

Exhibit "D" - By-Laws of Coosaw Point Property Owners Association, Inc.

ARTICLE I: NAME, OFFICE AND DEFINITIONS

- 1.1. Name. Coosaw Point Property Owners Association, Inc. ("Association").
- 1.2. Principal Office. The Association's principal office shall be located in Beaufort County, South Carolina. The Association may have such other offices, either within or outside the state of South Carolina, as the Board of Directors may determine or as the Association's affairs require.
- 1.3. Definitions. The words used in these By-Laws shall be given their commonly understood definitions. Capitalized terms shall have the same meaning as in that Declaration of Covenants, Conditions, and Restrictions for Coosaw Point filed in the Office of the Clerk of the Circuit Court of Beaufort County, South Carolina, as it may be amended or supplemented from time to time ("Declaration"), unless the context indicates otherwise.

ARTICLE II: ASSOCIATION, MEMBERSHIP, MEETINGS, VOTING

- 2.1. Membership.
 - a. The Association shall have two (2) types of regular voting memberships:
 - i. TYPE "A" - Type "A" Members (also known as Class "A" Members) shall be all those Owners of Units other than the Declarant. A Type "A" Member shall be entitled to one (1) vote for each Unit which he owns; provided, that in the event that more than one lot has been consolidated into one building site, such lots, in the aggregate, shall be considered one Unit for voting purposes, and shall entitle the owner thereof to only one vote, for so long as such additional lot is a part of such consolidated building site.
 - ii. TYPE "B" - Type "B" Members (also known as Class "B" Members) shall be the Declarant. The Declarant shall be entitled to three (3) votes for each Unit owned by the Declarant, plus one (1) additional vote:
 - b. **EXCEPT AS SPECIFICALLY PROVIDED IN ARTICLE III OF THE BYLAWS OF THE ASSOCIATION, DURING THE DECLARANT CONTROL PERIOD, ALL VOTES BY TYPE "A" MEMBERS SHALL BE ADVISORY ONLY, AND SUCH ADVISORY VOTES SHALL NOT BE COUNTED IN DETERMINING ANY VOTE OF THE MEMBERS, CONSENT BY THE MEMBERS OR OTHER ACTION OR DETERMINATION BY THE MEMBERS. DURING SUCH DECLARANT CONROL PERIOD, ONLY VOTES BY TYPE "B" MEMBERS SHALL BE COUNTED IN DETERMINING ANY VOTE OF THE MEMBERS, CONSENT BY THE MEMBERS OR OTHER ACTION OR DETERMINATION BY THE MEMBERS. UPON THE EXPIRATION OF**

THE DECLARANT CONTROL PERIOD, BOTH TYPE "A" AND TYPE "B" MEMBERS SHALL BE ENTITLED TO HAVE THEIR VOTES COUNTED IN DETERMINING ANY VOTE OF THE MEMBERS, CONSENT BY THE MEMBERS OR OTHER ACTION OR DETERMINATION BY THE MEMBERS.

- c. At no time shall any Type "A" membership vote be exercised for any property which is exempt from assessment under Section 9.9.
 - d. In any situation where a Member is entitled to exercise the vote for his or her Unit, and there is more than one Owner of such Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.
 - e. Other provisions in the Declaration regarding the voting by Members are incorporated herein by reference.
- 2.2. Place of Meetings. Association meetings shall be held at the Association's principal office or at such other suitable place convenient to the Members as the Board may designate.
- 2.3. Annual Meetings. The first Association meeting, whether a regular or special meeting, shall be held not later than one year after the first sale of a Unit within the Community to an Owner other than a builder or developer purchasing primarily for development or resale in the ordinary course of such Person's business. Meetings shall be of the Members. Subsequent regular annual meetings shall be held each year at a time set by the Board.
- 2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board or upon a petition signed by at least 25% of the Members (the consent of the Declarant shall not be required). The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.
- 2.5. Notice of Meetings.
- a. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of each Unit (as shown in the records of the Association), as well as the Declarant, a notice of each annual or special meeting of the Association stating the time and place where it is to be held and in the notice of a special meeting, the purpose thereof. If an Owner wishes notice to be given at an address other than the Unit, the Owner shall designate by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices for annual

and special meetings shall be served at least 15 days but not more than 60 days in advance of the such meeting.

- b. If mailed, the notice of a meeting shall be deemed to be delivered upon the earliest of: (a) the date received; (b) five (5) days after its deposit in the United States mail, as evidenced by its postmark, if mailed with first class postage affixed; (c) the date shown on the return receipt, if mailed by registered or certified mail, return receipt requested, and signed by or on behalf of the addressee or (d) fifteen (15) days after its deposit in the United States mail, as evidenced by the postmark, if mailed with other than first class, registered, or certified postage affixed, (e) one (1) day after being accepted by an overnight delivery service such as Federal Express, properly addressed and with proper and complete arrangements made for overnight delivery of same, including arrangements acceptable to such overnight delivery service for payment.
- c. A written notice or report delivered as part of a newsletter, magazine or other publication regularly sent to Members constitutes a written notice or report if addressed or delivered to the Member's address shown in the Association's current list of Members, or in the case of Members who are residents of the same household and who have the same address in the corporation's current list of Members, if addressed or delivered to one of such Members, at the address appearing on the current list of Members.

- 2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.
- 2.7. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.
- 2.8. Voting. The Declaration shall set forth the Members' voting rights; such voting rights provisions are specifically incorporated by this reference.
- 2.9. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of such member's Unit, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member, or of written revocation, or upon the expiration of 11 months from the date of the proxy.

- 2.10. Majority. As used in these By-Laws, the term “majority” shall mean those votes, Members, or other group as the context may indicate totaling more than 50% of the total eligible number.
- 2.11. Quorum. The presence, in person or by proxy, of 20% of the total eligible Association vote shall constitute a quorum at all meetings of the Association. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. Any amendment to this Section shall comply with the provisions of Section 33-31-1023 of the South Carolina Nonprofit Corporation Code.
- 2.12. Conduct of Meetings. The President shall preside over all Association meetings, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.
- 2.13. Action Without a Meeting. Any action to be taken at a meeting of the Members, or which may be taken at a meeting of the Members, may be taken without a meeting if written consents setting forth the action so taken are signed by Members eligible to vote on the question holding at least 80% of the Association’s voting power with respect to such question. Action taken without a meeting shall be effective on the date that the last consent is executed or, if required, the date Declarant consents to the action, unless a later effective date is specified therein. Each signed consent shall be delivered to the Association and shall be included in the minutes of meetings of Members filed in the permanent records of the Association.
- 2.14. Action by Ballot.
- a. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. Written notice describing the matter to be voted upon, a ballot and other material necessary to insure voting control and Member privacy shall be sent by mail to all Members eligible to vote not less than twenty (20) days, nor more than forty (40) days before the date established by the Board for counting votes. Notice shall be deemed complete and delivered when deposited in the United States Mail, with appropriate and necessary postage affixed, addressed to the Member at his or her address as it appears on the records of the Association.
 - b. A written ballot shall:
 - i. set forth each proposed action; and
 - ii. provide an opportunity to vote for or against each proposed action.
 - c. Approval by written ballot pursuant to this section is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the

number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

- d. All solicitations for votes by written ballot shall:
 - i. indicate the number of responses needed to meet the quorum requirements;
 - ii. state the percentage of approvals necessary to approve each matter other than election of directors; and
 - iii. specify the time by which a ballot must be received by the Association in order to be counted.
- e. A written ballot may not be revoked after it is submitted.
- f. Members shall cast their vote subject to their voting rights as defined in the Declaration and Section 2.1 of these Bylaws. They shall record their vote by marking and returning the ballot as instructed thereon. Specific voting instructions and materials shall insure that only ballots from eligible voters are counted, and that the privacy of individual Members is maintained.
- g. Ballots marked and returned in accordance with instructions shall be counted, and totals certified, either:
 - i. by a volunteer group of Members not currently serving on the Board of Directors and selected by the Nominating Committee; or
 - ii. by a professional firm employed for that purpose.
- h. Voting results shall be given to the Board which will announce the results to the Membership.

ARTICLE III: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

- 3.1. **Governing Body; Composition.** A board of directors, each of whom shall have one equal vote, shall govern the Association's affairs. Except with respect to directors Declarant appoints during the Declarant Control Period, the directors shall be Members or residents; however, no two Owners or residents representing the same Unit may serve on the Board at the same time. A "resident" shall be any person 18 years of age or older whose principal residence is a Unit within the Community. In the case of a Member which is not an individual, any officer, director, partner, member or manager of a limited liability company, or trust officer of such Member shall be eligible to serve as a director unless a written notice to the Association signed by such Member specifies otherwise;

however, no Member may have more than one such representative on the Board at a time, except in the case of directors Declarant appoints.

3.2. Number of Directors. The Board shall consist of three to seven directors, as provided in Section 3.3 below. The initial Board shall consist of three (3) directors and shall be appointed by the Declarant.

3.3. Nomination and Election Procedures.

a. Notwithstanding any other provision hereof, during the Declarant Control Period, the following provisions shall apply to the election of directors of the Association:

i. Until the Declarant has sold 100 lots in the Community, Declarant shall have the right to appoint all three directors of the Association.

ii. Upon the sale of 100 lots in the Community, the Members (both Class "A" Members and Class "B" Members, in the aggregate) shall be entitled to vote to elect one (1) director, and the Declarant shall be entitled to appoint the remaining two (2) directors.

iii. Upon the sale of 200 lots in the Community, the number of directors shall be increased to five (5). The Members (both Class "A" Members and Class "B" Members, in the aggregate) shall be entitled to vote to elect two (2) directors, and the Declarant shall be entitled to appoint the remaining three (3) directors.

iv. At the end of the Declarant Control Period, the number of directors shall be increased to seven (7), all of whom shall be elected by the Members (both Class "A" and Class "B" Members, in the aggregate).

v. Declarant shall be entitled to remove any director appointed by it, and to appoint such director's replacement.

vi. Directors elected by the Members (Class "A" Members and Class "B" Members, in the aggregate) shall be known as "Member-Elected Directors".

b. Nomination of Directors. Except with respect to directors Declarant appoints during the Declarant Control Period, nominations for election to the Board shall be made by a "Nominating Committee." The Nominating Committee shall consist of a Chairman, who shall be a Board member, and three or more Members or representatives of Members. The Board shall appoint the Nominating Committee not less than 30 days prior to each election to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such election. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled as provided in Section

3.3(a) above. Nominations shall also be permitted from the floor. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

- c. Election Procedures. Each Member may cast the entire vote assigned to his Unit for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Nothing herein shall prohibit any director from being re-elected.

3.4. Election and Term of Office. Member-elected directors shall be elected and hold office as follows:

- a. Member-elected directors shall be elected at the Association's annual meeting. All eligible members of the Association shall vote on all directors to be elected, and the candidate(s) receiving the most votes shall be elected.
- b. The initial Member-elected director shall be elected for a two year term. At such time as the Members are permitted to elect a second director, that director shall be elected for either an initial one or a two year term. Whether such initial term shall be a one or a two year term shall be determined by the Board in a manner so as to stagger the terms of the first and second Member-elected directors. Similarly, when additional Member-elected directors are added as specified in Section 3.3(a) above, their initial terms shall be for either one or two years, as determined by the Board in order to provide for staggered terms. At the expiration of the initial term of office of each respective Member-elected director, a successor shall be elected for his seat, to serve for a term of two years. The directors shall hold office until their respective successors shall have been elected by the Association.

3.5. Removal of Directors and Vacancies.

- a. At any regular or special meeting of the Association duly called, any one or more of the Member-elected directors may be removed, with or without cause, by a vote of a majority of the Members and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Members shall be given at least ten days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.
- b. In the event of the death, disability, or resignation of an Member-elected director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members may elect a successor for the remainder of the term.
- c. This Section shall not apply to directors appointed by Declarant. Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from

the death, disability, or resignation of a director it has appointed. Declarant shall also be entitled to remove any director appointed by Declarant and appoint a successor for the director so removed.

- 3.6. Organizational Meetings. The Board shall hold an organizational meeting within 10 days following each annual Association meeting at such time and place the Board shall fix.
- 3.7. Regular Meetings. The Board may hold regular meetings at such time and place a majority of the directors shall determine, but the Board shall hold at least four such meetings during each fiscal year with at least one per quarter. The Board shall give notice of the time and place of a regular meeting to each of the directors not less than six days prior to the meeting; provided, the Board need not give notice of a meeting to any director who has signed a waiver of notice or a written consent to holding the meeting.
- 3.8. Special Meetings. The Board may hold special meetings when called by written notice signed by the President, the Vice President, or any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission, or (e) by recognized overnight delivery service, such as Federal Express. All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the Association's records. Notices sent by first class mail shall be deposited into a United States mailbox at least six business days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic communication shall be delivered or communicated at least 72 hours before the time set for the meeting. Notices given by overnight delivery service, shall be deposited with such delivery service at least 4 days prior to the date of the meeting, with arrangements made for overnight delivery of same.
- 3.9. Waiver of Notice. The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.
- 3.10. Telephonic Participation in Meetings. Members of the Board or any committee the Board designates may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence at such meeting.

- 3.11. Quorum of Board of Directors. At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless the By-Laws or the Declaration specifically provide otherwise. A meeting at which a quorum is present initially may continue to transact business, notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact without further notice any business which it might have transacted at the original meeting. Any amendments to this Section shall comply with the provisions of Section 33-31-1024 of the South Carolina Nonprofit Corporation Code.
- 3.12. Compensation. Directors shall not receive any compensation from the Association for acting as such. The Association may reimburse any director for expenses incurred on the Association's behalf. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies he or she furnishes to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director makes his or her interest known to the Board prior to entering into such contract and a majority of the Board, excluding the interested director, approves such contract.
- 3.13. Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.
- 3.14. Open Meetings. Subject to the provisions of Section 3.15, all Board meetings shall be open to all Members, but attendees other than directors may not participate in any discussion or deliberation unless a director requests permission for that person to speak. In such case, the President may limit the time such person may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors. Only the following matters are open for discussion in executive session:
- a. matters pertaining to Association employees or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
 - b. consultation with legal counsel regarding disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
 - c. investigative proceedings concerning possible or actual criminal conduct;
 - d. matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and

- e. any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
- 3.15. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.
- 3.16. Powers. The Board shall have all of the powers and duties necessary for managing the Association's affairs and for performing all responsibilities and exercising all of the Association's rights as set forth in the Governing Documents as provided by law. The Board may do or cause to be done all acts and things as are not by the Governing Documents or South Carolina law directed to be done and exercised exclusively by the Members or the membership generally.
- 3.17. Duties. The Board's duties shall include, without limitation:
- a. causing to be prepared and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any Neighborhood Expenses;
 - b. levying and collecting assessments from the Owners;
 - c. providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility and entering into agreements with adjacent property owners to allocate maintenance responsibilities and costs of certain public rights-of-way and other property within or adjacent to the Community;
 - d. designating, hiring, and dismissing the personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
 - e. depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' business judgment, in depositories other than banks;
 - f. making and amending Rules and Regulations in accordance with the Declaration;
 - g. opening of bank accounts on behalf of the Association and designating the signatories required;
 - h. making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;

- i. enforcing the Governing Documents and bringing or defending any proceedings which may be instituted on behalf of or against any Owner(s) concerning the Association or the Community; provided, the Association's obligation in this regard shall be conditioned in the manner provided in Section 8.5 of the Declaration;
 - j. obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
 - k. paying for services rendered to the Association;
 - l. keeping books with detailed accounts of the receipts and expenditures of the Association;
 - m. making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;
 - n. permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Community;
 - o. indemnifying an Association director, officer, or committee member, or former Association director, officer, or committee member to the extent such indemnity is required by South Carolina law, the Articles of Incorporation, or the Declaration.
- 3.18. Right of Declarant to Disapprove Actions. So long as Declarant has the right unilaterally to annex property under Section 10.1 of the Declaration, Declarant shall have a right to disapprove any action, policy, or program of the Association, the Board, and any committee which, in Declarant's sole judgment, would tend to impair rights of Declarant or Builders under the Declaration or these By-Laws, interfere with the development or construction of any portion of the Community, or diminish the level of services the Association provides.
- a. The Association shall give Declarant written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board, or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies as to the Board meetings with Sections 3.7, 3.8, 3.9, and 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and
 - b. The Association shall give Declarant the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any

prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

- c. No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.
- d. Declarant, its representatives, or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. Declarant, acting through any officer, director, agent, or authorized representative, may exercise its right to disapprove at any time within 15 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 15 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of the Board, the Association, or any committee. Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.19. Management. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. Declarant or an affiliate of Declarant may be employed as managing agent or manager. The Board may delegate to one of its members the authority to act on the Board's behalf on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

3.20. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- a. accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- b. accounting and controls should conform to generally accepted accounting principles;
- c. the Association's cash accounts shall not be commingled with any other accounts;
- d. the managing agent and employees of the Association shall accept no remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

- e. the managing agent shall disclose to the Board promptly any financial or other interest which the managing agent may have in any firm providing goods or services to the Association;
 - f. an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant. During the Declarant Control Period, the annual report shall include certified financial statements.
- 3.21. Borrowing. The Association shall have the power to borrow money for any legal purpose; however, the Board shall obtain Member approval in the same manner provided in Section 9.2 of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 20% of the Association's budgeted gross expenses for that fiscal year. No Mortgage lien shall be placed on any portion of the Common Area without an affirmative 67% Vote of the Association.
- 3.22. Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with residential or nonresidential owners' associations within and outside the Community; however, any common management agreement shall require the Board's consent.
- 3.23. Enforcement. In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose reasonable monetary fines, which shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote for violation of any duty imposed under the Governing Documents. In addition, the Board may suspend any services the Association provides to an Owner or an Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charges owed to the Association. In the event that any occupant, tenant, employee, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the Association shall first assess the fine against the occupant, tenant, employee, guest, or invitee; however, if the occupant does not pay the fine within the time period the Board sets, the Owner shall pay the fine upon notice from the Association. The Board's failure to enforce any provision of the Governing Documents shall not be deemed a waiver of the Board's right to do so thereafter.
- a. Notice. Prior to imposition of certain sanctions requiring notice under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice

unless a challenge is begun within 10 days of the notice. If a timely challenge is not made, the sanction stated in the notice may be imposed; however, the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

- b. Hearing. If a hearing is requested within the allotted 10-day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.
- c. Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that are in violation of parking rules) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred. Any entry onto a Unit for purposes of exercising this power of self-help shall not be deemed as trespass.
- d. In no event shall the Declarant be subject to any fine or other action sanction under this Section.

3.24. Board Standards.

- a. While conducting the Association's business affairs, the Board shall be protected by the business judgment rule. The business judgment rule protects a director from personal liability so long as the director: (a) serves in a manner the director believes to be in the best interests of the Association and the Members; or (b) serves in good faith.
- b. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.
- c. The burden of proof in any challenge to an action or inaction by a director shall be on the party asserting liability.
- d. The operational standards of the Board and any committee the Board appoints shall be the requirements set forth in the Governing Documents or the minimum

standards which Declarant, the Board, and the Architectural Review Board may establish.

- 3.25. Board Training Seminar. Each director is encouraged to complete a board training seminar within such director's first six months of directorship. Such seminar shall educate the directors about their responsibilities and duties. The seminar may be in live, video or audio tape, or other format.

ARTICLE IV: OFFICERS

- 4.1. Officers. The Association's officers shall be a President, Vice President, Secretary, and Treasurer, all of whom shall be appointed by the Board. The President and Secretary shall be elected from among the Board members; other officers may, but need not be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. The same person may hold any two or more offices, except the offices of President and Secretary. Moreover, the Secretary shall be responsible for preparing minutes of all directors' and Members' meetings and for authenticating records of the corporation.
- 4.2. Election and Term of Office. The Board shall elect the officers of the Association at the first Board meeting following each annual meeting of the Members, to serve until their successors are elected.
- 4.3. Removal and Vacancies. The Board may remove any officer whenever in its judgment the Association's best interests will be served, with or without cause, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.
- 4.4. Powers and Duties. The Association's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Association's chief executive officer. The Secretary shall prepare, execute, certify, and Record amendments to the Declaration as provided in Article XVII of the Declaration. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.
- 4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other Association instruments shall be executed by at least two officers or by such other person or persons as a Board resolution may designate.

- 4.7. Compensation. Officers' compensation shall be subject to the same limitations as directors' compensation under Section 3.12.

ARTICLE V: COMMITTEES

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

ARTICLE VI: MISCELLANEOUS

- 6.1. Fiscal Year. The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.
- 6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (the then current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law or the Governing Documents.
- 6.3. Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.
- 6.4. Books and Records.
- a. Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, By-Laws, and Articles of Incorporation, including any amendments, any Supplemental Declarations, the Rules and Regulations, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within the Community as the Board shall designate.
 - b. Rules for Inspection. The Board shall establish rules with respect to:
 - i. notice to be given to the custodian of the records;
 - ii. hours and days of the week when such an inspection may be made; and
 - iii. payment of the cost of reproducing copies of documents requested.
 - c. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties the Association owns or controls. The director's right of

inspection includes the right to make a copy of relevant documents at the Association's expense.

6.5. Notices.

- a. Unless the Declaration or these By-Laws otherwise provide, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally, if sent by United States mail, first class postage prepaid, or if sent by recognized overnight delivery service, such as Federal Express:
 - i. if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or
 - ii. if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.
- b. If mailed, the notice shall be deemed to be delivered upon the earliest of:
 - i. the date received;
 - ii. five (5) days after its deposit in the United States mail, as evidenced by its postmark, if mailed with first class postage affixed;
 - iii. the date shown on the return receipt, if mailed by registered or certified mail, return receipt requested, and signed by or on behalf of the addressee;
 - iv. fifteen (15) days after its deposit in the United States mail, as evidenced by the postmark, if mailed with other than first class, registered, or certified postage affixed; or
 - v. one (1) day after being accepted by an overnight delivery service such as Federal Express, properly addressed and with proper and complete arrangements made for overnight delivery of same, including arrangements acceptable to such overnight delivery service for payment.
- c. A written notice or report delivered as part of a newsletter, magazine or other publication regularly sent to Members constitutes a written notice or report if addressed or delivered to the Member's address shown in the Association's current list of Members, or in the case of Members who are residents of the same household and who have the same address in the corporation's current list of Members, if addressed or delivered to one of such Members, at the address appearing on the current list of Members.

6.6. Amendment.

- a. By Declarant. During the Declarant Control Period, Declarant unilaterally may amend these By-Laws for any purpose. Thereafter, Declarant or the Board (with Declarant's consent) unilaterally may amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; or (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units; provided, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing.
- b. By Members Generally. Except as provided above, these By-Laws may be amended upon approval by majority Vote of the Members, and, during the Declarant Control Period, the consent of Declarant. In addition, the approval requirements set forth in Article XVI of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.
- c. Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon Recordation, unless the amendment specifies a later effective date. Any procedural challenge to an amendment must be made within one year of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws. The Secretary shall prepare, execute, certify, and Record amendments to these By-Laws. No amendment may remove, revoke, or modify any of Declarant's rights or privileges without its written consent.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Coosaw Point Property Owners Association, Inc., a South Carolina corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the ____ day of _____, _____.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ____ day of _____, _____.

(seal)

Secretary