BEAUFORT COUNTY SC - ROD BK 3931 Pgs 2863-2876 FILE NUM 2020065158 11/06/2020 12:01:40 PM RCPT# 1002121 **RECORDING FEES 25.00**

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

IN RE: Shorewood Common Property Owners Association, Inc.

The attached documents are 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. Bylaws
- 2. Rules and Regulations (September 6, 2018)
- 3. Pool Rules (December 19, 2019)

Shorewood Common Property Owners Association, Inc.

(Printed name)

SWORN TO BEFORE ME

Notary Public for South Carolina

My Commission Expires: My Commission Expires February 4, 2024

BYLAWS

THE SHOREWOOD COMMON PROPERTY OWNERS ASSOCIATION, INC.

The following Bylaws shall govern The Shorewood Common Property Owners Association, Inc., a South Carolina, non-profit corporation hereinafter referred to as the "Common Association".

Common Association. The Common Association was formed generally to administer to the Common Association's improved property consisting of approximately 3.25 acres in South Forest Beach, Hilton Head Island, South Carolina as specifically described in the deeds into the Common Association recorded in the Beaufort County Register of Deed's Office in Book 1564 at Page 62 and Book 570 at Page 870 ("Common Association Property"). The Common Association shall be governed by these Bylaws and operated by the owners of the Shorewood I Horizontal Property Regime, Shorewood II Horizontal Property Regime, Shorewood IV Horizontal Property Regime (collectively "Shorewood Regimes") as set forth herein. The offices of the Common Association shall be at located at 1040 William Hilton Parkway, Hilton Head Island, SC 29928, or at such other place as may be subsequently designated from time to time by the Common Association's Board of Directors.

2. Bylaws Applicability.

The provisions of these Bylaws are applicable to the Common Association. All terms used herein and not otherwise defined shall have the meanings ascribed to them in the Master Deeds of the Shorewood Regimes recorded in the Beaufort County Register of Deeds' Office. All Owners of the Shorewood Regimes, their guests and invitees, or any other persons who use the Common Association Property in any manner, are subject to these Bylaws, as they may be amended from time to time.

3. Voting, Majority of Owners, Quorum, Proxies.

- a. <u>Eligibility</u>. Any Owner of a Unit in the Shorewood Regimes shall be deemed to have consented to be a Member of the Common Association. There shall be one membership for each Unit owned. Transfer of ownership of a Unit, either voluntary or by operation of law, shall terminate membership in the Common Association, and said membership shall become vested in the transferee. If the Unit ownership is vested in more than one Unit Owner, then all of the Unit Owners so owning such Unit shall agree upon the designation of one of the Unit Owners of such Unit to act as a Member of the Common Association. If Unit ownership is vested in a corporation, partnership, limited liability company, or other entity, said entity must designate one individual to act as a Member of the Common Association. Only Owners in compliance with their obligations under the applicable Shorewood Regime documents, as determined by the applicable Shorewood Regime board of directors, shall be eligible to vote on Common Association matters.
- b. <u>Voting</u>. Voting shall be based on the number of Units owned by each Member. A Member authorized to vote may vote in person, by written ballot, by directed proxy, by fax, by email, or other electronic means as authorized by South Carolina law. Each Member shall have one (1) vote for each Unit owned in the Shorewood Regimes.
- c. <u>Majority Vote</u>. As used in these Bylaws, the term Majority Vote shall mean the vote of those Unit Owners owning fifty-one percent (51%) or more of the total Units in the

combined Shorewood Regimes. Units owned by Members who are not in compliance with their obligations under the applicable Shorewood Regime documents, as determined by the applicable Shorewood Regime board of directors, shall not be counted in determining total Units for Majority Vote purposes.

- d. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a Majority Vote as defined in Section 3(c) shall constitute a quorum.
- e. Proxies. Member votes may be cast in person or by proxy. Proxies must be filed with the Common Association at least one (1) hour before the designated time of each meeting. Only directed proxies shall be valid for voting purposes. Proxies which do not direct the proxy agent on how to vote on a particular issue at a meeting shall count for quorum purposes, but shall not be valid for voting purposes. If substantial discussion or amendments at a meeting change the substance or perspective on the proposal, the Board may vote to withdraw the item from voting and resubmit it for a vote at a later meeting or or in a "referendum" to Owners. Directed proxies shall specify each agenda item which requires a vote and shall direct the proxy agent on how to vote for each such agenda item. Every proxy must be signed by the Member or his/her attorney-in-fact. No proxy shall be valid after the date of the next meeting of the Common Association or an adjournment thereof. A proxy may be revoked by the Member executing it at any time before the applicable meeting.
- f. <u>Voting Of Members</u>. The vote of a majority of the Members at any meeting in which a quorum is present, in person or by directed proxy, as set in 3(d) above, shall be binding upon all Owners for all purposes, except in the case of Bylaw amendments which shall require approval of at least sixty-seven percent (67%) of those Members entitled vote.

4. Common Association Meetings

- a. <u>Place Of Meetings</u>. All meetings of the Common Association shall be at the office of the Common Association, or at such other place as designated by the Board of Directors or the Management Agent and stated in the notice of meeting.
- b. Meeting Agenda and Purpose of Meetings. The purpose of all meetings shall be restricted to agenda items, as set forth in the Notice of Meeting. The Common Association Board of Directors shall determine all agenda items, unless a special meeting is called by petition of the Members as set forth in Section 4(d) below, in which case the agenda is limited to the issues set forth in the petition. Members who wish to submit issues for consideration for agenda items shall submit requests to each's applicable Shorewood Regime board of directors no less than 60 days prior to any scheduled meeting.
- c. <u>Annual Meetings</u>. Annual meetings of the Common Association shall be held once a year during the month of October or at such other time as the Board of Directors may agree upon. At such meetings there shall be a report by the President or Secretary-Treasurer on the activities and financial condition of the Common Association. The Members may also transact such other business of the Common Association as may properly come before them.
- d. <u>Special Meetings</u>. It shall be the duty of the Secretary to call a special meeting of the Members as directed by: (i) resolution of the Board of Directors; (ii) at the request by a majority of the Directors; (iii) or upon a petition signed by twenty percent (20%) of the

Members and presented to the Secretary of the Common Association. A notice of any special meeting shall state the time and place of such meeting and the purpose or purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

- e. <u>Notice Of Meetings</u>. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, to each Owner of record at least thirty (30), but not more than sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served. The notice of meeting shall include all agenda items determined by the Common Association Board as set forth in Section 4(b) above.
- f. Quorum Requirements. A Majority Vote in person or by proxy constitutes a quorum for any meeting purpose. Units owned by Members who are not in compliance with their obligations under the applicable Shorewood Regime documents, as determined by the applicable Shorewood Regime board of directors, shall not be counted in determining total Units for Majority Vote purposes.
- g. Adjourned Meeting. If any meeting of the Common Association cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. The time, date, and place of the meeting shall be set and announced before adjournment of the first meeting. Upon the reconvening of said meeting a quorum shall be constituted if twenty-five percent (25%) of the Members eligible to vote are present in person or by proxy at said reconvened meeting. Notice of Meetings shall contain notice of the proposed time and place of an adjourned meeting, in the event the meeting must be adjourned due to a failure to meet quorum requirements.
- h. <u>Order Of Business</u>. The order of business at all Annual Meetings of the Common Association shall be as follows:
 - i. Roll Call/Verification of Quorum.
 - ii. Proof of Notice of Meeting or Waiver of Notice.
 - iii. Reading and Approval of Minutes of Preceding Meeting.
 - iv. Reports of Officers and Committees.
 - v. Unfinished Business.
 - vi. New Business.
 - vii. The order of business at a Special Meeting of the Common Association shall include items (i) and (ii) above, and thereafter, the agenda shall consist of the items specified in the Notice of Meeting.
- i. Record Date. The Board of Directors shall fix a record date for determining Members entitled to notice of and to vote at each annual or special meeting. Such record date shall be at least thirty (30) days, but not more than sixty (60) days before the meeting. Only Members holding title to Units as reflected in the Beaufort County records on the record date shall be entitled to notice.
- j. <u>Referendum Voting/Action By Written Consent.</u> The Board of Directors may approve any action requiring a vote of the Members to be conducted by a mail/email ballot vote. Issues proposed through such a referendum vote shall be deemed approved if the ballots of a Majority Vote in favor of such issue or issues are returned to the Common

Association within forty-five (45) days of the date of the mailing and emailing of the referendum ballots, except in the case of Bylaw amendments which shall require approval of at least sixty-seven percent (67%) of those Members entitled vote. Referendum ballots shall explain the purpose of each issue to be voted upon.

- k. Waiver And Consent. Any Member may waive any notice of meeting required by these Bylaws if the waiver is submitted in writing, signed by the Member entitled to notice, and delivered to the Common Association prior to the date of the meeting. A Member's attendance at a meeting waives objection to lack of notice or defective notice of the meeting unless the Owner objects to holding the meeting or transacting business at the meeting at the beginning of the meeting. Further, a Member's attendance at a meeting waives objection to considerations of a particular matter at the meeting that is not within the purpose described in the notice for the meeting, unless the Member objects to the consideration of the matter at the time when it is presented at the meeting.
- I. Membership List. After a record date for a notice of meeting has been fixed by the Board of Directors, a complete list of Members of the Common Association shall be prepared by each of the Shorewood Regimes and submitted to the Common Association Board of Directors. This Membership list shall list the Members eligible to vote in each of the Shorewood Regimes and shall include the addresses and number of votes each Member is entitled to vote at the meeting. Such list shall be maintained in the office of the Common Association beginning the day after notice is given of the meeting for which the list was prepared and continuing through the meeting.

5. Board of Directors.

- a. Number And Qualification. The affairs of the Common Association shall be governed by a Board of Directors ("Board") comprised of eight (8) persons. Those persons shall be as follows: The President of the Shorewood I Horizontal Property Regime shall serve on the Board; the President and another officer of Shorewood II Horizontal Property Regime shall serve on the Board; the President and another officer of Shorewood III Horizontal Property Regime shall serve on the Board; and, the President, Vice President, and Secretary/Treasurer of Shorewood IV Horizontal Property Regime shall serve on the Board. As the aforementioned officers of the Shorewood Regimes are replaced, the persons replacing said officers of the Shorewood Regimes shall serve on the Board. The terms of each Director shall be one (1) year. All Directors shall be subject to replacement, in the event of resignation or death, in the manner set forth in these Bylaws.
- b. <u>Executive Committee</u>. The four (4) Presidents of the Shorewood Regimes shall serve as the Executive Committee for the Board. As set forth in Section 6 below, the President of the Common Association shall be a Member of the Executive Committee. The Shorewood Regime Presidents shall rotate annually.
- c. <u>General Powers And Duties</u>. The Board shall have the powers and duties necessary for the administration of the affairs of the Common Association.
- d. <u>Specific Powers And Duties</u>. In addition to the general powers given to the Common Association under the South Carolina Non-Profit Corporation Act, the Board shall be responsible for the following specific duties:
 - i. General care, upkeep, and insurance coverage on the Shorewood Common Property including the Shorewood pool complex;

- ii. All fencing, landscaping and security for the Shorewood Regimes, excluding any specific obligations undertaken by the board of each of the Shorewood Regimes individually.
- iii. Upkeep and maintenance of the Shorewood security gates and gate house as well as the Shorewood parking lots and bicycle pads.
- iv. Establishment of the Common Association's annual budget. Each of the Shorewood Regimes contribution toward the Common Association's total budget shall be according to the following percentages: Shorewood I 16/126 = 12.70%; Shorewood II 30/126 = 23.81%; Shorewood III 30/126 = 23.81%; and Shorewood 4 50/126 = 39.68%.
- v. The budget shall be distributed by the Board to all members of the Common Association at least thirty (30) days in advance of its effective date and at least thirty (30) days in advance of the Common Association's Annual Meeting.
- vi. Employment, dismissal and control of any management agent and any personnel necessary for the maintenance and operation of the Common Association.
- vii. Collection of operating expenses from the Shorewood Regimes.
- viii. Obtaining of insurance for the Common Association.
- ix. To make available for inspection, upon request during normal working hours or under other reasonable circumstances, to Unit Owners or others with bona fide derivative rights through them the books, records and financial statements of the Common Association as required by, and subject to, the provisions of the South Carolina Nonprofit Corporation Act.
- x. In the event the Board votes to impose a special assessment in which the cost to each of the Shorewood Regimes will exceed ten percent (10%) of each's contribution to the Common Association's budget, the special assessment shall not take effect prior to twelve (12) months following the date of such vote. This restriction shall not apply to emergency special assessments to conduct repairs following natural disasters, or to special assessments to pay legal obligations under Court Order. Furthermore, a Majority Vote of the Members may approve making this restriction inapplicable to any particular special assessment.
- e. <u>Management Agent</u>. The Board of Directors may retain a management agent, at the compensation established by the Board, to perform such duties and services as the Board shall authorize. Any contracts with the Management Agent shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Common Association to terminate said contracts.
- f. <u>Vacancies</u>. Vacancies in the Board of Directors shall be filled by the applicable Shorewood Regime. If a quorum cannot be achieved due to vacancies in the Board, only a majority of the remaining Board members shall be required for quorum purposes.
- g. Removal Of Director. The Common Association Board may request that a Shorewood Regime Board remove a Director which has been appointed to the Common Association Board. However, the Common Association shall have no power to remove any Director unless such Director is removed with or without cause by a majority of the Members of the Shorewood Regime represented by such Director at a Special Meeting called for such a purpose. Any Director of the Board whose removal has been proposed to the Common Association shall be given an opportunity to be heard at the meeting. If a Director ceases to be an Owner, the Board shall notify the applicable Shorewood Regime, which shall then cause the resignation of said Director and elect a successor to fill the vacancy.

- h. <u>Regular Meetings</u>. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least four (4) such meetings shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary or Treasurer, or other designated person to each Board member personally, by mail, email, or facsimile at least ten (10) days prior to the day of the meeting.
- i. <u>Special Meetings</u>. Special meetings of the Board may be called by the President, on three (3) days prior notice to each director, given personally, by mail, email, or facsimile, which notice shall state the time, place, and the purpose or purposes of the meeting.
- j. <u>Waiver Of Notice</u>. Before or at any meeting of the Board, a director may waive in writing notice of such meeting. Attendance or participation by a director at any meeting of the Board shall constitute a waiver of notice, unless said director objects at the beginning of the meeting to the notice or purpose of said meeting. If all directors are present at a meeting of the Board without objection, no notice shall be required.
- k. <u>Action Without A Meeting</u>. Actions of the Board may be taken without a meeting if the action is taken by all directors of the Board and evidenced by one or more written consents describing the action taken, signed by each director, and included in the corporate records of the Common Association.
- Board Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business. Actions and resolutions approved by a vote of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. Directors may participate in a regular or special meeting by, or conduct the meeting through any means of communication by which all directors participating may hear each other simultaneously during the meeting, and directors so participating by this means shall be deemed to be present in person at the meeting. If at any meeting of the Board there is less than a quorum present, the majority of the directors present may adjourn the meeting to another time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. Proxies shall not be available for either a Board quorum or for voting purposes.
- m. <u>Fidelity Bonds</u>. The Board may require that any management agent, officers or employees of the Common Association handling or responsible for Common Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Common Association.
- n. <u>Compensation</u>. No director shall receive any compensation from the Common Association. However, a Director may be reimbursed for actual costs or items purchased on behalf of the Common Association.
- o. <u>Liability Of The Board Of Directors</u>. Except as required under the laws of South Carolina, the directors shall not be liable to the Members, or any other individual or entity, for any mistake of judgment, negligence, or otherwise, except for willful misconduct. To the extent permitted under the laws of South Carolina, the Members and Association shall indemnify and hold harmless the Board of Directors against all contractual liability to others arising out of contracts entered into by the Board of Directors on behalf of the Common Association, unless any such contract is contrary to

the provisions of the these Bylaws. The Common Association shall procure errors and omission insurance policies insuring each member of the Board of Directors, each Officer and all committee members in amounts no less than \$1,000,000 each per occurrence and \$5,000,000 in the aggregate.

6. Officers.

- a. <u>Designation</u>. The principal officers of the Common Association shall be a President, a Vice President, and a Secretary and/or Treasurer all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as, in their judgment, may be necessary. One person may hold more than one office.
- b. <u>Election Of Officers</u>. The officers of the Common 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. Notwithstanding the preceding, as set forth in Section 4 above, the President of the Common Association shall be a Member of the Executive Committee. The Shorewood Regimes shall rotate terms, so each President shall serve as President of the Common Association every four (4) years. In the event that a President is unwilling or unable to serve their term, the Board by majority vote shall elect a Member of the Executive Committee to complete the remaining term of the resigned President.
- c. <u>Removal Of Officers</u>. Upon an affirmative vote of a majority of the directors of the Board, any officer may be removed either with or without cause, and a successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No officer shall continue to serve as such if he or she shall cease to be an Owner.
- d. <u>Vacancies</u>. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the office.
- e. <u>President.</u> The President shall be the Chief Executive Officer of the Common Association. The President shall preside at all meetings of the Common Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of President of a nonprofit corporation, including but not limited to, the power to appoint committees from among the Members as appropriate to assist in the conduct of the affairs of the Common Association. The President shall sign all leases, mortgages, deeds and other written contracts and instruments and shall co-sign all checks and promissory notes, and perform all of the duties which may be delegated from time to time by the Board of Directors.
- f. <u>Vice President</u>. The Vice President shall take the place of the President and perform the President's duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other director of the Board to perform such duties on an interim basis. The Vice President shall also perform other duties as requested by the Board.
- g. <u>Secretary And Treasurer</u>. The offices of Secretary and Treasurer may be combined or separated. The Secretary or Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Common Association. The Secretary or Treasurer

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

7. Notices. Whenever notice is required to be given to the Board of Directors, the management agent or a Member, it shall not be construed to require personal notice; but such notice may be given in writing, by first class by depositing the same in a post office or letter box, in a postpaid sealed envelope, addressed to the Board of Directors, the Management Agent or the Member, at such address as appears on the books and records of the Common Association. Notice may also be emailed to Owners who have previously filed their email addresses with the Common Association. Notice shall be deemed given as of the date of emailing.

8. Obligations of the Shorewood Regimes.

- a. <u>Budget Contributions for Common Association Expenses</u>. As set forth in Section 5(d)(iv) above, each of the Shorewood Regimes shall contribute to the Common Association budget.
- b. <u>Default in Payment to Common Association</u>. The Common Association Board of Directors shall take prompt action to collect any budget contributions due from any Shorewood Regime which remain unpaid for more than thirty (30) days from the due date for payment.
- c. Records. The Common Association shall keep records of the receipts and expenditures affecting the Shorewood Regimes and Common Association expenses. The Common Association shall have available current copies of the Common Association's Articles of Incorporation, these Bylaws, minutes of all annual and special meetings, and financial statements at its offices. All such documentation shall be available for inspection by any Owner or authorized representative of any Owner during normal business hours and after three (3) days written notice to the Common Association, subject to the requirements and provisions of the South Carolina Nonprofit Corporation Act.
- d. <u>Fiscal Year</u>. The fiscal year for the Common Association shall be the calendar year, unless otherwise determined by the Board of Directors.
- e. <u>Litigation</u>. No judicial proceeding or litigation shall be commenced or prosecuted by the Common Association unless approved by a vote of seventy-five percent (75%) of the votes eligible to be cast by the Members. This Section shall not apply, however, to (a) actions brought by the Common Association to enforce the provisions these Bylaws (b) proceedings involving taxation, including, e.g., challenges to <u>ad valorem</u> taxation; or (c) counterclaims brought by the Common Association in proceedings instituted against it. In the event any judicial proceeding or litigation is instituted by or against the Common Association, the Common Association shall assess by special assessment the Shorewood Regimes for the costs of such litigation, including, without limitation, attorneys' fees incurred, and funds from the regular budget shall not be used for any such claim or litigation.

9. <u>Insurance.</u>

- Hazard and Flood Insurance. The Board of Directors shall be required to obtain and maintain insurance policies covering the Common Association 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 Common Association Property as determined by the Board upon recommendation made by the Regime's insurer, it being understood that the Board, at its discretion, may have an appraisal made of the Common Association Property for this purpose, or in the amount reasonably obtainable as it relates to the flood coverage. The Board of Directors shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Common Association Property. If obtainable, all hazard insurance policies upon the Common Association Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Common Association, its agents and employees, and against the individual Members and their servants, agents, and guests. Each mortgagee of which the Board of Directors has notice shall be entitled to receive, upon request, a statement of the replacement value of the Common Association Property. If required by mortgagors of Units of the Shorewood Regimes, each hazard insurance policy shall contain a loss payee provision designating the interest of the various mortgagees as to the various Units within the Shorewood Regimes. Such policies shall also provide that they shall not be cancelled without giving thirty (30) days prior written notice to all such mortgagees about which the insurer has been given written notice.
- b. <u>Public Liability Insurance</u>. The Board of Directors shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Common Association to an individual Unit Owner and to liabilities of one Owner to another Unit Owner.
- c. <u>Workmen's Compensation Insurance</u>. The Board of Directors, as necessary, shall obtain Workmen's Compensation Insurance to meet the requirements of law.
- d. <u>Premiums</u>. All premiums upon insurance policies purchased by the Board of Directors shall be added to the Common Association budget and paid by the Shorewood Regimes as herein provided.
- 10. Reconstruction and Repair. In the event of casualty loss or damage to the Common Association Property, the Board of Directors shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Common Association Property in accordance with the provisions of this Section. Reconstruction or repair shall be mandatory unless seventy-five (75%) percent or more of the Members vote not to reconstruct. In situation where reconstruction or repair is not to be undertaken, the insurance indemnity received by the Board of Directors shall be retained and applied to new improvements or maintenance to the Common Association Property, and shall not be distributed to the Shorewood Regimes. In the situation where reconstruction or repair is undertaken, then such Common Association Property shall be repaired in the following manner:
 - a. Any reconstruction or repair must follow substantially the original plans and specifications of the Common Association Property unless the Members holding seventy-

- five percent (75%) or more of the eligible votes of the Common Association vote to adopt different plans.
- b. The Board of Directors shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board of Directors deems necessary.
- c. If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the Common Association may use funds out of its reserve or replacement accounts, and, if still not sufficient, then the Common Association shall levy and collect funds from the Shorewood Regimes with payments due on reasonable schedules as determined by the Board.
- d. Insurance proceeds received by the Board of Directors, and any funds collected to cover a deficiency in insurance shall constitute a construction fund from which the Board of Directors shall disburse payment of the costs 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 Common Association.
- 11. <u>Amendments.</u> These Bylaws may be amended following approval of at least sixty-seven (67%) percent of the Board of Directors.

12. Miscellaneous Matters.

- a. <u>Number</u>. When the context requires, the use of the singular includes the plural.
- b. <u>Definitions</u>. The definitions contained herein shall have the meanings defined herein or as defined in the Shorewood Regimes' Master Deeds.
- c. <u>Execution of Documents</u>. The Common Association Officers are responsible for preparing, executing, filing and recording amendments to the these Bylaws as may be necessary.
- d. Notices. All notices required by these Bylaws shall be hand delivered or sent by mail to the Common Association at its address, to Unit Members at the address of the Unit, or at such other address as may have been designated by such Unit Member from time to time in writing to the Common Association. All notices from or to the Common Association shall be deemed to have been given when mailed or delivered by first class mail postage prepaid, except notice of changes of address which shall be deemed to have been given when received. Notice may also be emailed to Owners who have previously filed their email addresses with the Common Association. Notice shall be deemed given as of the date of emailing.
- e. <u>Captions</u>. The captions contained in these Bylaws are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision of the Bylaws.
- f. <u>Invalidity</u>. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

- g. <u>Conflict</u>. These Bylaws are set forth to comply with the requirements of the South Carolina Non-Profit Corporation Act, as may be amended from time to time.
- h. <u>Waiver</u>. No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violations or breaches thereof which may occur.