

EXHIBIT "B"

BYLAWS

OF

SUMMER HOUSE HORIZONTAL PROPERTY REGIME

ARTICLE I

DEFINITIONS

Section 1. General. All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in the Master Deed establishing Summer House Horizontal Property Regime.

ARTICLE II

PLAN OF OWNERSHIP

Section 1. Property Subject to Bylaws. The provisions of these Bylaws are applicable to the Condominium Property and to the use and occupancy thereof.

Section 2. Application of Bylaws. All present and future owners, mortgagees, lessees and occupants of Apartments and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these Bylaws, the Master Deed, any rules and regulations of the Board and all covenants, agreements, restrictions, easements and declarations of record. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of an Apartment shall constitute an agreement that these Bylaws, any rules and

regulations of the Board, and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE III

THE COUNCIL

Section 1. Members. The members of the Council of Co-owners shall consist of the respective Owners of the Apartments of the Condominium Property. The words "member or "members" as used in these Bylaws shall refer to a "Co-owner" or the "Co-owners".

Section 2. Term of Membership. Except as provided in these Bylaws, the membership of each Co-owner shall commence upon the recordation of his deed in the office of the R.M.C. for Charleston County, South Carolina. The membership of each Co-owner shall terminate when he ceases to be a Co-owner of record upon the sale, transfer, or other disposition of his beneficial ownership in the Condominium Property. The new Co-owner succeeding to such ownership interest will commence membership upon the recordation of his deed as provided above. The Council may issue certificates evidencing membership therein.

Section 3. Office of the Council. The principal office of the Council of Co-owners of Summer House Horizontal Property Regime shall be located at 5757 Palm Boulevard, Isle of Palms, County of Charleston, State of South Carolina.

Section 4. Responsibilities of the Council.

The Council of Co-owners will have the responsibility of administering the Condominium Property, approving the annual budget, establishing and collecting periodic assessments, and approving any management arrangement entered into by the Board of Directors.

ARTICLE IV

MEETINGS OF THE COUNCIL

Section 1. Time and Place. Meetings of the Council shall be held at such times and places, in the County of Charleston, as may be specified in the notice of such meetings.

Section 2. Annual Meeting. Until the first annual meeting of the Council is called by the interim President as hereinafter provided, the Grantor shall appoint an interim Board which shall elect interim officers. The interim Board and officers shall serve until the first annual meeting of the Council is held. The first annual meeting of the Owners shall be held within twelve (12) months following the date of the first conveyance of an Apartment by the Grantor and shall be called by the interim President. Each subsequent regular annual meeting shall be held on the same day of the same month as the first annual meeting, or at such other time as the Board of Directors shall from time to time determine, at which time the Co-owners entitled to vote at the meeting shall elect the

Board of Directors and transact such other business as may properly be brought before the meeting, not inconsistent with the powers vested in the Council as limited by the Act, the Master Deed, or these Bylaws.

Section 3. Notice of Annual Meetings. Except as provided in Article IX, Section 2 hereof, written notice of the annual meeting, stating the place, date and hour of the meeting, shall be given by the Secretary of the Council to each Co-owner of record not less than ten (10) nor more than thirty (30) days before the date of the meeting at such address as may have been designated in writing to the Council by each Co-owner or if no other address has been designated in writing to the Council, at the address of the Apartment of such Co-owner.

Section 4. Special Meetings. Special meetings of the Council may be called by the President at any time and shall be called by the President or Secretary at the written request of a majority of the Board of Directors, or at the written request of the Co-owners entitled to cast forty (40%) percent of the total votes of the Council. Such written requests shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Special Meetings. Except as provided in Article IX, Section 2, hereof, notice of special meetings of the Council stating the time, place and date of the meeting and the purpose or purposes for which

the meeting is called, shall be given by the Secretary of the Regime to each Co-owner of record not less than ten (10) nor more than thirty (30) days before the date of the meeting at such address as may have been designated in writing to the Council by each Co-owner or if no other address has been designated in writing to the Council, at the address of the Apartment of such Co-owner. Business transacted at any special meeting of the Council shall be limited to the purposes stated in the notice.

Section 6. List of Co-owners. The Secretary of the Council shall prepare or cause to be prepared, at least ten (10) days before every regular or special meeting of the Council, a complete list of Co-owners of record entitled to vote at the regular or special meeting, showing the address as designated in writing to the Council or the Apartment address if no other address has been designated in writing to the Council and the number of percentage votes for each Owner. Such list shall be open to the examination of any Co-owner during ordinary business hours for a period of at least ten (10) days prior to the meeting, at the office of the Council. The list shall be produced and kept at the time and place of any meeting of the Council during the whole time thereof, and may be inspected by any Co-owner who is present. Unless otherwise provided for in advance by resolution of the Board of Directors, the record date for the purpose of determining Co-owners entitled to vote at any

meeting of the Council shall be the close of business on the day next preceding the day on which the meeting is held.

Section 7. Voting. The Co-owners shall vote in proportion to their respective percentage interests in the Common Elements so that there shall be appurtenant to each Apartment one vote (or percentage thereof) equal to the percentage ownership attributable to such Apartment, as provided in the Master Deed. All votes attributable to a single Apartment must be cast together and may not be split. When an Apartment is owned by other than a single natural person, the person entitled to cast the vote for such Apartment shall be designated by a certificate signed by all record owners of such Apartment and filed with the Secretary of the Council. For any Apartment owned by a general partnership or a limited partnership, a certificate shall be signed by those persons authorized to sign such documents on behalf of such partnership and a properly executed memorandum of such partnership authorizing said partners to so act shall be filed as part of the certificate with the Secretary. For any Apartment owned by a corporation, a properly executed corporate resolution authorizing the person to vote for the corporation shall be filed as part of the certificate with the Secretary. Each such certificate shall be valid until revoked, superseded by a subsequent certificate or a change occurs in the ownership of such Apartment. If a certificate is not on file for an Apartment

owned by other than a single natural person, the vote of such Apartment may not be exercised until such certificate is filed with the Secretary. Any such action taken at a duly constituted meeting in conformance with the Bylaws and the other documents creating this Regime shall be binding on all Co-owners, their heirs, executors, administrators, successors and assigns.

Section 8. Quorum. Unless a greater percentage is required by the Act, the Master Deed or these Bylaws, the presence in person or by proxy of Co-owners entitled to cast fifty-one (51%) percent of the total votes of the Co-owners shall constitute a Quorum for action by the Council, provided, however, that any absent Co-owner who does not execute and return the proxy form sent to him in the mailing referred to in Section 9 of this Article shall be deemed present for the purpose of determining the presence of a quorum. If such Quorum not be present or represented at any meeting, Owners entitled to cast a majority of the votes present or represented shall have the power to adjourn the meeting until a Quorum as aforesaid shall be present or represented at the meeting.

Section 9. Proxies. At any meeting of the Council, a Co-owner may vote either in person or by proxy executed in writing by the Co-owner or his duly authorized attorney-in-fact, and filed with the Secretary; and unless limited by its terms, such proxy shall be deemed valid until

revoked in writing. An executor, administrator or trustee may vote in person or by proxy at any meeting of the Council with respect to any Apartment owned or held by him in such capacity, whether or not the same shall have been transferred to his name by a duly recorded conveyance. Any Co-owner may by written proxy designate an agent to cast his vote. Unless a proxy states otherwise, it shall be deemed to confer the authority to execute consent and waivers and to exercise the right to examine the books and records of the Council. No proxy shall be honored until delivered to the Secretary of the Council. If at least ten (10) days prior to a duly called meeting a Co-owner is informed by mail of (1) the time and place of the meeting, (2) the agenda for the meeting, and (3) such data as is then available relative to issues on which there will be a vote, and a proxy form is included in such mailing, and the Co-owner neither attends the meeting nor returns his executed proxy, then such Co-owner shall be deemed to have given his proxy to and for the majority present and voting.

Section 10. Conduct of Meeting. At all meetings of the Council, whether regular or special, the President of the Council (or in his absence any other officer designated by the Co-owners present) shall preside. The Secretary of the Council shall be responsible for the keeping of the minute book wherein resolutions shall be recorded and shall act as Secretary of all meetings unless,



in his absence, an alternate is designated by the Co-owners present thereat.

Section 11. Order of Business. The order of business at regular meetings of the Council shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors and committees.
- (f) Review financial statement and monthly Regime charges.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.

The order of business at all special meetings of the Council shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number and Term of Office. The affairs of the Council shall be governed by a Board of Directors. The number of directors which shall constitute the Board shall be five (5). The directors shall be elected

from the members at the annual meeting of the Council, except for the initial Board of Directors which shall be appointed by the Grantor and except as provided for in Sections 3 and 10 of this Article V. The term of office shall be fixed at two (2) years; at the first annual meeting the three (3) directors receiving the largest number of votes shall serve for two (2) years each and the other two (2) directors shall serve for one (1) year; provided, however, that each director shall hold office until his successor is elected or until his death or until he shall resign or until he shall have been removed, as provided in Section 10 of this Article V, or by operation of law. All directors, except the interim Board appointed by the Grantor, must be Co-owners of an Apartment.

Section 2. Election of Directors. Each Co-owner shall vote, according to his percentage interest, for each of the directorship positions open for election, provided, however, that each Co-owner may cast only one vote (or percentage thereof) for any one person and voting shall not be cumulative.

Section 3. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled on an interim basis by the Board of Directors. The directors so chosen shall hold office until the next annual election and until

their successors are duly elected by the Council, unless sooner displaced.

Section 4. Terms of the Initial Board of Directors. The Grantor shall appoint an initial Board of one or more persons who shall elect interim officers and who shall manage the affairs of the Council until the first annual meeting of the Council is held and new directors are elected.

Section 5. Place of Meetings. The Board of Directors may hold meetings, both regular and special, at such time and place as may be designated.

Section 6. Organization Meeting. After each annual election of directors, on the same day and at the same place the Board of Directors shall meet for the purpose of organization. Notice of such meeting need not be given.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as the Board of Directors may from time to time designate. The Board shall meet at least two (2) times each fiscal year. Notice of regular meetings shall be given by the Secretary or other designated person to each Board member at least ten (10) days but not more than thirty (30) days prior to the day named for the meeting. Notice may be given personally or by mail sent in accordance with Section 3 of Article IV.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President upon three (3) days notice to each Director in advance of such meeting, either in writing, in person or by telephone, telex, telegraph or cable. The notice need not specify the business to be transacted. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two or more directors.

Section 9. Quorum and Manner of Acting. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be an act of the Board of Directors. If at any meeting of the Board there is less than a quorum present, the majority of the Board members present may adjourn the meeting until such time as a quorum is present. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10. Removal of Directors. At any regular or special meeting of the Council duly called, any one or more of the members of the Board may be removed with or without cause by a majority of the Co-owners, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has

been proposed to the Council shall be given an opportunity to be heard at the meeting.

Section 11. Committees. The Board of Directors may appoint committees composed of members of the Council as deemed appropriate by the Board in carrying out its purpose.

Section 12. Waiver of Notice. Any Board member may, at any time, in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof, unless attendance is for the sole purpose of objection to the meeting for lack of notice. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Furthermore, the members of the Board may consent unanimously in writing to any Board action without requiring the formal convening of a meeting.

Section 13. Powers and Duties of the Board.

(a) The Board of Directors shall have the power to do all things set forth in the Master Deed and in these Bylaws except as otherwise expressly prohibited by the Act.

(b) The Board of Directors may, from time to time, adopt and/or amend administrative rules and regulations governing the details of the operation and use of the Common Elements of the Condominium Property; provided, however, that no such administrative rules or

regulations shall be effective if disapproved by a resolution adopted by a Majority of the Council at a duly called meeting.

(c) Within thirty (30) days prior to the beginning of each fiscal year, the Board of Directors shall cause to be prepared a statement of the estimated cost of maintaining and operating the Condominium Property during the ensuing fiscal year, including (i) all common expenses for taxes, rent, insurance premiums, improvements, assessments, maintenance, utility charges, management fees pursuant to any management agreement, and expenses designated Common Expenses in the Master Deed; (ii) all other charges and expenses of any description for which the Council, its agents, or the Condominium may be assessed or become liable, or which are otherwise appropriately and necessarily Common Expenses, and (iii) any reserves deemed appropriate, less any surplus from the schedule of monthly Assessments against each Owner for his share of such estimated cost of maintaining and operating the Condominium Property. The Board of Directors shall thereupon call a meeting of the Council, which may be the regular annual meeting, for the purpose of reviewing said budget. Unless disapproved by a resolution of the Council adopted by an affirmative vote of a Majority of the Co-owners, such budget shall be deemed adopted and deemed to be levy of assessment on each Co-owner for his share of the expenses so approved,

which share shall be based upon the Co-owner's percentage interest in the Common Elements as set forth in the Master Deed. Such assessments levied pursuant to this subparagraph shall be due and payable monthly, and shall be paid to the Board of Directors or its designate, at its principal office or at such other place as the Board of Directors shall designate. All sums assessed hereunder, but unpaid, for the share of Common Expenses chargeable to any Apartment shall constitute a lien on such Apartment prior to all other liens except (i) liens for property taxes upon the Apartment in favor of any taxing authority, and (ii) mortgage liens duly recorded prior to such delinquency. Such lien may be foreclosed or enforced by the Board as provided in the Master Deed.

(d) The Board of Directors shall have the power and authority to contract with a managing agent for the maintenance, care and operation of the Condominium Property, or to otherwise provide for the maintenance, care and operation of the Condominium Property. Any such management contract must provide for termination of same by the Council for cause upon thirty (30) days written notice thereof and the terms of any such agreement may not exceed one (1) year but may be renewable upon agreement of the parties.

(e) The Board of Directors shall take out policies of insurance as provided in the Master Deed. Premiums for such insurance shall constitute a portion of Common Expenses to be assessed against the Co-owners.

(f) The Board of Directors shall act as insurance trustee for the proceeds of any insurance policies as provided in the Master Deed.

(g) The Board of Directors may also require that any and all officers, employees or agents of the Council handling or responsible for Council funds be covered by adequate fidelity bonds. The premiums on such bonds shall be a Common Expense chargeable to the Co-owners.

(h) The Board of Directors shall arrange and pay for the legal and accounting services necessary or proper for the operation of the Condominium Property or the enforcement of these Bylaws, and such payments shall be charged to the Co-owners as Common Expenses.

(i) The Board of Directors may, in its discretion, pay an amount necessary to discharge any lien or encumbrance which may in the opinion of the Board of Directors, constitute a lien against the Common Elements rather than merely against the interest therein of a particular Co-owner or Co-owners. Such payments shall be a Common Expense chargeable to the Co-owner responsible for the existence of such lien.

(j) The Board shall also have the power to: (i) pay the Common Expenses and to determine and collect the Common Expenses; (ii) collect from the Owners their share of the Common Expenses; (iii) to open bank accounts on behalf of the Council and designate the signatories required



therefor or to permit a management agent to open such accounts; (iv) establish restrictions and requirements respecting the use and maintenance of the Apartments not in conflict with the Master Deed; and (v) take all actions duly authorized by the Council.

(k) Upon resolution adopted by a Majority of the Council, fees for attendance at meetings of the Board of Directors may be established.

(l) The Board may take all other actions authorized by the Master Deed, these Bylaws, or the Act and may take all actions it deems necessary or proper for the sound management of the Condominium Property.

(m) The Board shall have the authority to assign parking space(s) to Owners.

(n) The Board shall have the power to employ, dismiss, and control all personnel necessary for the maintenance and operation of the Common Elements.

(o) The Council shall indemnify every Director and every Officer, their heirs, executors, and administrators against all loss, costs, or expenses of any type reasonably incurred by him in connection with any action, suit or proceeding to which he is made a party by reason of his being or having been a Director or Officer of the Council, except as to such matters wherein he shall be finally adjudged liable or guilty of gross negligence or willful misconduct. The Board may obtain for the Regime

Directors and Officers liability insurance coverage in such amounts as the Board deems necessary.

ARTICLE VI

OFFICERS

Section 1. General. The Officers of the Council shall be chosen by the Board of Directors and shall be a President, a Vice President, a Secretary and a Treasurer. Any number of offices may be held by the same person. Officers may be chosen at any meeting of the Board of Directors and such officers shall hold office until their successors are elected and qualified or until their earlier death, resignation or removal. The compensation of all Officers shall be established by the Council if such compensation is deemed to be in the best interest of the Co-owners.

Section 2. Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary for such terms and such duties as shall be determined from time to time by the Board.

Section 3. Term of Office. The Officers of the Council shall hold office at the pleasure of the Board of Directors. Any Officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. Any vacancy occurring in any office by death, resignation, removal or otherwise may be filled by the Board of Directors.

Section 4. President. The President shall be a member of the Board and shall manage the business of the Council. He shall execute on behalf of Council all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent. The President shall preside at all meetings of the Council and the Board. He shall have all the general powers and duties which are usually vested in the Office of President of a condominium Council, including the power to appoint committees from among the Owners.

Section 5. Vice President. The Vice President shall act under the direction of the President and shall perform such duties as may be imposed by the Board. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President.

Section 6. Secretary. The Secretary shall act under the direction of the President. Subject to the direction of the President, he shall attend all meetings of the Board of Directors and all meetings of the Council and record the proceedings. He shall give, or cause to be given, notice of all meetings of the Council and of the Board of Directors as required in these Bylaws, and shall perform such other duties as may be prescribed by the President or the Board of Directors.

Section 7. Treasurer. The Treasurer shall act under the direction of the President and shall keep or be responsible for the keeping of the accounts of the Regime. He shall disburse the funds of the Council as may be ordered by the President or the Board of Directors and shall render on request or at the regular meetings of the Board of Directors an account of all his transactions as Treasurer and of the financial condition of the Regime.

ARTICLE VII

OBLIGATIONS OF CO-OWNERS.

Section 1. Compliance with Bylaws, etc. Each Co-owner shall strictly comply with the Bylaws, the Master Deed, and the rules and regulations promulgated by the Board, as they all shall be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, or for damages, or for injunctive relief, or such other relief as may be appropriate, or any of them in combination including the recovery of attorney's fees, maintainable by the Board of Directors or by the managing agent on behalf of the Board of Directors, or, in a proper case, by an aggrieved Co-owner.

Section 2. Assessments. Each Co-owner shall pay each installment of his annual Assessment for Common Expenses to the Board of Directors or its designate on or before each due date as set by the Board without any notice or demand. Such payments shall be without any deduction on

account of any set-off or claim which the Co-owner may have against the Council or against the Board of Directors or against any officer of the Council, the Grantor or any third party. If the Co-owner shall fail to pay any installment of such assessment within ten (10) days from the time the same becomes due, the owner shall pay interest thereon at a rate not to exceed the maximum legal percentage per annum from the date when such installment became due to the date of the payment thereof, and such interest shall be deemed an additional assessment hereunder. Article VIII, Section 8, Lien Upon Apartments, as set forth in the Master Deed is incorporated herein by reference.

Section 3. Repair of Units. Every Co-owner must perform promptly all maintenance and repair work within his Apartment, which if omitted, would affect the Property in its entirety or in a part belonging to the other Co-owners and shall be responsible for all damage caused by any such failure. All repairs to the internal installations of any Apartment such as water, gas, electrical, light, power, sewage, telephone, air conditioning, sanitary installations, windows or window glass, doors, lamps, and all other accessories belonging to the Apartment shall be at the expense of such Owner.

Section 4. Repair of Common Elements. Each Co-owner shall reimburse the Council for any expenditures incurred in repairing or replacing any Common Elements which

are necessitated as the result of such Co-owner's willful misconduct or neglect or that of the Owner's family, guests, and other invitees.

Section 5. Emergency Repairs. Each Co-owner shall permit the Board of Directors or its designate to enter his Apartment in the case of any emergency originating therein or threatening such Apartment or other Apartments whether the Co-owner is present at the time or not; and each Co-owner does hereby consent to such.

Section 6. Rules of Conduct.

(a) Occupants shall exercise extreme care to avoid unnecessary noise that may disturb other occupants.

(b) No occupants of the Property shall:

- (1) Post any signs, advertisements, or posters of any kind in or on the Condominium Property except as authorized by the Board.
- (2) Throw garbage or trash outside the disposal installations provided for such purposes in the service area.
- (3) Dust rugs, mops, or similar objects from the windows, or clean rugs or similar objects by beating on the exterior part of the Condominium Property.
- (4) Hang garments, rugs, or similar objects from the windows, balconies or from any of the facades of the Property.
- (5) Act so as to interfere unreasonably with the peace and enjoyment of the occupants of the other Apartments in the Condominium Property.

(c) No Co-owner or lessee shall install wiring for electrical or telephone installations, television antenna, machines or air conditioning units, or similar objects outside his Apartment or which protrude through the wall or the roof of his Apartment except as authorized in writing by the Board.

(d) Owners shall use a uniform window treatment in that only draperies shall be used exposing an off-white color to the exterior side.

Section 7. Regime Working Capital. At the time title is conveyed to a Co-owner by the Grantor, each Co-owner shall contribute to the working capital reserve an amount determined by the Board or a Managing Agent selected by the Board applicable to each Co-owner. Such funds shall be used solely for initial operating and capital expenses of the Property.

#### ARTICLE VIII

##### RECONSTRUCTION AND REPAIR

Section 1. Casualty Loss or Substantial Damage to Two-Thirds or More of the Property. In the event of casualty loss or substantial damage to two-thirds (2/3) or more of the Property, reconstruction shall not be mandatory. In such case, and unless otherwise unanimously agreed upon by the Co-owners, the insurance indemnity received by the Board shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective

interests in the Common Elements. The remaining portion of the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned by tenants 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 one fund and distributed pro-rata among all Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements.

Section 2. Casualty Loss or Substantial Damage to Less Than Two-Thirds of the Property. If less than two-thirds (2/3) of the Condominium Property is destroyed or substantially damaged, then such Condominium Property shall be repaired in the following manner:

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

(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, or if different plans or specifications are adopted, to the



condition and manner indicated by such plans and specifications. The costs referred to herein may include such professional fees and premiums for bids as the Board deems necessary.

(c) If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction or repair, the deficiency shall be paid as a special assessment by the Unit Owners whose Units are being reconstructed or repaired in proportion to the damage done to their respective Units.

(d) The insurance proceeds received by the board and the mortgagees, and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board and mortgagees shall disburse payment of the cost of reconstruction and repair. The first disbursement from the construction fund shall consist of insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction or repair, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be retained by the Association.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Date of Notice. Notices to Directors and Co-owners mailed to them shall be deemed given at the time when mailed.

Section 2. Waiver of Notice. Whenever any notice is required to be given under the provisions of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 3. Depository Account. All funds of the Council not otherwise employed shall be deposited from time to time to the credit of the Council as the Board of Directors or the Treasurer shall direct in such banks, trust companies or other depositories as the Board of Directors may select. For the purpose of deposit and for the purpose of collection for the account of the Council, checks, drafts, and other orders for the payment of money which are payable to the order of the Council may be endorsed, assigned, and delivered by an officer or agent thereof.

Section 4. Effect of Master Deed and Act. Where any provision of these Bylaws conflicts with any provision of the Master Deed or the Act, the Master Deed or the Act shall be deemed controlling.

Section 5. Fiscal Year. The fiscal year of the Council shall be as set by the Board as provided for in the Master Deed.

EXHIBIT "F"SUMMER HOUSE  
HORIZONTAL PROPERTY REGIME

The Apartments include (a) the space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that ordinarily are regarded as enclosures of space; (b) all interior dividing walls and partitions (including the space occupied by such walls or partitions); and (c) the decorated inner surfaces of said perimeter and interior walls (including the decorated inner surfaces of all interior loadbearing walls) and floors, ceilings, consisting (as the case may be) of paint, carpeting, tiles and all other furnishing materials and fixtures affixed or installed and for the sole and exclusive use of any dwelling space, commencing at the point of disconnection from the structural body of the building and from utility lines, pipes or systems serving the dwelling space. No pipes, wiring, conduits or other public utility lines or installations constituting a part of the overall systems designed for the service of more than a single dwelling space of a building, nor any structure of any kind, within any Apartment, which are not removable without jeopardizing the soundness, safety or usefulness of the remainder of the building shall be deemed to be a part of any Apartment.

The Summer House Horizontal Property Regime Project consists of two (2) Buildings designated as Building 1 and Building 2. Building 1 consists of five (5) levels of six (6) Apartments each. Building 2 consists of five (5) levels of five (5) Apartments each. Building 1 is comprised of thirty (30) Apartments and Building 2 is comprised of twenty-five (25) Apartments. Covered parking is provided at the Ground Level of Building 1. The different types of Apartments, more particularly shown on Exhibit "D", are described as follows:

<sup>10</sup> TYPE A - Apartments 103, 104, 203, 204, 303, 304, 403, 404, 503 and 504 are Type A Apartments. Each is a one story flat located in the center of the first through fifth floors of Building 1 respectively with a foyer, 2 bedrooms, living/dining room, kitchen with appliances and pantry, utility room with washer, dryer and hot water heater, 2 bathrooms, 3 closets including a locked owner's closet, storage room and balcony (Limited Common Element). Each Type A Apartment contains approximately 1,251 square feet of heated space. <sup>10 x 125'</sup>

<sup>5</sup> TYPE A-I - Apartments 108, 208, 308, 408 and 508 are Type A-I Apartments. Each is a one story flat located on the first through fifth floors of Building 2 respectively with a foyer, 2 bedrooms, living/dining room, kitchen with appliances and pantry, utility room with washer, dryer and hot water heater, 2 bathrooms, 3 closets including a locked

owner's closet, storage room and balcony (Limited Common Element). Each Type A-I Apartment contains approximately 1,237 square feet of heated space.

~~10~~ 10 TYPE B - Apartments 105, 205, 305, 405 and 505 are Type B Apartments. Each is a one story flat located on the first through fifth floors of Building 1. Apartments 109, 209, 309, 409 and 509 are also Type <sup>B</sup>(A) Apartments. Each is a one story flat located in the center of the first through fifth floors of Building 2. Each such Apartment includes a foyer, 2 bedrooms, living/dining room, kitchen with appliances and pantry, utility room with washer, dryer and hot water heater, 2 bathrooms, 3 closets including a locked owner's closet, storage room and balcony (Limited Common Element). Each Type B Apartment contains approximately 1,235 square feet of heated space.

10 TYPE C - Apartments 101, 201, 301, 401 and 501 are Type C Apartments. Each is a one story flat located on the first through fifth floors of Building 1. Apartments 111, 211, 311, 411 and 511 are also Type C Apartments. Each is a one story flat located on the first through fifth floors of Building 2. Each such Apartment includes a foyer, 3 bedrooms, living/dining room, kitchen with appliances and pantry, utility room with washer, dryer and hot water heater, 3 bathrooms, 5 closets including a linen closet and a locked owner's closet, and a balcony (Limited Common Element). Each Type C Apartment contains approximately

1,578 square feet of heated space. Units 101, 201, 301, 401 and 501 are Type C Units reversed, that is, they are mirror images of Units 111, 211, 311, 411 and 511.

✓  
② TYPE C-I - Apartments 107, 207, 307, 407 and 507 are Type C-I Apartments. Each is a one story flat located on the first through fifth floors of Building 2. Each such Apartment includes a foyer, 3 bedrooms, living/dining room, kitchen with appliances and pantry, utility room with washer, dryer and hot water heater, 3 bathrooms, 5 closets including a linen closet and a locked owner's closet and a balcony (Limited Common Element). Each Type C-I Apartment contains approximately 1,575 square feet of heated space.

2 4 TYPE C-II - Apartment 102 and 202 are Type C-II Apartments. Each is a one story flat located on the first and second floors of Building 1. Apartments 110 and 210 are also Type C-II Apartments. Each is a one story flat located on the first and second floors of Building 2. Each such Apartment includes a foyer, 3 bedrooms, living/dining room, kitchen with appliances and pantry, utility room with washer, dryer and hot water heater, 3 bathrooms, 5 closets including a linen closet and locked owner's closet, and a balcony (Limited Common Element). Each Type C-II Apartment contains approximately 1,524 square feet of heated space. Units 110 and 210 are Type C-II Units reversed, that is, they are mirror images of Units 101 and 202.

TYPE C-III - Apartments 106, 206, 306, 406 and 506 are Type C-III Apartments. Each is a one story flat located on the first through fifth floors of Building 1. Each such Apartment includes a foyer, 3 bedrooms, living/dining room, kitchen with appliances and pantry, utility room with washer, dryer and hot water heater, 3 bathrooms, 5 closets including a linen closet and locked owner's closet, and a balcony (Limited Common Element). Each Type C-III Apartment contains approximately 1,593 square feet of heated space.

TYPE D - Apartments 302, 402 and 502 are Type D Apartments. Each is a one story flat located on the third, fourth and fifth floors of Building 1. Apartments 310, 410 and 510 are also Type D Apartments. Each is a one story flat located on the third, fourth and fifth floors of Building 2. Each such Apartment includes a foyer, 4 bedrooms, living/dining room, kitchen with appliances and pantry, utility room with washer, dryer and hot water heater, 4 bathrooms, 6 closets including a linen closet and locked owner's closet, and a balcony (Limited Common Element). Each Type D Apartment contains approximately 1,765 square feet of heated space. Units 310, 410 and 510 are Type D Units reversed, that is, they are mirror images of Units 302, 402 and 502.

Each type of Apartment and the location thereof is more fully shown on the Floor Plans attached to this Master Deed as Exhibit "D".

BK C152PG738

Each Apartment is designated for the purpose of any conveyance, lease or other instrument affecting the title thereof by a number representing the Unit followed by a hyphen and the Unit type, e.g., Unit 101-C.



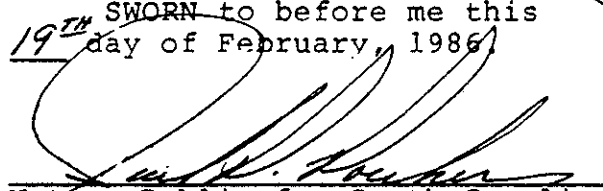


STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

PERSONALLY appeared before me JAMES C. HUTTO  
and made oath that (s)he saw the within named Curtis W.  
Lybrand, Jr., sign, seal and, as his act and deed, deliver  
the within written Engineer's Certificate, and that (s)he  
with CARL E. NORRIS witnessed the execution  
thereof.



SWORN to before me this  
19<sup>TH</sup> day of February, 1986

  
Notary Public for South Carolina  
My Commission Expires: SEPT. 29, 1992

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF CHARLESTON )

ARCHITECT'S CERTIFICATE

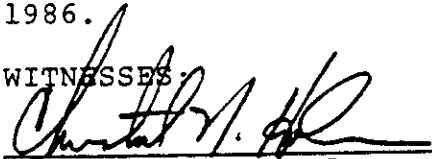
The undersigned Architect, David L. Engdahl, Registration No. 2761, authorized and licensed to practice in the State of South Carolina, hereby certifies pursuant to §27-31-110, Code of Laws of South Carolina, that the plans of Summer House Horizontal Property Regime identified below, fully and accurately, within reasonable construction tolerances, depict the dimensions, layout, area and location of each Unit within said Regime and the dimensions, layout, area and location of the Common Elements of the buildings and Units shown thereon:


Floor plans and Elevations for Summer House Horizontal Property Regime, marked Exhibits "D" and "E"

Witness my Hand and Seal this 11<sup>th</sup> day of February,

1986.

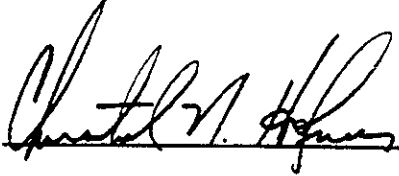
WITNESSES:

  
\_\_\_\_\_  
Patricia Ann Jones

  
\_\_\_\_\_  
David L. Engdahl  
Registration No. 2761

STATE OF FLORIDA )  
COUNTY OF Duval )

PERSONALLY appeared before me CHRISTOPHER N. HOLMES  
and made oath that (s)he saw the within named David L.  
Engdahl, sign, seal and, as his act and deed, deliver the  
within written Architect's Certificate, and that (s)he with  
PATRICIA ANN JONES witnessed the execution  
thereof.

  
\_\_\_\_\_

SWORN to before me this  
11<sup>th</sup> day of February, 1986.

Patricia Ann Jones  
\_\_\_\_\_

Notary Public for Florida  
My Commission Expires: My Commission Expires June 25, 1988

EXHIBIT "H"PHASE I PROPERTY DESCRIPTION

All that certain piece, parcel or tract of land situate, lying and being on the Isle of Palms, Charleston, South Carolina, known and designated as TRACT E, BLOCK E, PARCEL 3a, containing 4.601 ACRES, being shown on a plat thereof entitled "Plat of Tract "E", Block "E", Parcels 3a & 3b, City of Isle of Palms, Charleston County, South Carolina" prepared by William Porcher, L.S., dated March 5, 1985 and recorded in the R.M.C. Office for Charleston County in Plat Book BE at Page 3.

SAID 4.601 ACRE TRACT BEING MORE FULLY DESCRIBED with reference to the said plat as follows:

Commencing at an iron pipe on the Southerly right-of-way line of Palmetto Drive, said iron being 2838.44 feet Easterly of the intersection of the Easterly right-of-way line of Dunecrest Lane and the Southerly right-of-way line of Palmetto Drive, said point also being the Northeasterly corner of lands of Shipwatch and the POINT OF BEGINNING OF THIS DESCRIPTION; thence, North 31° 36' 27" East, along the Southerly right-of-way line of Palmetto Drive, 59.11 feet to a point of curvature, being a concrete monument; thence, continuing along said Southerly right-of-way line, along the arc of a 542.96 foot radius curve, concave to the South, having a chord length of 126.62 feet bearing North 38° 18' 14" East, an arc distance of 126.91 feet to a point of tangency, being a concrete monument; thence, continuing along said Southerly right-of-way line, North 45° 00' 00" East, 131.65 feet to a point, being an iron pipe; thence, departing the Southerly right-of-way line of Palmetto Drive, South 45° 00' 00" East along a Westerly property line of WDOC Associates, 166.00 feet to a point, being an iron pipe; thence, continuing along said Westerly property line, south 00° 00' 00" West, 35.72 feet to a point, being an iron pipe; thence, continuing along said Westerly property line, south 45° 00' 00" East, 486.53 feet to a point, being an iron pipe; thence, departing said Westerly property line, South 41° 18' 14" West, along a Northerly property line of lands of Wild Dunes Associates, 83.03 feet to a point; thence, continuing along said Northerly property line, South 44° 40' 45" West, 206.80 feet to point, being an iron pipe; thence, departing said Northerly property line, North 45° 00' 00" West, along an Easterly property line of Shipwatch, 655.84 feet to a point, being an iron pipe, and THE POINT OF BEGINNING OF THIS DESCRIPTION.

EXHIBIT IPHASE II PROPERTY DESCRIPTION

ALL that certain piece, parcel or tract of land situate, lying and being on the Isle of Palms, Charleston, South Carolina, known and designated as Tract E, Block E, Parcel 3b, containing 2.511 acres, being shown a plat thereof entitled "Plat of Tract "E", Block "E", Parcels 3a and 3b, City of Isle of Palms, Charleston County, South Carolina" prepared by William Porcher, L.S., dated March 5, 1985 and recorded in the R.M.C. Office for Charleston County in Plat Book BE, at Page 3.

SAID 2.511 acre tract being more fully described with reference to said plat as follows:

Commencing at an iron pipe on the Southerly right-of-way line of Palmetto Drive, said point being 3156.11 feet Easterly of the intersection of the Easterly right-of-way line of Dunecrest Lane and the Southerly right-of-way line of Palmetto Drive, said point also being the Northeasterly property corner of Summer House Horizontal Property Regime, Phase I, and the POINT OF BEGINNING OF THIS DESCRIPTION; thence, North 45° 00' 00" East, along the Southerly right-of-way line of Palmetto Drive, 105.00 feet to a point, being an iron pipe; thence, departing the Southerly right-of-way line of Palmetto Drive, South 45° 00' 00" East, along a Westerly property line of Port O'Call II, 353.40 feet to a point, being an iron pipe; thence, departing said Westerly property line, North 45° 00' 00" East, along a Southerly property line of Port O'Call II, 83.41 feet to a point, being an iron pipe; thence, departing said Southerly property line, South 45° 00' 00" East, along a Westerly property line of Port O'Call II, 310.69 feet to a point, being an iron pipe; thence, departing said Westerly property line, South 41° 47' 23" West, along a Northerly property line of lands of Wild Dunes Associates, 13.38 feet to a point; thence, continuing along said Northerly property line, South 41° 18' 14" West, 200.72 feet to a point, being an iron pipe; thence, departing said Northerly property line, North 45° 00' 00" West, along an Easterly property line of Summer House, Phase I, 486.53 feet to a point, being an iron pipe; thence, continuing along said Easterly property line, North 00° 00' 00" East, 35.72 feet to a point, being an iron pipe; thence, continuing along said Easterly property line, North 45° 00' 00" West, 166.00 feet to a point, being an iron pipe and the POINT OF BEGINNING OF THIS DESCRIPTION.

MC BURNE & GIBBS  
ATTORNEYS AT LAW  
P. O. BOX 669  
CHARLESTON, S. C. 29402

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Book C152 Page 663

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*Robert N. King*

Register Mesne Conveyance  
Charleston County, S. C.

Time ...  
BAS FN  
DTG 3-4-86  
604-12-00-1254 480

Recorded this 27th day of Feb 1986  
In Property Record Card

*Pauline S. Koger*

Auditor Charleston County