AND RESTRICTIONS  
FOR SINGLETON BY THE BEACH

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**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR  
SINGLETON BY THE BEACH**

**THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** ("Declaration") is amended on this 10th day of September 2011, by Palmetto Investors Group, Incorporated, a South Carolina corporation (the "Declarant") and Singleton By The Beach Association:

**SECTION 1  
DEFINITIONS**

1.1. "Area of Common Responsibility" shall mean the Common Property, together with such other areas, if any, for which the Association has responsibility pursuant to this Declaration as may be amended and any recorded plat.

1.2. "Association" shall mean Singleton by the Beach Owners Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

1.3. "Board of Directors" or "Board" shall mean the appointed or elected board of directors, as applicable, of the Association.

1.4. "Bylaws" shall refer to the Bylaws of the Association.

1.5. "Common Property" shall mean the real property, if any, together with improvements located thereon, which is depicted as Common Property, open space, or recreation area on any plat of Singleton by the Beach recorded in the Beaufort County Register of Deeds Office.

1.6. "Singleton by the Beach" shall mean the real property and interests described on Exhibit "A", generally known as Singleton by the Beach and such additions to that real property as may be made by Declarant or by the Association pursuant to this Declaration.

1.7. "Singleton by the Beach Standards" shall mean the standard of conduct, maintenance, or other activity generally prevailing in Singleton on the Beach. Such standard may be more specifically determined by the Board of Directors of the Association. Such determination must be consistent with the Singleton by the Beach Standards originally established by the Declarant.

1.8. "Declarant" shall mean Palmetto Investor Group, Incorporated. The Declarant appoints Singleton By The Beach Property Owners Association as designate and successor Declarant effective September 11, 2010 by designating such appointment or designation in a Supplemental Declaration filed in the Beaufort County Register of Deeds Office. It is agreed and

mutually understood Palmetto Investor Group, Incorporated relinquishes all control of Singleton By The Beach beyond being a property Owner.

1.9. "Declaration" shall include this Declaration and a Supplement Declaration.

1.10. "Lot" shall mean any single family residential lot of land within Singleton by the Beach, whether or not improvements are constructed on that land, which constitutes a single-family dwelling site as shown on a plat recorded in the Beaufort County Register of Deeds Office. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto, whether or not separately described, all of the right, title, and interest of an Owner in the Common Property and membership in the Association.

1.11. "Mortgage" shall mean any mortgage used for the purpose of encumbering real property in Singleton by the Beach as security for the payment or satisfaction of an obligation.

1.12. "Mortgagee" shall mean the holder of a Mortgage.

1.13. "Occupant" shall mean any Person occupying all or any portion of a Lot or other property located within Singleton by the Beach for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

1.14. "Owner" shall mean the record owner, whether one or more Persons, of the fee simple title to any Lot, excluding any Person holding such interest merely as security for the performance or satisfaction of any obligation.

1.15. "Person" shall mean a natural person, corporation, limited liability company, partnership, association, trust, or other legal entity.

1.16. "Supplementary Declaration" means an amendment or supplement to this Declaration which subjects additional restrictions and obligations on Singleton by the Beach or adds additional land to Singleton by the Beach or assigns the Declarant's rights under this Declaration.

1.17. "Total Association Vote" means all of the votes attributable to members of the Association.

## **SECTION 2**

### **PROPERTY SUBJECT TO THIS DECLARATION**

2.1. Property subject to this Declaration. The real property which is subject to the covenants and restrictions contained in this Declaration is the real property described in Exhibit "A".

2.2. Other Property. Only the real property described in Section 2.1 is made subject to this Declaration.

**SECTION 3**  
**ASSOCIATION MEMBERSHIP AND VOTING RIGHTS**

3.1. Membership. Every Owner shall be deemed to have a membership in the Association. If a Lot is owned by more than one Person, there shall be only one (1) membership per Lot, and the votes and rights of use and enjoyment shall be as provided in this Declaration and in the Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office in the Association, may be exercised by a Member of the Member's spouse or written designee, but in no event shall more than one (1) vote be cast nor office held for each Lot owned.

3.2. Voting. Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Association prior to any meeting. The Lot's vote shall be suspended in the event more than one (1) Person seeks to exercise it.

3.3. Association Board. As long as the Declarant owns one or more lots in Singleton by the Beach, Declarant shall have the power to appoint a majority of the Board of Directors of the Association.

**SECTION 4**  
**ASSESSMENTS**

4.1. Purpose of Assessment. The assessments provided for in this Declaration shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Lots, as may be authorized from time to time by the Board.

4.2. Creation of the Lien and Personal Obligation for Assessments. Each Owner agrees to timely pay to the Association: (a) annual assessments or charges; (b) special assessments; and (c) specific assessments against any particular Lot which are established pursuant to the terms of this Declaration. Each Owner also agrees to pay to the Association reasonable fines as may be imposed in accordance with the terms of this Declaration.

4.3. Late Charges. All assessments shall accrue late charges and shall accrue interest not to exceed the lesser of the maximum rate permitted by law or eighteen percent (18%) per annum on the principal amount due. Additionally, the costs of collection shall be added to any amount due, which costs of collection shall include without limitation reasonable attorney's fees incurred by the Association. The assessments and charges shall be a continuing lien upon the Lot against which each assessment is made, and shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due.

4.4. Personal Liability. Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner shall be jointly

and severally liable for the assessments which are due at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgage taking title through foreclosure proceedings.

4.5. Accounting of Payment. The Association shall, within ten (10) business days after receiving a written request, furnish a written accounting setting forth whether the assessments on a specified Lot have been paid. Such written accounting shall be binding upon the Association as of the date of issuance. The Board shall have the right to impose a reasonable charge for providing this accounting.

4.6. Annual Assessments. Annual assessments shall be levied on all Lots and shall be paid in such manner and on such dates as may be fixed by the Board. The Board may allow annual assessments to be paid in periodic payments, and the Board shall have the right to accelerate any unpaid installment in the event an Owner is delinquent in a periodic payment. Unless otherwise provided by the Board, the assessment shall be paid in annual installments. The Board may also reduce assessments for unimproved lots. A reduction in assessment for an unimproved lot will also reduce lot owners voting to ½ share.

4.7. Computation of Annual Assessments. The Board shall prepare a budget covering the estimated costs of operating the Association during the coming year, which may include a capital contribution or reserve account funding. The Board shall cause the coming year's budget and the assessments to be mailed or delivered to each Member at least thirty (30) days prior to the end of the current fiscal year of shall present the budget and the assessments to the Members at the Association's annual meeting. The budget and the assessment shall become effective unless disapproved at a meeting by a majority of the Total Association Vote. In the event the membership disapproves the proposed budget, or the Board fails to establish a budget for the succeeding year, the budget in effect for the then current year shall continue for the succeeding year until changed by the Board. In the event the Board's budget is disallowed, the Board shall have the right to make a new budget retroactive to the start of the fiscal year.

4.8. Special Assessments. In addition to the other assessments authorized by this Declaration, the Association may levy special assessments from time to time. Special Assessments must be approved at a meeting by two-thirds (2/3) of the Total Association Vote. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed. Special assessments shall be assessments levied for new improvements of contraction only. The funding of reserve accounts or capital contribution for maintenance and repair of Common Property shall not be deemed as special assessment.

4.9. Lien for Assessment. All sums assessed against any Lot, Owner or Member pursuant to this Declaration shall be secured by a continuing lien on such Lot in favor of the Association. This provision shall evidence the existence and priority of said lien.

4.10. Priority. The lien of the Association shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes; (b) liens for all sums unpaid on a first priority Mortgage, or (c) a lien arising by virtue of any Mortgage in favor of Declarant which is duly recorded in the land records of the county where Singleton by the Beach is located.

All other Persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded shall be deemed to acknowledge that their liens shall be inferior to the lien of the Association for assessments in existence at that time or which arise in the future.

4.11. Effect of Nonpayment of Assessment. Any assessments (or installments) which are not paid when due shall be delinquent. Any assessment (or installment) which is delinquent for a period of more than ten (10) days shall incur a late charge in an amount set by the Board. As set forth above, a lien shall attach to each lot for unpaid assessments. The Association may file its lien in the Beaufort County records, but shall not be required to in order to perfect the lien. The lien shall cover all assessments then due or which come due until the lien is canceled, and any other amounts provided in this Declaration or permitted by law. In the event that the assessment remains unpaid after thirty (30) days, the Association may institute suit to collect such amounts and foreclose its lien. The Association shall have the right to foreclose its lien by any method allowed by law. The Association shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the same.

4.12. No Set Off or Deduction. No Owner may waive or otherwise exempt itself from liability for the assessments provided for in this Declaration. No setoff, diminution or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action, for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to, comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. The obligation to pay assessments is a separate and independent covenant on the part of each Owner and is not subject to setoff.

4.13. Application of Payments. All payments shall be applied first to costs of collection, then to late charges, then to interest and then to delinquent assessments.

4.14. Date of Commencement of Assessments. Assessments shall start on the date of the closing of the sale of a Lot to a Person. However, the sale of a Lot to a Person who is a licensed general contractor for the sole purpose of construction of a home and the subsequent sale of that newly constructed home shall not cause assessments to commence until six (6) months from the date of the closing of the sale of the Lot to the general contractor. The first assessment for any Lot shall be adjusted according to the number of days then remaining in that fiscal year. Any failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its authority under this section at a later date.

4.15. Specific Assessment. The Board shall have the power to specifically assess a lot or lots pursuant to this Section 4 as it shall deem appropriate, in its sole discretion. Failure of the Board to exercise its authority under this Section 4 shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its authority under this Section 4 afterwards. The Board may also specifically assess Owners for expenses of the Association which benefit less than all of the Lots. Such specific assessment shall be assessed equitably among all of the Lots which are benefitted according to the benefit received, as determined by the Board in its sole discretion.

## SECTION 5

### MAINTENANCE & CONVEYANCE OF COMMON PROPERTY TO ASSOCIATION

5.1. Association's Responsibility. The Association shall maintain in good repair the Common Property. This responsibility shall include the operation, maintenance, repair, and replacement of all improvements and landscaping situated on the Common Property as set forth in this Section 5.1.

5.1.1. The Association shall maintain all wetlands, lake and associated drainage within Singleton by the Beach to the extent such maintenance is not otherwise maintained by a governmental entity or public service district.

5.1.2. The Association shall be responsible for Common Property utility expenses such as water, sewer, and electricity.

5.1.3. The Association shall operate and maintain all Common Property lighting with the exception of those street lights billed to Owners and other lighting maintained and operated by a utility company.

5.1.4. The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without Singleton by the Beach if the Board determines that such maintenance would benefit the Owners.

5.1.5. The Association shall not be responsible for the maintenance, repair or replacement of any roadways and associated infrastructure within Singleton by the Beach which has been conveyed to the Town of Hilton Head Island, Beaufort County or another government body, public service district, or utility company.

5.1.6. The Association shall not be responsible for any utility infrastructure which is not owned by the Association including, without limitation, water, sewer electricity, telephone, cable television, or propane gas infrastructure.

5.1.7. The Association maintenance shall be performed consistent with Singleton by the Beach Standards.

5.1.8. In the event that the Association determines that the need for maintenance, repair, or replacement of Common Property is caused through the willful or negligent act of an Owner, or the family, guests, lessees, or invitees of any Owner or Occupant, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be a specific assessment against such Owner subject to the Association's lien and collection rights provided for in this Declaration.

5.1.9 The beach shuttle service shall operate from Memorial Day through Labor Day each year. The service is a community asset and services and is recognized as adding value to each Owners property. Owner use of the shuttle service is not considered a reimbursable expense. Each property owner shall reimburse the association for costs associated with the shuttle service for each weeks rent, whether or not the shuttle is used by tenants. The weekly shuttle costs may fluctuate year-by-year as rental markets change and shuttle costs change. The costs will be determined by November 15<sup>th</sup> of the prior year and will be based on a shared formula; rental reimbursement costs will account for 80% of shuttle expenses and the association will pay 20% of the shuttle costs.

5.2. Owner's Responsibility. All maintenance of Lots and all structures, parking areas, landscaping, and other improvements on each lot shall be the sole responsibility of the

Owner thereof, who shall maintain such Lot in a manner consistent with the Singleton by the Beach Standards and this Declaration. In the event the Board determines that any Owner has failed or refused to properly maintain, repair, or replace items for which such Owner is responsible, the Association may perform such maintenance, repair or replacement for the Owner at the expense of the Owner. Except in an emergency situation, the Association shall give the Owner 30 days prior written notice of the Association's intent to provide such necessary maintenance, repair, or replacement. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have seven (7) days after receipt of such notice within which to complete such maintenance, repair, or replacement. If such maintenance, repair, or replacement is not capable of completion within the seven (7) day period, the Owner must commence such work within seven (7) days and shall complete such work within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be an assessment against such Owner and its Lot.

5.3. Conveyance of Common Property by Declarant to Association. The Declarant shall convey to the Association any Common Property located within Singleton by the Beach and shown as Common Property, open space, or recreation area on a plat recorded in the Beaufort County Register of Deeds Office. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Property to be maintained by the Association for the benefit of all or a part of its Members. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section.

## **SECTION 6** **USE RESTRICTIONS AND RULES**

6.1. General. All Owners and Occupants must comply with these use restrictions and rules. These use restrictions may only be amended as provided in this Declaration. In addition, the Board may, from time to time, without consent of the Members, promulgate, modify, or delete other rules and applicable to Singleton by the Beach. So long as the rules and regulations do not conflict with the terms of this Declaration. Such rules and regulations shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled, or modified in a regular or special meeting by a majority of the Total Association Vote.

6.2. Single Family Residential Use of Lots. All Lots shall be used for single family residential purposes only and no commercial activity of any nature whatsoever shall be conducted thereon. Residential purposes shall include home businesses or business activities which do not maintain advertising on a Lot, or invite customers or clients within Singleton by the Beach. Residential purposes include the sale and leasing of Lots. The Board may issue rules and regulations regarding permitted business activities, so long as the rules and regulations do not conflict with the terms of this Declaration. The Declarant shall have the right to operate a sales office and a construction office from one or more Lots within Singleton by the Beach. No garage or part of a garage may be used for business purposes so as to prevent occupant's vehicles from being parked in the garage.

6.3. Architectural Standards for Improvement to Lots. No exterior improvement, alteration, addition, or erection whatsoever shall be commenced or placed upon any Lot, unless approved in writing by the Singleton By The Beach Architectural Review Committee. Except as provided above, no exterior construction, addition, erection, or alteration shall be made unless and until plans and specifications showing at least the nature, kind, shape, height, materials, and location shall have been submitted in writing to and approved by an Architectural Review Committee to be established by the Board.

6.3.1. The Architectural Review Committee may be established and shall have jurisdiction over modifications and new construction on Lots.

6.3.2. The Board may employ architects, engineers, or other persons as it deems necessary to enable the Architectural Review Committee to perform its review.

6.3.3. The Architectural Review Committee may, from time to time, delegate any of its rights or responsibilities hereunder to one (1) or more duly licensed architects or other qualified Persons, which shall have full authority to act on behalf of the committee for all matters delegated.

6.3.4. Written design guidelines and procedures may be promulgated for the exercise of this review, which guidelines may provide for a review fee.

6.3.5. The Board shall appoint the members of the Architectural Review Committee.

6.3.6. If the Architectural Review Committee fails to approve or to disapprove submitted plans and specifications within sixty (60) days after the plans and specifications have been submitted to it, approval will not be required, and this Section will be deemed to have been fully complied with. As a condition of approval under this Section, each Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance to and on any change, modification, addition, or alteration. The Architectural Review Committee shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. Any member of the Board or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any Lot to inspect for the purpose of ascertaining whether or not these Persons shall not be deemed guilty of trespass by reason of such entry.

6.3.7. Plans and specifications are not approved or reviewed for engineering or structural design integrity or quality of materials; and by approving such plans and specifications neither the Architectural Review Committee, the members thereof, nor the Association assumes liability or responsibility therefore, nor for any defect in any structure constructed from such plans and specifications. Neither the Association, the Architectural Review Committee, the Board, nor the officers, directors, members, employees, and agents of any of them shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications and every owner agrees that such person or owner will not bring any action or suit against the Association, the Architectural Review Committee, the Board, or the officers, directors, members, employees, and agents of any board, or the officers, directors, members, employees, and agents of any of them to recover any damages and

hereby releases, remises, and covenants not to sue for all claims, demands, and causes of action arising out of or in connection with any judgment, negligence, or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands, and causes of action not known at the time the release is given.

6.3.8. Signs. No sign of any kind shall be erected by an Owner or Occupant within Singleton by the Beach without prior written consent of the Architectural Review Committee. Notwithstanding the foregoing, the Board shall have the right to erect reasonable and appropriate signs. Signs required by legal proceedings may be erected upon any Lot. The provisions of this Section shall not apply to any Person holding a Mortgage who becomes the Owner of any Lot as purchaser at a judicial or foreclosure sale conducted with respect to a first Mortgage or as transferee pursuant to any proceeding in lieu thereof.

6.3.8.1. No boat, motor home, trailer, or recreational vehicle or trailer may be left upon any portion of Singleton by the Beach for a period longer than two (2) days, unless it is stored in a garage or stored in another area of Common Property designated on a plat recorded in the Beaufort County Register of Deeds Office for recreational vehicle parking. Vehicles, boats, motor homes, trailers or recreational vehicles which are either unlicensed or inoperable for a period of five (5) days or more may not be stored upon any portion of Singleton by the Beach at any time unless fully enclosed in a garage. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, trucks, campers, buses, vans and automobiles. All vehicles shall be parked within the driveway or garage of each Lot. All single-family detached homes shall contain a garage; carports shall not be permitted. Garage doors shall be kept closed at all times, except during times of ingress and egress from the garage. Garages shall not be altered to include living space.

6.3.8.2. No unlicensed vehicle shall be left upon any portion of Singleton by the Beach except in a garage or other area of Common Property designated on a plat recorded in the Beaufort County Register of Deeds Office for recreational vehicle parking. Such vehicles identified above must be removed by the Owner. The Association shall have the right to remove any such vehicle if not removed by the Owner within ten (10) days of notice, and the costs of such removal shall be an assessment against such Owner.

6.3.8.3. Trucks with mounted campers which are an Owner's or Occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal.

6.3.9. Off Road. No motorized vehicles shall be permitted on pathways or unpaved Common Property except for public safety vehicles and vehicles authorized by the Board.

6.3.10. Occupants Bound. All provisions of the Declaration, Bylaws, and of any rules and regulations, use restrictions or design guidelines promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants even though Occupants are not specifically mentioned.

Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not paid timely, the fine may then be levied against the Owner.

6.3.11. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, with the exception of dogs, cats or other usual and common household pets. No pets shall be kept, bred or maintained for any commercial purpose. Dogs shall be kept on a leash when outside of a Lot. All Owners shall remove their pets' waste from Common Areas and Lots.

6.3.12. Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of an unclean, unhealthy, unsightly, or unkempt condition on his or her lot. No lot within Singleton by the Beach shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or bomoi9us odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No obnoxious or offensive activity shall be carried on within Singleton by the Beach.

6.3.13. Antennas. No exterior antennas of any kind, including, without limitation, satellite dishes, shall be placed, allowed, or maintained upon any portion of Singleton by the Beach, including any Lot, without the prior written consent of the Architectural Review Committee. Satellite dishes which are dark in color and are 18 inches or less in diameter shall be allowed, provided they are not visible from the street, installed upon or adjacent to a residence, and are integrated with the surrounding landscape.

6.3.14. Tree Removal. No trees that are more than four (4) inches in diameter at a point two (2) feet above the ground shall be removed without the prior written consent of the Architectural Review Committee. However, no flowering trees, including, without limitation, dogwood trees, regardless of their diameter, shall be removed without the prior written consent of the Architectural Review Committee.

6.3.15. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner of Occupant may alter, obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains, the right to alter same being expressly reserved to Declarant.

6.3.16. Sight Distance at Intersections. All property located at street Intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

6.3.17. Garbage Cans, Woodpiles, Etc. All garbage cans, woodpiles hot tubs, spas, and related equipment, and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate.

6.3.18. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Architectural Review Committee. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

6.3.19. Guns. The use or discharge of firearms in Singleton by the Beach is prohibited. The term "firearms" includes rifles, pistols, "BB" guns, pellet guns, and small firearms of all types.

6.3.20. Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed, or maintained upon any Lot without the prior written consent of the Architectural Review Committee. The Board shall have the right to erect fencing of any type considered appropriate or desirable by the Board at any location on the Common Property.

6.3.21. Air Conditioning Units. No window air-conditioning units may be installed.

6.3.22. Artificial Vegetation and Exterior Sculptures. No artificial vegetation shall be permitted on the exterior of any Lot. Exterior sculptures, fountains, flags and similar exterior ornamental items must be approved by the Architectural Review Committee.

6.3.23. Lighting. Except as may be permitted by the Architectural Review Committee, exterior lighting visible from the street shall not be permitted except for (a) approved lighting as originally installed on a Lot; (b) one (1) decorative post light; (c) street lights in conformity with an established street lighting program for Singleton by the Beach; (d) seasonal decorative lights.

6.3.24. Swimming Pools and Hot Tubs. Swimming pools, hot tubs and portable spas shall not be permitted without the prior written consent of the Architectural Review Committee and then only if enclosed by an approved fence.

6.3.25. Play Equipment. All play equipment must be located between the rear dwelling line and the rear lot line.

6.3.26. Mailboxes. All mailboxes located on Lots shall be of a similar style approved by the Architectural Review Committee. Mailboxes shall be kept painted and in good repair by the Owners. Replacement mailboxes may be installed after the type has been approved in writing by the Architectural Review Committee.

6.3.27. Windows. Window treatments must be installed by all Owners within four (4) weeks of closing on the purchase of any improved Lot. No sheets, paper or other temporary window shading is permitted within Singleton by the Beach.

6.3.28. Holiday and Seasonal Ornamentation. The Architectural Review Committee may issue standards for all holiday or seasonal ornamentation. Any holiday or seasonal ornamentation placed on the exterior of any residence or upon any Lot which is visible from the street or adjacent Lots must conform to the standards issued by the Architectural Review Committee.

6.3.29. Exteriors. Any change to the exterior color of any improvement located on a Lot, including, without limitation, the dwelling, must be approved by the Architectural Review Committee.

6.3.30. Clothesline. No exterior clotheslines of any type shall be permitted upon any Lot.

6.3.31. Storage Sheds and Garages. Construction, installation or placement of a storage shed, tree house, play house, detached garage, or a building separate from the main house on the Lot is not permitted without prior written consent of the Architectural Review Committee, in its sole discretion. All plans (which must include the length, width, height, materials, colors and location) must be submitted to the Architectural Review Committee for written approval prior to obtaining building permits or starting construction. The structure must be constructed, installed or placed in a location inconspicuous as much as possible from public view. All materials used in the construction of such buildings must match the main dwelling located on the Lot.

Owners shall have no riparian rights with respect to the waters in any lagoon within Singleton by the Beach and shall not be permitted to withdraw water from any lagoon as may exist in Singleton by the Beach or as are made available for the use of all Owners and Occupants within Singleton by the Beach without the prior written consent of the Board.

## **SECTION 7**

### **INSURANCE AND CASUALTY LOSSES**

7.1. Insurance on Common Property. The Board of Directors or the duly authorized agent of the Association shall have the authority to and shall obtain insurance for all insurable improvements whether or not located on the Common Property which the Association is obligated to maintain. This insurance shall provide fire and extended coverage, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Alternatively, the Board may purchase "all-risk" coverage in like amounts.

7.2. Liability Insurance. The Board shall obtain a general commercial liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00). If available, the Board is authorized to obtain directors, and officers, liability insurance coverage.

7.3. Other Insurance. In addition to the other insurance required by this Section 7, the Board shall obtain workers' compensation insurance to the extent necessary to satisfy the requirement of South Carolina law. The Board shall also obtain a fidelity bond or bonds on Association directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall be in an amount no less than three (3) month's prorated Assessments plus any reserves. Bonds shall contain a waiver of all defenses based upon the exclusion or person serving without compensation any may not be canceled, subjected to nonrenewal or substantially modified without at least thirty (30) days prior written notice to the Association. The Association shall also obtain construction code endorsements, also known as law and ordinance endorsements, and flood insurance if necessary, and to the extent necessary, to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs, or the U.S. Department of Housing and Urban Development.

7.4. Declaration. The Board is authorized to obtain the insurance coverage required hereunder.

7.5. Premiums. Premiums for all insurance shall be common expenses of the Association. The policies may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

7.6. Miscellaneous. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as trustee for the respective benefited parties, as further identified below. Such insurance shall comply with these provisions.

7.6.1. All policies shall be written with an insurance company authorized to do business in South Carolina.

7.6.2. Exclusive authority to settle losses under policies obtained by the Association shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

7.6.3. In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by individual Owners, Occupants, or their Mortgages, and the insurance carried by the Association shall be primary.

7.6.4. All casualty insurance policies shall have an inflation guard endorsement and an agreed amount endorsement if these are reasonably available and all insurance policies shall be reviewed annually by the Board.

7.6.5. The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

7.6.5.1. a waiver of subrogation by the insurer as to any claims against the Board, its manager, the Owners and their respective agents, tenants and guests;

7.6.5.2. a waiver a waiver by the insurer of its rights to repair and reconstruct instead of paying a cash settlement;

7.6.5.3. that no policy may be canceled, invalidated, or suspended on account of any one or more individual Owners;

7.6.5.4. that no policy may be canceled, subjected to nonrenewal, invalidated, or suspended on account of any defect or the conduct of any Board member, Association officer or employ, or employee of the authorized manager of the Association without prior demand in writing delivered to the Association to cure any defect or to cease the conduct and the allowance or a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or Mortgagee;

7.6.5.5. that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

7.6.5.6 that no policy may be canceled, subjected to nonrenewal or substantially modified without at least thirty (30) days prior written notice to the Association.

7.7. Individual Insurance for Lot Owners. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Association has no obligation to provide any insurance for any portion of individual Lots, and each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket "all-risk" casualty insurance on the Lot and all structures constructed thereon and a liability policy covering damage or injury occurring on a Lot. The casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an "all-risk" policy, if reasonably available, including vandalism and malicious mischief, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. If all-risk coverage is not reasonably available, Owners shall obtain, at a minimum, fire and extended coverage. The policies required hereunder shall be in effect at all times. Authority to adjust losses under policies obtained by an Owner shall be vested in the Owner. The losses under policies obtained by an Owner shall be vested in the Owner. The Association shall have the right, but not the obligation, at the expense of the Owner, to acquire the insurance required to be maintained by the Owner if the Owner fails to provide a valid policy to the Association with a prepaid receipt within ten (10) days after receipt by the Owner of a written request from the Association. If the Association does acquire insurance on behalf of any Owner, the cost thereof shall be assessed against the Owner and the Lot as a specific assessment.

7.8. Damage and Destruction – Property Insured by Association. Immediately after damage or destruction by any casualty to any improvements covered by Association insurance, the Board or its authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost or repair or reconstruction of the damaged property. Repair or reconstruction, as used in this Section 7, means repairing or restoring the property to substantially the same condition and location that existed prior to the casualty, allowing for changes necessitated by changes in applicable ordinances. Repair or reconstruction procedures shall be as follows:

7.8.1. Any damage to property covered by Association insurance shall be repaired or reconstructed unless seventy-five percent (75%) or the Total Association Vote agree otherwise in a vote taken at a duly called Association meeting held sixty (60) days after the casualty. If for any reason the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty

(60) day period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days.

7.8.2. If the insurance proceeds are insufficient to pay for the repair or reconstruction, the Board shall, without the necessity of a vote of the Owners, levy a special assessment against all Owners in proportion to the number of Lots owned by each Owner. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association.

7.8.3. If the Association votes not to repair or reconstruct damage improvements, and no alternatives are authorized by the Association, then the property shall be restored to its natural state and maintained as an undeveloped portion of Singleton by the Beach in a neat and attractive condition.

7.9. Damage and Destruction to Improvements on Lots – Property Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within ninety (90) days after such damage or destruction or, where repairs cannot be completed within ninety (90) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris therefrom within ninety (90) days after such damage or destruction. In the event of noncompliance with this provision, the Board shall have all enforcement powers specified in this Declaration.

7.10. Insurance Deductible. The deductible for any casualty insurance policy carried by the Association shall be paid by the Association or be allocated among the Persons who are responsible for the damage or destruction.

## **SECTION 8**

### **MORTGAGEE PROVISIONS**

8.1. Mortgagee Provisions. The following provisions are for the benefit of holders of first Mortgages on Lots in Singleton by the Beach. The provisions of this Section 8 apply to both this Declaration and the Bylaws, notwithstanding any other provisions contained therein.

8.2. Notice of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association, such request to state the name and address of such holder, insurer, or guarantor and the Lot number, therefore becoming an “eligible holder”, will be entitled to timely written notice of:

8.2.1. any condemnation loss or any casualty loss which affects a material portion of Singleton by the Beach or which affects any Lot on which there is a first Mortgage held, insured or guaranteed by such eligible holder;

8.2.2. any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage or such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this

provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of an unencumbered Lot of any obligation under the Declaration or the Bylaws which is not cured within sixty (60) days.

8.2.3. any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

8.3. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

8.4. Notice to Association. Upon request, each Lot Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

8.5 Applicability of Section. Nothing contained in this Section shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or South Carolina law for any of the acts set out in this Section.

8.6 Amendments by Board. Should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD or VA subsequently delete any of their respective requirements which necessitate the provisions of this Section or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Section to be recorded to reflect such changes.

## **SECTION 9** **EASEMENTS**

9.1. Easements for Use and Enjoyment. Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to each Lot. Any Owner may delegate such Owner's right of use and enjoyment in and to the Common Property to the members of the Owner's family and to such Owner's tenants and guests. Such delegation shall be deemed when any Owner leases its Lot. The Owners' easements for use and enjoyment shall be subject to the following provisions:

9.1.1. the right of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions of the Common Property by an Owner, its guests and invitees, at designated times for special events upon such Owner's payment to the Association of a reasonable use charge, as set by the Board in its sole discretion.

9.1.2. the right of the Association to suspend a Lot Owners' voting rights and the right to use the Common Property for any period during which any assessment against

such Owner remains unpaid, or for a reasonable period of time for a violation of this Declaration, Bylaws or the Association's rules or regulations;

9.1.3. the right of the Association to borrow money for the purpose of improving the Common Property, or for construction, repairing or improving any facilities located on the Common Property, and to give as security for the payment of any such loan a Mortgage encumbering the Common Property; provided, however, the lien and encumbrance of any such Mortgage shall be subject and subordinate to the provisions of this Declaration. Any such Mortgage on the Common Property shall be approved by at least 51% of the Total Association Vote. The exercise of any rights held by any Mortgagee of Common Property shall not cancel or terminate any provisions of this Declaration, or the holder of any Mortgage on any Lot.

9.1.4. the right of the Association to dedicate or grant licenses, permits or easement over, under and through the Common Property to governmental entities for public purposes; and

9.1.5. the right of the Association to dedicate or transfer all or any portion of the Common Property subject to the such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless approved by at least 51% of the Total Association Vote.

9.2. Easements for Utilities. There is hereby reserved to the Association blanket easements upon, across, above and under all property within Singleton by the Beach, including all Lots, for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving Singleton by the Beach or any portion thereof. This easement shall include, without limitation, gas, water, sanitary sewer, telephone, electricity, cable television, security, as well as storm drainage and any other service or system which the Association might decide to have installed to service Singleton by the Beach. It shall be expressly permissible for the Association, or designee to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, pipes, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document the Board shall have the right to grant such easement.

9.3. Easement for Entry. In addition to the other rights reserved to the Association, the Association shall have the right (but not the obligation) to enter upon any property or Lot within Singleton by the Beach for emergency, security, and safety reasons. This right may be exercised by any officer of the Board, and all governmental employees, policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Board to enter to cure any condition which may increase the possibility of a fire, slope erosion, or other hazard or condition in the event an Owner or Occupant fails or refuses to cure the condition upon request by the Board.

9.4. Easement for Maintenance. The association hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of Singleton by the Beach, determined in the sole discretion of the Association, as are necessary to allow for the

maintenance required by this Declaration. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owners' property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

9.5. Easement for Entry Features. There is hereby reserved to the Association an easement for ingress, egress, installation, construction landscaping and maintenance of entry features and similar streetscapes for Singleton by the Beach, over and upon each Lot as more fully described on the recorded subdivision plats for Singleton by the Beach. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around such entry features and the right to grade the land under and around such entry features.

## **SECTION 10**

### **GENERAL PROVISIONS**

10.1. Enforcement. Each Owner and Occupant shall comply strictly with the Bylaws, the rules and regulations, the use restrictions, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration. The Board may impose fines or other sanctions, which shall be collected as provided herein for the collection of assessments. Failure to comply with the Declaration, the Bylaws or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board of Directors, on behalf of the Association, or in a proper case, by an aggrieved Owner. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to record in the appropriate land records a notice of lien, a notice of violation of the Declaration, Bylaws, rules and regulations, use restrictions, or design guidelines and to assess the cost of recording and removing such notice against the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

10.2. Self-Help. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon any Lot or any other portion of Singleton by the Beach to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, the Bylaws, the rules and regulations, or the use restriction. Unless an emergency situation exists, the Board shall give the violating Lot Owner ten (10) days written notice of its intent to exercise self-help. Notwithstanding the foregoing, vehicles may be towed after reasonable notice. All costs of self-help, including reasonable attorney's fees, shall be assessed against the violating Lot Owner and shall be collected as provided for herein for the collection of assessments.

10.3. Condemnation. In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) day after such taking, at least seventy-five percent (75%) of the Total Association Vote shall otherwise agree, the Association shall restore or replace such improvements so taken on the

remaining land included in the Common Property to the extent lands are available therefore. The provisions of this Declaration applicable to Common Property improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

10.4. Duration. The covenants and restrictions of this Declaration shall run with and bind Singleton by the Beach, and shall insure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by South Carolina law. If South Carolina law limits the period during which covenants restricting lands to certain uses may run, any provision of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time any such provision shall be automatically extended for successive periods of ten (10) years, unless a written instrument reflecting disapproval signed by the then Owners of 2/3 of the Lots and is recorded within the year immediately preceding the beginning of a ten (10) year renewal period.

10.5. Amendment. This Declaration may be amended unilaterally at an time and from time to time by the board (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, HUD, the VA, or Federal Mortgage loans on the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage Loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent in writing. Further, so long as Declarant has the right unilaterally to subject additional property to the Declaration, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Lot Owners hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Lot Owner.

10.6. Partition. The Common Property shall remain undivided, and no Owner nor any other Person shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within Singleton by the Beach and without the written consent of all holders of all Mortgages encumbering any portion of the property, including, but not necessarily limited to, the Lots located within Singleton by the Beach.

10.7. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

10.8. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end, the provisions of this Declaration are declared to be severable.

10.9. Captions. The captions are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

10.10. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

10.11. Indemnification. To the fullest extent allowed by applicable South Carolina law, the Association shall indemnify every officer of the Association and director of the Association against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. This indemnification shall also include attorney's fees and expenses incurred in enforcing this indemnification. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

10.12. Books and Records.

10.12.1. Inspection by Members and Mortgagees. This Declaration, the Bylaws, copies of rules and use restrictions, membership register, books of account, and minutes of meetings of the members of the Board and of committees shall be made available for inspection and copying by any member of the Association or by the duly appointed representative of any member and by holders, insurers, or guarantors of any first Mortgage at any reasonable time and for a purpose reasonably related to such

Person's interest as a member or holder, insurer, or guarantor of a first Mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.

10.12.2. Rules for Inspection. The Board shall establish reasonable rules with respect to: (1) notice to be given to the custodian of the records; (2) hours and days of the work when such an inspection may be made; and (3) payment of the cost of reproducing copies of document.

10.12.3. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extra copies of documents at the reasonable expense of the Association.

10.13. Financial Review. A review of the books and records of the Association shall be made annually in the manner as the Board may decide; provided, however, after having received the Board's financial statements at their annual meeting, by a majority of the Total Association Vote, the Owners may require that the accounts of the Association be audited as a common expense by a certified public accountant. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements within ninety (90) days of the date of request.

10.14. Notice of Sale, Lease or Acquisition. In the event an Owner sells or lease such Owner's Lot, the Owner shall give to the Association, in writing, prior to the effective date of such sales or lease, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require. Upon acquisition of a Lot, each new Owner shall give the Association, in writing, the name and mailing address of the Owner and such other information as the Board may reasonably require.

10.15. Agreements. Subject to the prior approval of Declarant (so long as Declarant owns any property for development or sale in Singleton by the Beach, or has the right to unilaterally annex additional property to Singleton by the Beach) all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in Singleton by the Beach or the privilege of possession and enjoyment of any part of Singleton by the Beach.

10.16. Implied Rights. The Association may exercise any right or privilege given to it expressly by the Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.



**EXHIBIT "C"**

Bylaws of the Association

**BYLAWS  
OF  
SINGLETON BY THE BEACH OWNERS ASSOCIATION, INC.**

**ARTICLE I  
ASSOCIATION**

The following Bylaws shall govern the operation of Singleton by the Beach Owners' Association, Inc.

Section 1. Association. In conjunction with the development of Singleton by the Beach subdivision as shown on the plat recorded in the Beaufort County Register of Deeds Office in Book 72 at Page 199 ("Property"), a South Carolina non profit corporation known as Singleton by the Beach Property Owners' Association, Inc. has been formed ("Association"). The offices of the Association shall be at the offices of Palmetto Investors Group, Incorporated ("Declarant"), located at 7 Oxford Drive, Hilton Head Island, South Carolina 29928, or such other place as may be subsequently designated by the Board of Directors of the Association.

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

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

## ARTICLE II

### VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Eligibility. Any Lot Owner is deemed to have consented to be a Member of the Association. There shall be one voting membership for each improved Lot and ½ voting membership for each unimproved lot owned. Transfer of ownership of a Lot, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership becomes vested in the transferee. If the Lot ownership is vested in more than one Lot Owner, then all of the Lot Owners so owning such Lot shall agree upon the designation of one of the Lot Owners of such Lot to act as a Member of the Association. If Lot ownership is vested in a corporation, partnership, limited liability company, or other entity, said entity must designate one individual to act as a Member of the Association.

Section 2. Voting. Each member shall have Association votes equal to the number of improved Lots owned by the Member and ½ vote for all unimproved lot owned.

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

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

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

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

## ARTICLE III

### SINGLETON BY THE BEACH OWNERS ASSOCIATION, INC.

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

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

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

Section 4. Special Meetings. It shall be the duty of the Secretary to call a special meeting of the Owners as directed by: (i) resolution of the Board of Directors; (ii) at the request by a majority of the Directors; (iii) or upon a petition signed by twenty percent (20%) of the Owners and presented to the Secretary. A notice of any special meeting shall state the time and place of such meeting and the purpose or purposes thereof. No business shall be transacted at a special meeting except as stated in the notice. If an Owner intends to raise a matter at a special meeting, said Owner shall submit such request in writing to the Secretary or President at least thirty (30) days before the date notice is to be mailed to the Owners in order for such matter to be included in the Notice of Special Meeting.

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

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

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

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

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

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.

- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

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

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

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

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

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

## ARTICLE IV

### BOARD OF DIRECTORS

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

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

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

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

Section 4. Management Agent. The Board of Directors may retain a Management Agent, at the compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

Any contracts with the Management Agent shall be on a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said contracts.

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

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

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

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

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

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

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

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

Section 13. Board Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business. Actions and resolutions approved by a vote of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. Directors may participate in a regular or special meeting by, or conduct the meeting through any means of communication by which all directors participating may hear each other simultaneously during the meeting, and directors so participating by this means shall be deemed to be present in person at the meeting. If at any meeting of the Board there is less than a quorum present, the majority of the directors present may adjourn the meeting to another time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. Proxies shall not be available for either a Board quorum or for voting purposes.

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

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

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

## ARTICLE V

### OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, and a Secretary and/or Treasurer all of whom shall be elected by the Board.

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

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

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

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

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

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

## ARTICLE VI

### NOTICES

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

## ARTICLE VII

### OBLIGATIONS OF THE OWNERS

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

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

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

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

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

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

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

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

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

Section 10. Right of Entry.

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

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

Section 11. Rules of Conduct. To assure the peaceful use and enjoyment of the Lots and Common Property, the Owners may from time to time adopt, modify and revoke in whole or in part by a vote of a majority of Members present in person or represented by proxy at any

meeting duly called for the purpose, reasonable rules and regulations, to be called "Rules of Conduct", governing the conduct of persons on the Property as the Association may deem necessary. Such Rules of Conduct, and every amendment, modification, and revocation thereof, shall be delivered promptly to each Owner by posting same with postage prepaid addressed to the Owner at the last registered address of the Owner and shall be binding upon all Owners and the occupants of Lots. Amendment, modification and revocation of the Rules of Conduct shall not be considered a Bylaw amendment. The following shall constitute the initial Rules of Conduct:

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

(b) No Owner shall:

i) Post any advertisements or posters of any kind in or on the Property except as authorized by the Association;

ii) Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the residences within the Property;

iii) Throw or keep trash or garbage outside the garbage areas for such purposes;

iv) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Lots;

v) Maintain pets which cause distress to other Residents through excessive barking, biting, or damaging of Property;

vi) Park or store on the Property any recreational vehicles, motor homes, commercial trucks, commercial vans or boats which are not screened from view.

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

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

Section 14. Litigation. No judicial proceeding or litigation shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the votes eligible to be cast by the Owners. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Covenants or Bylaws (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided herein; (c) proceedings involving taxation, including, e.g., challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. In

the event any judicial proceeding or litigation is instituted, then the Association shall assess all Owners for the costs of such litigation, including, without limitation, attorneys' fees incurred, and funds from regular Assessments shall not be used for any such claim or litigation.

## **ARTICLE VIII**

### **INSURANCE**

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

## **ARTICLE IX**

### **MORTGAGES**

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

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

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

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

## **ARTICLE X**

## AMENDMENTS

Section 1. Requirements for Amendments. These Bylaws may be amended only with the consent of at least fifty-one (51%) of the Owners of Lots in the Property.

## ARTICLE XI

### MISCELLANEOUS MATTERS

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

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

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

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

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

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

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

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

END