

STATE OF SOUTH CAROLINA            )  
  )  
COUNTY OF BEAUFORT                )           AFFIDAVIT TO RECORD

IN RE:           Springwood Villas Horizontal Property Regime

The attached document is being recorded to comply with the South Carolina Homeowners Association Act, Title 27, Chapter 30, Section 110, et. seq., South Carolina Code of Laws (1976), as amended.

1. Amendment to the Bylaws- (October 2018)

Springwood Villas Horizontal Property Regime

By: Springwood Owners' Association, Inc.

By: Sarah P. ("Pady") Brison

Sarah P. ("Pady") Brison

(Printed name)

Its: President

SWORN TO BEFORE ME

On this 11 Day of January, 2019.

Kathleen Smith

Notary Public for South Carolina

My Commission Expires:

**KATHLEEN SMITH**  
Notary Public, State of South Carolina  
My Commission Expires 10/20/2027

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

**FOURTH AMENDMENT TO THE  
BYLAWS OF SPRINGWOOD  
OWNERS' ASSOCIATION, INC.**

**THIS** Fourth Amendment to the bylaws of Springwood Owners' Association, Inc. (Springwood Villas Horizontal Property Regime) is made this 14 day of January, 2011.

**WITNESSETH**

**WHEREAS**, PAW Partnership made and published a master deed on October 7, 1982 to Springwood Villas Horizontal Property Regime which was recorded on October 8, 1982 in Book 355 at Page 832 of the Official Records of Beaufort Count; and

**WHEREAS**, the master deed was amended to include additional property by document dated March 15, 1985 and recorded March 28, 1985 in Book 416 at Page 136; and

**WHEREAS**, the bylaws were firstly amended by document dated October 26, 1990 and recorded October 29, 1990 in Book 563 at Page 1625; and

**WHEREAS**, the bylaws were secondly amended by document dated November 14, 1995 and recorded February 14, 1996 in Book 836 at Page 596; and

**WHEREAS**, the bylaws were thirdly amended by document dated April 7, 2005 and recorded June 3, 2005 in Book 2160 at Page 2591; and

**WHEREAS**, pursuant to Paragraph 9 of the bylaws, at the annual meeting on DATE NEEDED, for which timely and lawful notice was given, the owners approved additional amendments to the bylaws.

**NOW, TEHREFORE**, the bylaws, as amended of Springwood Owners' Association, Inc. are further amended and restated as follows:

AMENDED AND  
RESTATED BY-LAWS OF  
SPRINGWOOD VILLAS HORIZONTAL PROPERTY REGIME

**ARTICLE 1 PLAN OF UNIT OWNERSHIP**

**1.1 HORIZONTAL PROPERTY REGIME.** The term “Property,” as defined in the Master Deed and used herein, has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, and is known as the SPRINGWOOD VILLAS HORIZONTAL PROPERTY REGIME (hereinafter referred to as the “Regime”).

**1.2 ASSOCIATION.** In conjunction with the creation of the Regime and as authorized by the Master Deed, there also has been incorporated under the laws of the State of South Carolina a nonprofit corporation known as SPRINGWOOD OWNERS’ ASSOCIATION, INC. (hereinafter referred to as “Association”).

**1.3 BY-LAWS APPLICABILITY.** The provisions of these By-Laws are applicable to the Property, the Regime and the Association. In the event of any conflict with the Master Deed, the terms and provisions of the Master Deed shall prevail.

**1.4 PERSONAL APPLICATION.** All present or future Owners (as defined in the “Master Deed”), tenants, invitees, or their employees, or any other person who might use the facilities of the Property in any manner, are subject to the regulations set forth in the Master Deed, these By-Laws and the Rules and Regulations (as authorized in the Master Deed) as they may be amended from time to time. The acquisition, rental or mere occupancy of any of said Apartments will signify that the Apartment is taken subject to these By-Laws, the provisions of the Master Deed, the Rules and Regulations and all amendments of any of those documents.

**ARTICLE 2 VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES**

**2.1 ELIGIBILITY.** Any person who acquires title to an Apartment in the Regime shall be a member of the Association. There shall be one membership for each Apartment owned. Transfer of Apartment ownership, either voluntary or by operation of law, shall terminate membership in the Association and said membership will become vested in the transferee. If Apartment ownership is vested in more than one person, then all the persons so owning such Apartment shall agree upon the designation of one of the Owners of such Apartment to act as a member of the Association, to be the person entitled to vote upon regime business and to be a candidate for election to the Board of Directors. The Apartment Owners shall provide a certificate of designation to the Board Secretary in order for the designee to be able to vote. If Apartment ownership is vested in a corporation, partnership, limited liability company, or other entity, said organization shall designate an individual who is entitled to occupy the Apartment, who will be the member of the Association and who may be a candidate for election to the Board. The Apartment Owner shall provide a certificate of designation to the Board Secretary in order for the designee to be able to vote.

**2.2 VOTING.** Voting may be in person or by proxy and shall be on a percentage basis with the percentage of the vote to which each Owner is entitled being as set forth in the Master Deed and any amendment thereof.

**2.3 MAJORITY OF OWNERS.** As used in these By-Laws, the term Majority of Owners shall



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(67%) percent of the total authorized vote. The action must be evidenced by a written consent, in counterparts if appropriate, which describes with particularity the action to be taken. The record date of the action is the date the last required Owners signed the consent. Written notice of Owners approval shall be given to all Owners and is effective ten (10) days after mailing such notice.

**3.6 NOTICE OF MEETINGS.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record on the day of mailing. The notice shall be mailed at least fifteen (15) days, but not more than forty-five (45) days, prior to such meeting, with the time period commencing on the day of the mailing. The mailing of a notice by placing it in an official depository of the United States Postal Service shall constitute adequate notice.

**3.7 WAIVER OF NOTICE.** An Owner may waive any notice required by these By-Laws before or after the date and time stated on the notice for the meeting. The waiver must be in writing, be signed by the Owner entitled to notice, and be delivered to the Secretary. An Owner's attendance at a meeting waives objection to lack of notice or defective notice, unless the Owner at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. An Owner waives objection to consideration of business not within the scope of the meeting unless the Owner objects when the matter is first presented.

**3.8 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 twenty-four (24) hours from the time the original meeting was called. Upon the reconvening of said meeting, a quorum shall be constituted if Owners holding at least forty percent (40%) of the total value of the Property in accordance with the percentages assigned in the Master Deed are present, either in person or by proxy.

**3.9 ORDER OF BUSINESS.** The order of business at all annual meetings of the Association shall be as follows:

- (a) Proof of Notice of Meeting or Waiver of Notice.
- (b) Proof of Quorum
- (c) Approval 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.
- (j) Open Comment Period for Input from the Owners.

The order of business at a special meeting of the Association shall be as follows:

- (a) Proof of Notice of Meeting or Waiver of Notice.
- (b) Proof of Quorum
- (c) Subject of Special Meeting
- (d) Open Comment Period for Input from the Owners, limited to the subjects delineated in the special meeting notice

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#### ARTICLE 4 BOARD OF DIRECTORS

**4.1 NUMBER AND QUALIFICATION.** The affairs of the Association shall be governed by a Board of Directors (hereinafter referred to as the "Board" or the "Directors") comprised of seven (7) persons. For purposes of this Article, "person" shall include an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof, that owns the Apartment. In the case of a non-individual Apartment Owner, a certificate of designation must be presented to the Secretary, naming the officer, partner, member or fiduciary as the "person" eligible for election to the Board. All Board members shall be Apartment Owners in good standing with no outstanding dues or assessments other than the dues for the current month at the time of the annual meeting.

**4.2 BOARD OF DIRECTORS - TERMS.** The term of office for each Director shall be for three (3) years and shall be staggered such that no more than three (3) Directors will be elected for full term at any annual meeting. Upon the expiration of a Director's term, the Director will continue to serve until a successor has been elected and seated pursuant to these By-Laws.

**4.3 VACANCIES.** Vacancies on the Board caused by reason of other than the removal of a member of the Board by a vote of the Association shall be filled by vote of the majority of the remaining Board members, even though they constitute less than a quorum, and each person so elected shall serve only to the next meeting of the Association at which a Director will be elected to complete the unexpired portion of the term of the vacating Director.

**4.4 REMOVAL OF MEMBERS OF THE BOARD.** At any regular or special meeting of the Association duly called, any one or more of the members of the Board may be removed with or without cause by a vote of a Majority of Owners. Any member of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting. A Board member's term shall automatically terminate, and the Board member shall not continue to serve on the Board if, during the term of office, he/she shall cease to be an Apartment Owner.

**4.5 GENERAL POWERS AND DUTIES.** The Board shall have the powers and duties necessary for the administration of the affairs of the Association as set forth in the South Carolina Nonprofit Corporation Act and may do all such acts and things as are not prohibited by law, by the Master Deed, by these By-Laws, or as directed to be executed and done by the Association.

**4.6 OTHER POWERS AND DUTIES.** In addition to duties imposed by these By-Laws, or action of the Association, the Board shall be responsible for the following:

**4.6.1** Compliance with all of the terms and conditions of the Master Deed and any amendments thereto and strict enforcement of same.

**4.6.2** Maintenance, care, upkeep and surveillance of the Property.

**4.6.3** Adoption of the Annual Operating Budget. After adoption by the Board, the budget shall be distributed by the Board to all members of the Association at least thirty (30) days in advance of its effective date and in advance of the Association's annual meeting. This budget will be inclusive of any special assessment adopted by the Board, except in the case

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of a catastrophic event due to a natural or man-made disaster or other event which causes immediate harm to the Property. Notwithstanding the responsibilities and the authority of the Board, the budget may be modified by the Association at the annual meeting or a special meeting of the Association called for such a purpose and at which a quorum is present of a Majority of the Owners, in person or by proxy.

**4.6.4** Adoption of a Capital Budget for Major Projects planned. In that the Capital Budget is a planning document, it can be changed by the Board during the year. This Capital Budget must be distributed by the Board to all members of the Association at least thirty (30) days in advance of its effective date and in advance of the Association's annual meeting. As the Capital Budget is altered throughout the year, the Revised Capital Budget must also be distributed to the Owners within thirty (30) days after its approval by the Board.

**4.6.5** Establishment of Reserve Fund. As part of the annual budget adoption described in section 4.6.3 above, the Board shall establish and maintain on behalf of the Association an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Property. This is also known as the "Life Cycle Reserves" or "Capital Reserves." Because this is a planning tool, it should be projected out and reported in a ten (10) year window. It will be the responsibility of the Board to maintain these reserves, on an annualized basis, at or above an amount that is twenty (20%) of the total Annual Operating Budget. Should an emergency occur that would reduce the capital reserves below the minimum level, the Board shall endeavor to restore the capital reserve funds to the minimum level. Reports on the Reserve Fund shall be distributed by the Board to all Owners.

**4.6.6** Employment, dismissal and control of the personnel necessary for the maintenance and operation of the Property.

**4.6.7** Collection and enforcement of all assessments, fines and fees from the Owners.

**4.6.8** Contracting for repairs caused by any natural disaster, deterioration or man-made damage from the Reserve Fund or from special assessment to be assessed by the Directors in such sum as shall be the sole discretion of the Directors with payment as specified by the Directors. This is exclusively provided for emergency and excludes any expansion of capital improvements which can be planned.

**4.6.9** Obtaining insurance for the Property, pursuant to the provisions of ARTICLE VIII of these By-Laws, and the provisions of Paragraph 9.1.3 of the Master Deed.

**4.6.10** Granting, acquiring or relocating easements which are not inconsistent with the Owners' use and enjoyment of the Property.

**4.6.11** Making of repairs, additions and improvements to, or alterations of the Property and repairs to and restoration of the Property in accordance with the provisions of these By-Laws.

**4.6.12** To make available for inspection, upon request during normal working hours or under other reasonable circumstances to Apartment Owners, current copies of the Master Deed, By-Laws, Rules and Regulations and resolutions of the Association and books,

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financial records and financial statements of the Regime.

**4.6.13** To establish and promulgate specific Rules and Regulations as authorized in Exhibit "C" of the Master Deed.

**4.6.14** To assess and collect fines for the violation of Rules and Regulations.

**4.7 EMERGENCY POWERS.** At any time that an emergency exists because of a catastrophic event due to a natural or man-made disaster or other event which causes immediate harm to the Property, the Directors or any director present may adopt, amend, or repeal any By-Laws to be effective only during the emergency and for such reasonable times thereafter as is required to restore the Association to normal function. The emergency By-Laws, which are subject to amendment and repeal by the Owners, may provide for special procedures for managing the Association during the emergency including calling a meeting of the Board, quorum requirement for such meeting, and designation of substitute Directors. All provisions of regular By-Laws that are consistent with the emergency By-Laws shall remain in full force and effect. Action taking pursuant to the emergency By-Laws shall be binding upon the Association and may not be used to impose liability upon any Director, officer, or property manager for actions taken in good faith.

**4.8 MANAGEMENT AGENT.** The Board may employ 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, any of the duties listed in Section 6 of this Article.

**4.9 ORGANIZATIONAL MEETING.** The first meeting of the newly elected board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Association, and no notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting, provided a majority of the Board shall be present. When possible the first meeting should follow the conclusion of the annual meeting.

**4.10 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 five (5) such meetings shall be held each year. Notice of regular meetings of the Board shall be given by the Secretary, to each Board member, personally or by email or by mail, or telephone, or facsimile at least ten (10) days prior to the day named for such meeting. Absent excused absences approved by the Board, Board members will be required to attend a minimum number of scheduled meetings, consisting of at least two (2) meetings in person and two (2) meetings by phone, or four (4) meetings in total, or suffer removal from the Board.

**4.11 SPECIAL BOARD MEETINGS.** Special meetings of the Board may be called by the President on three (3) days' notice to each Board member given personally or by mail, telephone, facsimile or email, which notice shall state the time, place, and the purpose of the meeting. Special meetings of the Board may also be called in like manner on the written request to the Secretary by at least two (2) Board members.

**4.12 WAIVER OF NOTICE.** Before or at any meeting of the Board any member of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Board member at any meeting of the Board shall be a waiver

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of notice by the member, of the time, place and purpose thereof. If all members are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

**4.13 BOARD QUORUM.** At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business. Acts of the majority of the members present at a meeting called pursuant to notice and at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board there is less than a quorum present, the Board members present may adjourn the meeting from time to time. At any such adjourned meeting, and when a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

**4.14 INFORMAL ACTION.** The Board may do any act that is empowered to do at a regular or special meeting of the Board by informal written consent to such action signed by all members of the Board. Any such action shall be reported in the minutes of the next regular meeting of the Board.

**4.15 FIDELITY BONDS.** The Board may require that any and all officers of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

**4.16 COMPENSATION.** No member of the Board shall receive any compensation from the Regime for acting as an administrator or attending Board meetings.

**4.17 LIABILITY OF THE BOARD OF DIRECTORS.** The members of the Board shall not be liable to the Apartment Owners for any mistake of judgment, negligence, or otherwise, except for their own individual misconduct or bad faith. The Apartment Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or these By-Laws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association. It is intended that the liability of any Apartment Owner arising out of any contract made by the Board or out of the aforesaid in favor of the member of the Board shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Apartment Owners in the Common Elements. Every contract made by the Board or by the managing agent on behalf of the Association shall provide that the members of the Board, or the managing agent, are acting only as agent for the Apartment Owners and shall have no personal liability thereunder (except as Apartment Owners).

## ARTICLE 5 OFFICERS

**5.1 DESIGNATION.** The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board. The Board may appoint such other officers as, in their judgment, may be necessary.

**5.2 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.

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**5.3 REMOVAL OF OFFICERS.** Upon an affirmative vote of a majority of the members of the Board, any officer may be removed with or without cause, and his 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, during his term of office, he shall cease to be an Apartment Owner.

**5.4 PRESIDENT.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. The President shall have all the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the Owners from time to time as he/she may, in his/her discretion feel appropriate to assist in the conduct of the affairs of the Association.

**5.5 VICE PRESIDENT.** The Vice President shall take the place of the President and perform the duties of the President when the President shall be absent or unable to act. If neither the President nor the Vice President can act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be assigned by the Board.

**5.6 SECRETARY.** The Secretary shall keep the minutes of all meetings of the Board and the Association and shall have charge of such books and papers as the Board may direct. The Secretary shall manage the general communication of the Association, both in written form and electronic form. The Secretary shall, in general, perform all the duties incident to the office of the Secretary.

**5.7 TREASURER.** The 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. The Treasurer shall be responsible for causing 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. The Treasurer shall prepare and manage the budgets for both the operations and capital budget for the Board and shall, in general, perform all the duties incident to the office of the Treasurer.

## **ARTICLE 6 NOTICES**

**6.1 DEFINITION.** Whenever under the provisions of the Master Deed or of these By-Laws notice is required to be given to the Board, any manager or Owner, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed envelope, addressed to the Board, such manager or such Owners at such address as appears on the books of the Association. Notice shall be deemed given as of the date of mailing. Each Owner is responsible for the accuracy of his/her/its address on the books of the Regime.

**6.2 SERVICE OF NOTICE - WAIVER.** Whenever any notice is required to be given under the provisions of the Master Deed, law or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein shall be deemed a waiver of such notice.

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**ARTICLE 7 OBLIGATIONS OF THE OWNERS**

**7.1 ASSESSMENTS FOR COMMON EXPENSES.**

All Owners shall be obligated to pay the periodic assessment imposed by the Board to meet all common expenses which shall include, among other things, liability insurance premiums and an insurance premium to cover repair and reconstruction or in case of hurricane, fire, earthquake, flood and other hazards. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance for the Property and any authorized additions deemed required by the Board. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for capital improvements, for a reserve fund to handle insurance expenses, and to make up any deficit in the common expenses for any prior year. No less than thirty (30) days prior to the effective date of the budget and prior to the annual meeting, the Board shall furnish all Apartment Owners with a copy of the proposed budget, both operational budget and capital project budget, for the next calendar year and shall likewise advise them of the amount of the common charges payable by each of them respectively, as determined by the Board. The assessment shall be for a full year from and after the date the budget is mailed to all Owners, or, if the budget is not mailed as defined by these By-Laws, the annual assessment then in effect shall be renewed on the date the new budget should have been mailed and shall remain in effect until amended or replaced by subsequent action of the Board. Payment if not made in advance for the year may be made in monthly installments, with each installment being due on the first day of each month. Upon the sale of a unit, the obligation to pay the annual assessment for common expenses shall be prorated between the purchaser and seller upon the date of closing or such date as the purchaser and seller agree.

The transfer of ownership of an individual Apartment within the Regime shall carry with it the portion of the Apartment's ownership in the Regime reserve accounts set aside to provide funds for operational activities and capital projects inclusive of any reserve funds established by the Board to meet the expenses related to the Common Elements.

**7.2 ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE.**

The omission by the Board, before the expiration of any year, to fix the assessment hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any Owner from the obligation to pay the assessment, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. No Owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Elements or Limited Common Elements or by abandonment of his Apartment.

**7.3 DEFAULT IN PAYMENT OF COMMON CHARGES.**

The Board shall take prompt action to collect any common charge due from any payment assessed. In the event of default, such Apartment Owner shall be obligated to pay a late charge to offset the cost of such delinquency at the rate of (18%) per annum, compounded monthly, on such unpaid common charge from the due date thereof together with all expenses, including attorney's fees, incurred by the Board in collecting such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with late charges, and attorney's fees, in an action to recover the same brought against such Owner, or by foreclosure for the lien on such Apartment granted by Code of Laws of South Carolina.

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**7.4 STATEMENT OF COMMON CHARGES.** The Board shall, for a reasonable fee set by the Board, promptly provide any purchaser, Owner, encumbrancer or prospective encumbrancer of any Apartment so requesting the same in writing, a written statement of all unpaid common charges due for the Owner of that Apartment and the purchaser's liability therefor shall be limited to the amount as set forth in such statement.

**7.5 MAINTENANCE AND REPAIR.**

**7.5.1** Each Owner shall be liable for the expense of repairing or replacing any portion of the Common Elements, his own Apartment or any other (above, below, or beside) Apartment rendered necessary by the Owner's act, neglect or carelessness, or by the act, neglect or carelessness of any family member, guest, agent, employee or lessee. The duty of the Owner defined herein is a contractual allocation of responsibility and liability and does not depend upon a specific finding that the Owner has been negligent. The intent of this provision is that where damage results from an event occurring in the Owner's Apartment or from a condition of the Owner's Apartment, the Apartment Owner will be liable for all resultant damages not only to his own Apartment but also to the Common Elements and any other Apartments. Each Owner is encouraged to provide liability insurance to indemnify such Owner for property damages both inside and outside the Owner's Apartment; provided however, that the absence of Owner liability insurance shall not relieve the Owner from responsibility to pay all of the repair or replacement costs for his own Apartment, the Common Elements and any other Apartment when the damage is attributed to the Owner. Should an Owner fail to authorize the Association to make or cause to be made needed repairs and replacements, the Association, after ten (10) days' notice, may make such repairs or replacements as are needed and shall assess the costs thereof to include a surcharge of ten percent (10%) of the sum expended against the dues account of the Owner and, if not timely paid, enforce collection of all sums due together with reasonable attorney's fees as provided in these By-Laws. The Owner shall pay all of the costs of repairs and replacements, and should any insurance proceeds be paid in connection with any insurance policy issued to the Association which has a deductible, the Owner shall pay the deductible sum to the Association within ten (10) days of demand therefore, and upon the failure of an Owner to pay timely as demanded, the deductible shall be an assessment against the Owner. Upon the failure of the Owner to pay as demanded, the Association may proceed to collect as set forth herein. The Association shall not be obligated hereby to make any repairs or replacements where damage occurs because of a condition of the Common Elements for which the Association is responsible. Nothing in this paragraph is intended to excuse the Association from liability.

**7.5.2** Should any Owner fail to perform such repairs and maintenance as required by the Master Deed or these By-Laws, the Board shall give the Owner written notice of the defect and a demand that the same be cured within fifteen (15) days of the date of notice. Upon the failure of the Owner to cure the defect within the prescribed time, the Board may, but shall not be obligated to, cause the needed repairs or maintenance to be done with the cost thereof to be charged to the Owner as though a common expense and collected as herein provided along with late charges and attorney's fees if not timely paid.

**7.6 WATER AND SEWER CHARGES.** Water and sewer services for the Apartments shall be supplied to all Apartments as part of the common expenses. Water and sewer service for the Common Elements shall be paid as a common expense.

**7.7 ELECTRICITY.** Electricity shall be supplied by the public utility company serving the

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area directly to each Apartment through meters and each Owner shall be required to pay the bills for electricity used in his Apartment. The electricity serving the Common Elements shall be separately metered and the Board shall pay all bills for electricity used in the Common Elements as a common expense.

**7.8 USE OF APARTMENTS - INTERNAL OR EXTERNAL CHANGES**

**7.8.1** All Apartments shall be utilized for residential purposes only. This shall expressly include the right of the Owner to rent such Apartment to others for residential uses. No Owner shall permit occupancy by more persons than are shown below. Should the occupancy be allowed to exceed the stated limits, the Association will issue a notice of right to cure. If the number of occupants is not reduced within ten (10) days or if reduced and then exceeded at any time thereafter the Association will enforce this By-Law provision through injunction and shall be entitled to recover its attorney's fees in such sum as actually expended. The Board may also levy a fine for this infraction. The occupancy limits are as follows:

Two-bedroom units:

- (i) Long Term (30 days or more) –Four occupants.
- (ii) Short Term (less than 30 days) – Six occupants.

Three-bedroom units:

- (i) Long Term (30 days or more)- Six occupants.
- (ii) Short Term (less than 30 days)-Eight occupants.

**7.8.2** An Owner shall not make structural modifications or alterations in his Apartment or installations located therein without previously notifying the Board in writing. The Board shall have the obligation to either approve or disapprove (with objections) within thirty (30) days from the actual receipt of such notice which contains sufficient information to evaluate the request and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. If the application is not sufficient, the application will be rejected with instructions for correction.

**7.8.3** An Owner shall make no changes or additions whatsoever to the exterior of the Apartment, any attic, stairs, decks, hallways, patios or balconies appurtenant thereto, or to any landscaping and other minor exterior decorative additions without prior approval by the Board, which shall, in its sole discretion, determine that the changes or additions will not interfere or conflict with the overall scheme and appearance of the common areas. If any changes as described herein are approved by the Board, the Owner requesting such change shall execute an easement agreement and be totally financially responsible for the cost of such changes and the incurred costs, if applicable, of the maintenance and repair of such changes or of any damage which results therefrom in the Common Elements or in another Apartment. The Board, through the property manager, may include this additional maintenance cost in the periodic assessment for the Apartment in question.

**7.9. USE OF COMMON ELEMENTS.** Owners shall not place or cause to be placed in the pool area, walkways, front deck areas, parking areas roads, or other common areas any furniture, equipment, packages or obstructions of any kind; provided, however, if furniture is placed in the front deck area, the furniture shall be considered available for use by all adjacent Owners. Such

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areas shall be held in common for the enjoyment of the Owners and shall be used for no other purpose than for normal transit and for normal vehicular parking.

No more than one vehicle per bedroom contained in each Apartment may be parked, kept or stored within the parking facilities or any other portion of the Common Elements. The term "vehicles" as used herein shall include automobiles, trucks, motorcycles, mopeds or any other type of wheeled vehicular transportation of any type. The restriction of no more than one vehicle per bedroom contained in each Apartment may be parked, kept or stored within the parking facilities or any other portion of the Common Elements shall not apply to individuals visiting Owners or tenants, but such visitors may not park, keep or store their vehicles within the parking facilities or any other portion of the Common Elements for more than fourteen (14) consecutive days.

Boats, trailers of any kind, motor homes, and trucks larger than a standard pick-up shall not be parked, kept or stored upon the Property. Any Owner, tenant, guest, or invitee violating this restriction shall have the offending vehicle towed from the premises at the expense of the Owner, tenant, guest or invitee.

No Owner, or resident, or lessee shall install wiring for electrical or telephone installation, television or radio antenna, air conditioning fixtures, or similar objects outside of his Apartment or which protrudes through the walls or the roof of his Apartment except as authorized by the Board.

**7.10 RIGHT OF ENTRY.** The Association shall have the irrevocable right, to be exercised by the Board, or its management company, to have access to each Apartment from time to time, during reasonable hours and upon reasonable notice, as may be necessary for the maintenance, repair or replacement of any of the Common Elements contained within or accessible from that Apartment, or for making emergency repairs necessary to prevent damage to the Common Elements or to another Apartment or Apartments, or for inspecting an Apartment to assure compliance with the Master Deed, By-Laws or Rules and Regulations.

**7.11 RULES OF CONDUCT.** As authorized by Exhibit "C" to the Master Deed, the Board may from time to time adopt, modify, and revoke in whole or in part such reasonable rules and regulations, to be called SPRINGWOOD VILLAS, HPR COMMUNITY RULES & REGULATIONS (hereinafter referred to as "Rules and Regulations") governing the conduct of persons on the Property. Such Rules and Regulations, upon adoption, and every amendment, modification and revocation shall be delivered to each Owner at the last registered address of the Owner and shall be binding upon all Owners and the guests, tenants, visitors, contractors or invitees of the Owner. Violations of the Rules and Regulations will result in fines being imposed on the offending Owner. The schedule of fines will be developed by the Board, and from time to time will be reviewed, amended, and modified by the Board. The schedule of fines will be conveyed to the Owners.

**7.12 ABATEMENT AND ENJOINMENT OF VIOLATIONS BY APARTMENT OWNERS.**

Upon a violation of the Master Deed, these By-Laws or any Rules and Regulations adopted by the Board, the Board and its management agent shall have the powers as follows: (i) to impose reasonable monetary fines which shall constitute an actual charge and a continuing lien upon the Apartment for violation by the Owner, family, guests, tenants, visitors, contractors or invitees of the Owner; (ii) to suspend an Owner's right to vote in the Association; and/or (iii) to suspend

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an Owner's right (and the right of the Owner's family, guests, tenants, visitors, contractors or invitees) to utilize any of the recreational facilities or other portions of the Common Elements, provided that the Owner and any tenants of the Owner shall not be denied a reasonable means of access to their respective Apartment. The Board and its management agent shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his family, guests, tenants, visitors, contractors or invitees or by his co-Owners or the family, guests, tenants, visitors, contractors or invitees of his co-Owners. Any suspension of rights shall be for the duration of the infraction and for any additional period thereunder, not to exceed thirty (30) days. The fines levied and assessed shall be a lien upon the applicable Apartment in the same manner as that provided for assessments. The effect of the non-payment of such fines and the remedies of the Association to enforce collection thereof shall be the same as those provided for the non-payment of assessments.

Except with respect to the failure to pay assessments or charges, the Board or its management agent shall not impose a fine, suspend voting rights or infringe upon or suspend any other rights of an owner or other occupant of an Apartment for violations of these By-Laws, the Master Deed or any Rules and Regulations of the Association, unless and until the following procedures are followed: (i) a written or verbal demand to cease and desist from an alleged violation shall be served upon an Owner, tenant or guest of an Apartment responsible for such violation, specifying the alleged violation, the action required to abate the violation and a time period not less than five (5) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of the By-Laws, the Master Deed or any of the Rules and Regulations of the Association may result in the imposition of sanctions and fines. If the violation continues past the period allowed in the above-referenced demand for abatement without penalty, or if the same violation subsequently occurs the Board or its management agent shall issue a written demand to immediately cease and desist from the alleged violation which shall be delivered upon the Owner of the Apartment whose Owner, tenant, or guest has caused the violation of these By-Laws, the Master Deed or any of the Rules and Regulations of the Association. Such written notice shall be sent by certified mail, return receipt requested, and such notice shall reiterate the alleged violation, the action required to abate the violation in a time period of not less than two (2) days after receipt of such written demand during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of these By-Laws, the Master Deed or the Rules and Regulations of the Association may result in the imposition of sanctions. If the violation continues past the period allowed in the above-referenced written demand for abatement without penalty, the Board, or its management agent, may issue a fine not to exceed \$100 per incident. Each such "incident" of a violation shall be each day that the By-Laws, Master Deed or Rules and Regulations of the Association have been violated since the date of the initial or written warning issued to the Owner, occupant or tenant of the applicable Apartment. In addition to the foregoing fines, the Board may suspend the Owner's right to vote in the Association or suspend the Owner's right to utilize the recreational facilities and other facilities contained within the Common Elements of the Property, provided that the Owner and his tenants and guests must be allowed and permitted to have a reasonable means of access to their Apartment.

**7.13 RECORDS.** The manager or Treasurer shall keep detailed records of the receipts and expenditures affecting the Property and any other expenses incurred. Records and vouchers authoring the payments involved shall be available for examination by any Owner during reasonable business hours upon not less than five (5) business days' notice in writing, stating the

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records to be inspected and the purpose of the inspection.

## ARTICLE 8 INSURANCE

**8.0 INSURANCE REQUIRMENTS.** The Board of Directors shall be required to obtain and maintain, to the extent reasonably obtainable, in forms and amounts as described below, the following insurance, which shall be in addition to insurance which each Owner shall obtain at his own expense.

**8.1 HAZARD INSURANCE.** The Board of Directors shall insure the Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, and flood with extended coverage, in an amount not less than the maximum insurable replacement value of the Property. The Board shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Property. All hazard insurance shall cover the entire Property, exclusive of the betterments, contents and furnishing of the individual Apartments.

**8.1.1** All hazard insurance policies obtained by the Board shall designate the Board as the insurance trustee for the benefit of all the Owners and their mortgagees collectively, as their respective interest may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board as insurance trustee under the provisions of the Master Deed, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the Horizontal Property Act and the provisions of the Master Deed.

**8.1.2** The Board shall provide to each Owner a copy of the certificates of insurance for all hazard insurance policies obtained by the Board. Each certificate shall evidence the issuance of the master policy and shall indicate the amount of insurance covering the building within which the respective Apartment is located. If an Apartment is mortgaged, a certificate of insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

**8.1.3** If obtainable, all hazards insurance policies upon the Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Association, its agents and employee, and against individual Owners and their servants, agents and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Apartment Owner upon the contents and furnishing of their Apartments, except where such Owner is at fault.

**8.1.4** Each mortgagee of which the Board has notice as herein provided shall be entitled to receive upon request a copy of each appraisal as called for within these By-Laws.

**8.1.5** Each hazard insurance policy shall contain a loss payee provision designating the interest of the various mortgagees as to the various Apartments which are covered by the Master Deed.

**8.2 LIABILITY INSURANCE.** The Board shall obtain comprehensive liability insurance with limits and provisions as it deems desirable and as may be obtainable in the market. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association to an individual Owner.

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**8.3 WORKER'S COMPENSATION INSURANCE.** The Board shall obtain worker's compensation insurance to meet the requirements of law.

**8.4 DIRECTORS AND OFFICERS LIABILITY INSURANCE.** The Board shall obtain directors and officers liability insurance, or its market equivalent, with limits and provisions as it deems desirable and as may be obtainable in the market.

**8.5 PREMIUMS.** All premiums on insurance policies purchased by the Board shall be assessed as common expenses to be paid by the Owners through periodic assessment as done with other common expenses.

**8.6 ADJUSTMENT.** Each Owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of mortgagees.

**8.7 INSURANCE BY APARTMENT OWNERS.** Each Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, wall coverings, decorations, and furnishings with his own Apartment and the additions and improvements made by him, or previous Owners, to the Apartment. Each Owner shall also be responsible for obtaining, at his own expense insurance covering his liability for injuries within his Apartment and for personal injury of property damage in the Common Elements or in another Apartment because of an incident occurring within such Owner's Apartment. All such insurance policies shall include, however, provisions waiving (1) any right of the insurer to subrogation claims against the Association and against individual Apartment Owners, as well as their agents, servants, employees, and guests; and (ii) any right of the insurer to contributions or proration because coverage is provided under a master hazard policy. Each Owner shall provide annually to the Board a certificate of insurance evidencing the coverages required by this provision.

**8.8 SUBSTITUTION OF INSURANCE TRUSTEE.** The Board, in its discretion, may decline to serve as insurance trustee and may appoint in its place a substitute insurance trustee under the terms of the Master Deed.

**ARTICLE 9 RECONSTRUCTION AND REPAIR**

**9.0** In the event of casualty loss or damage to the Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Property in accordance with the provisions of this this ARTICLE 9. Reconstruction or repair shall be mandatory unless two thirds (2/3) or more of the Property is destroyed or substantially damaged. If two-thirds or more of the Property is destroyed or substantially damaged reconstruction shall not be mandatory; and-unless reconstruction is unanimously agreed upon by all Owners and their mortgagees, the insurance indemnity received by the Board shall be distributed pro-rata to the Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. The remaining portion of the Property shall be subject to an action for partition at the suit of any Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale together with the net proceeds of insurance policies, shall be considered on fund and distributed pro-rata among all Owners and their mortgagees jointly in proportion to their respective interest in the Common Elements. If less than two thirds (2/3) of the Property is destroyed or substantially damaged, the such Property shall be repaired in the following manner.

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9.1 Any reconstruction of repair must follow substantially the original plans and specification of the Property unless Apartment Owners holding seventy-five percent (75%) or more of the total interest in Common Elements and their mortgagees, if any vote to adopt different plans and specifications and all Owners whose Apartments are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.

9.2 The Board shall promptly obtain estimates of the cost required to restore the damaged Property to its conditions before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board of administration deems necessary.

9.3 If the insurance proceeds paid to the Board are insufficient to cover the cost or reconstruction, the deficiency shall be paid as a special assessment levied upon all Owners.

9.4 The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the cost of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be retained by the Association.

#### ARTICLE 10 INSURANCE TRUST

10.0 In the event of casualty loss to the Property, all insurance proceeds, indemnifying the loss or damage shall be paid jointly to the Board as insurance trustee. The Board, acting as insurance trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this ARTICLE 10, and for the benefit of the Association, the Owners, and their respective mortgagees as follows:

10.1 Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportions as the undivided interest in the Common Elements which are appurtenant to each of the Apartments.

10.2 Insurance proceeds paid on account of loss or damage to less than all the Apartments, when the damage is to be restored, shall be held for the benefit of the damaged Apartments and their respective mortgagees in proportion to the cost of repairing each damaged Apartment.

10.3 Insurance proceeds paid when the Property is not to be restored shall be held for the benefit of all Apartment Owners and their respective mortgagees the share of each being equal to the undivided share or interest in Common Elements appurtenant to the applicable Apartment.

10.4 In the event a certificate of insurance has been issued to an Apartment Owner bearing a mortgagee endorsement, the share of the Apartment Owner shall be held in trust for the mortgagee and the Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged Property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Owners and their respective mortgagees pursuant to the provisions of the Master Deed.

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**ARTICLE 11 MORTGAGES**

**11.1 NOTICE TO BOARD.** An Owner who mortgages his Apartment shall notify the Board through the management agent, or the President, of the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgages on Apartments".

**11.2 NOTICE TO MORTGAGEE.** The Board shall give reasonable advance written notice to all mortgagees of which it receives a written request of any condemnation loss or casualty loss which effects a material portion to the Property or any Apartment on which there is a first mortgage held, insured, or guaranteed. Such written request must identify the name and address of the holder and the Apartment number.

**ARTICLE 12 AMENDMENTS**

**12.0 REQUIREMENTS FOR AMENDMENTS.** Except where a greater percentage is expressly required, either in the Master Deed or by the Horizontal Property Act, these By-Laws may be amended only with the approval of a Majority of Owners, as defined in section 2.3, present in person or by proxy at a meeting called for such purpose, and provided that not less than a Majority of Owners are present in person or by proxy at such a meeting.

**ARTICLE 13 MISCELLANEOUS MATTERS**

**13.1 GENDER AND NUMBER.** The use of masculine gender in these By-Laws includes the feminine gender and when the context requires the use of the singular, it includes the plural.

**13.2 EXECUTION OF DOCUMENTS.** The Secretary is responsible for preparing, executing, filing and recording amendments to the By-Laws, and shall be authorized to execute any other document which the Association may from time to time be required to be execute.

**13.3 CAPTIONS.** The captions contained in these By-Laws are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provisions of the By-Laws.

**14.4 INVALIDITY.** The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

**13.5 CONFLICT.** These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended. In the event any bylaw is not in explicitly consistent with the provisions of a statute, the provisions of the statute shall control.

**13.6 WAIVER.** No restriction, condition, obligation, or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violation or breaches thereof which may have occurred.