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BEAUFORT COUNTY SC - ROD
BK 01517 PG 1445
FILE NUM 2001080833
RECORDING FEES 10.00
RECORDED BY J SULLIVAN RCPT# 28678
RECORDED 12/26/2001 01:29:33 PM

**FIRST AMENDMENT OF BY-LAWS OF
THE ANCHORAGE AT SHELTER COVE OWNERS ASSOCIATION, INC.**

WHEREAS, Section 13 of Article VII of the By-Laws of the Association makes it clear that rules and regulations applicable to the Regime are to be adopted by the Board of Directors; and

WHEREAS, the Board has discovered that such provisions of Section 13 conflict with the terms of Section 12 of the By-Laws, which indicates the Unit Owners have the right to adopt and modify such rules and regulations; and

WHEREAS, it is also very uncommon in and conflict with the usual procedure in condominium associations for unit owners to have the right to adopt and modify rules and regulations, as the right to make rules and regulations is in most instances given to the board of directors; and

WHEREAS, the Board of Directors has determined that it is appropriate to amend said Section 12 of the By-laws to make it clear that the rule making authority is vested in the Board of Directors, as the representatives of the Unit Owners, as is customary in the industry; and

WHEREAS, in accordance with the provisions of Article XIII of the By-laws, the Board has also determined that the within amendment of the By-laws is solely for the purposes of: (a) correcting the technical error which arises as the result of the conflict between Article Sections 12 and 13, as stated above, and (b) clarifying that the Board, not the Unit Owners, have the right to adopt and amend the rules and regulations applicable to the Regime, and such amendment is, therefore, not material and does not require a vote of the Unit Owners or the consent of the mortgage holders.

After Recording Return to:
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NOW, THEREFORE, pursuant to a resolution of the Board of Directors of The Anchorage at Shelter Cove Owners Association, Inc. (the "Association") adopted at a duly called and held meeting of the Board, it was resolved and agreed that the By-Laws be and are hereby amended, as follows:

1. **AMENDMENT OF ARTICLE VII, Section 12.** From and after the date hereof, said Section 12 of the original By-laws is deleted and the following first paragraph Section 12 is substituted in its place, with subparagraphs (a), (b) and (c) thereof remaining unchanged:

"Section 12. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the Units and Common Elements of the Regime, the Board of Directors, acting in their representative capacity on behalf of the Unit Owners, may from time to time adopt, modify, and revoke in whole or in part by a majority vote of the Board members in attendance at a regular or special meeting of the Board at which a quorum was present, such reasonable rules and regulations, to be called "Rules of Conduct," governing the conduct of persons on said property within the Regime, as the Board may deem necessary or appropriate under the then existing circumstances. Upon adoption by the Board, such Rules of Conduct, and every amendment, modification and revocation thereof, shall be delivered within a reasonable period of time to each Unit Owner at the last registered address of the Owner and shall be binding upon all Unit Owners and the occupants of the Units in the Regime. The following shall constitute the initial Rules of Conduct for the Regime:"

Except as herein amended, the By-laws remain in full force and effect, and said By-laws are hereby ratified and confirmed.

