

BY-LAWS*
of
HILTON HEAD RESORT
FOUR SEASONS CENTRE
HORIZONTAL PROPERTY REGIME COUNCIL OF
CO-OWNERS

ARTICLE I

Name

The name of the Association shall be the Hilton Head Resort - Four Seasons Centre—
Horizontal Property Regime Council of Co-Owners.

ARTICLE II

Offices

The principal office of the Association shall be located at Hilton Head Resort - Four Seasons Centre Horizontal Property Regime, Hilton Head Island, Beaufort County, South Carolina. The Association may have other offices within and without the State of South Carolina as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Association shall have and continuously maintain in the State of South Carolina, a registered agent whose office shall be identical with the registered office. The registered office may be but need not be identical with the principal office of the Association and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III

Purpose

The purpose of this Association shall be to provide a collective government form of administration for the Co-Owners of Hilton Head Resort • Four Seasons Centre Horizontal

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Property Regime (the "Regime") to manage and control said Regime and the activities of the Co-Owners therein and of all persons using or occupying the facilities of the said Regime and all things pertinent to and/or related thereto and to carry out all activities, promulgate all Rules and Regulations and to have all responsibilities and purposes that are given to the Association in the Master Deed of Hilton Head Resort - Four Seasons Centre Horizontal Property Regime (hereinafter called the Master Deed), in The South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (hereinafter called the Act) and in these By-Laws, and to be the Association for this Condominium as defined and called for in the Act and the Master Deed

ARTICLE IV

Definitions

All terms and phrases used herein shall, unless the context otherwise requires, have the same definition and meaning as set forth in the Declaration and/or in The Act, as the case may be.

ARTICLE V

Members

Each and every Co-Owner of an Apartment or an interest in a Unit in the Regime shall be a Member of this Association. Further, there shall be appurtenant to each Unit in the Regime the number of votes assigned in the Master Deed which shall be voted collectively by the voting member of that Unit as set forth in the Master Deed. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Unit, such subsequent transferee shall automatically become a member hereof and likewise the vote appurtenant to the Apartment shall automatically pass and the membership of the transferor immediately terminated whether any membership certificate or voting certificate be transferred or not; provided, however, the Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person shown as Co-Owner of a Unit in its records until notified of such transfer by delivery of written notice thereof to the secretary of the Association.

ARTICLE VI

Application

All present and future Co-Owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the facilities of the Regime or occupying any Unit thereof shall be and is hereby subject to all matters, Rules and Regulations set forth in these By-Laws, Rules and Regulations promulgated by the Board of Directors hereof, and all things set forth in the Master Deed and in The Act.

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A mere acquisition or rental of an Apartment or use of the facilities of the Regime shall signify these By-Laws and all Rules and Regulations and provisions contained within the Master Deed, The Act, or promulgated by the Board of Directors are accepted, ratified and shall be complied with.

ARTICLE VII

Voting Majority

Section 1. There is hereby assigned to each Apartment the number of votes as described and assigned in the Master Deed which shall be voted by the Voting Member thereof as described in the Master Deed. The vote so assigned to each may not be split in any fashion. If one person is the Co-Owner of an Apartment, he shall be the Voting Member. If an Apartment be owned by more than one person, they shall designate one of them as the Voting Member and notify the Secretary in writing of such designation. In the event a corporation owns an Apartment, the corporation shall designate one agent thereof as the Voting Member and so notify the Secretary in writing. In the case of multiple or corporate ownership of an Apartment, the vote appurtenant thereto shall not be exercised until written designation of the Voting Member has been delivered to the Secretary. The Voting Member so designated shall remain the Voting Member, entitled to cast the vote of that Unit on all matters to come before the Association for vote until the Secretary be given written notice of change. The vote assigned to each Unit represents the percentage value of that Unit as opposed to the Association as a whole as then comprised.

Section 2. As used in these By-Laws, the term Majority of Co-Owners shall mean those Co-Owners who are voting members holding 51 percent of the total vote of all the Co-Owners of the Regime as then constituted and thereby represent 51 percent of the basic value of the Submitted Property as a whole. Unless otherwise required herein, in the Master Deed or in The Act, majority vote shall constitute 51 percent of the total outstanding votes of all Co-Owners and shall be required to adopt any decisions affecting the Condominium.

Section 3, Except as otherwise provided or required in these By-Laws, the Master Deed or The Act, the presence in person or by proxy of a Majority of Co-Owners, as is defined above, shall be required to constitute a quorum.

Section 4. Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board of Directors and must be filed with the Secretary at least 15 days before the appointed time for a regular meeting and at least one day before the appointed time for a special meeting.

Section 5. Membership in the Association is not transferable or assignable (except as the same may be assigned by way of proper proxy properly executed). Transfer of a Co-Owner's

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Apartment or his interest therein in any fashion shall automatically terminate his membership herein and all his voting rights.

ARTICLE VIII

Administration

Section 1. The Association shall be managed and governed by a Board of Directors (herein called the Board) consisting of five (5) members. The initial Board of Directors shall be appointed by the Declarant as the initial Board of Directors and shall consist of three (3) members (who need not be present or future Co-Owners) and who shall serve until the Declarant calls a meeting of the Co-Owners to relinquish control and until their successors are elected and qualified. The Board of Directors to replace the initial Board of Directors appointed by the Declarant shall be nominated and elected at the organizational meeting called by Declarant to relinquish control. Of the total Directors to be then elected, the number of nominees equal to one-half of the Board to be elected plus one and receiving the most votes shall be elected to the Board for a two-year term; the nominees receiving the next highest number of votes equal to the remaining positions on the Board shall be elected for a one-year term. Directors elected at subsequent elections shall be elected for a term of two years, and shall be elected at the regular Annual Meeting of the Association. At such regular Annual Meetings, the Voting Members shall vote for the number of Directors necessary as there are vacancies on the Board; provided, however, there shall be no cumulative voting unless required by law. The candidates receiving the most votes shall be declared elected as members of the Board to fill the Board positions vacant at that time. Board members shall serve until their successors are elected and qualified.

Section 2. Any Director (other than members of the initial Board appointed by Declarant) who shall cease to be a Co-Owner or who shall be delinquent in payment of any common expenses or Assessments (as defined in the Master Deed and/or in The Act) shall automatically cease to be a Member of the Board.

Section 3. Each Board Member (other than members of the initial Board appointed by Declarant) must be a Co-Owner (or the voting member for a corporate Co-Owner) and in good standing, current in payment of all fees, Assessments and common expenses.

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ARTICLE IX

Board of Directors

Section 1. Consistent with these By-Laws the Board shall:

- A. Transact all Association business and prescribe the Rules and Regulations for the use of the Regime and all facilities and property thereof and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation.
- B. Annually set the Common Expenses for the operation of the Regime.
- C. Fix, impose and remit penalties for violations of these By-Laws and Rules and Regulations of the Association.
- D. Serve without compensation.
- E. Elect from the Board within thirty (30) days after each Annual Meeting a President, Vice President, Secretary and Treasurer, all of whom shall serve without remuneration. In the event of a vacancy in any one of these offices during the year, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term. In the event of a vacancy on the Board, the President shall have the power to appoint with the approval of the majority of the Board, a member in good standing to fill the vacancy until the next Annual Meeting.
- F. Carry out all other duties and obligations imposed and exercise all rights granted it by the Master Deed and Exhibits thereto and The Act.

Section 2. There shall be at least one regular meeting of the Board quarterly at a time designated by the President. The President or two members of the Board may call special meetings of the Board as are deemed necessary or desirable and in the best interest of the Association.

Section 3. Notice of regular and any special meetings of the Board of Directors shall be given at least twenty-one (21) days previously thereto by written notice delivered personally or sent by mail to each Director at his address as shown in the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice for such meeting except for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. Neither business to be transacted nor other purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-laws.

Section 4. A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting Association business and the affirmative vote of a simple majority of the

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entire Board shall be necessary to pass any resolution or authorize any act of the Association unless a different voting required herein, in the Master Deed, its Exhibits and/or The Act. Absentee voting is permitted provided such Director register his vote in writing with the Secretary within twenty-four hours after the termination of such meeting.

Section 5. Any action required by law to be taken at any meeting of the Directors or any action which may be taken in a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by two thirds of the Directors.

Section 6. The Board of Directors shall annually on or before November 15 of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the common expenses of the Regime and such other expenses as are deemed necessary or appropriate expenses of the Regime. The Board of Directors shall thereafter on or before December 1 deliver (which delivery may be by mail) the budget for the up-coming year together with statement of the amount(s) due from each Co-Owner for that year and the date or dates upon which payment or payments are due to the Co-Owners. Thereafter, should any increase or decrease be determined appropriate by the Board of Directors in Assessments to be paid by Co-Owners, the Board shall notify all Co-Owners so affected at least thirty days prior to the time such Assessment so changed shall be due. The Association shall have a lien upon each Apartment together with the Common Elements and Common Surplus appurtenant thereto for payment of all Assessments not paid when due in the amount of such unpaid Assessments together with the interest thereon from the date due together with the cost of collection thereof including a reasonable attorney's fees. Such shall be collected and/or lien foreclosed upon in the manner provided for in the Master Deed and Exhibits thereto and/or in The Act.

ARTICLE X

Officers

Section 1. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by and from the Board. The Directors may appoint assistant treasurers and secretaries and such other officers as in their judgment may be necessary. No two offices (except for Assistants) may be held by the same person unless there be less directors than officers to be elected in which case one may hold more than one (1) office.

Section 2. The officers of the Association shall be elected annually by the Board of Directors immediately following the annual meeting of the Association and shall serve for the twelve month period next succeeding. New offices may be created and filed (sic) at any meeting of the Board of Directors. Each officer shall hold office until his successor shall be duly elected and shall qualify.

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Section 3. The President shall be the principal executive officer of the Association, shall preside at all meetings of the Board and all meetings of the membership, shall appoint committees and shall have general charge of and shall control the affairs of the Association according to such rules and regulations as the Board shall determine.

Section 4. There shall be a Vice-President who shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President. The Vice-President shall also be chairman of the Operations Committee.

Section 5. There shall be a Secretary who shall record and keep possession of the minutes of the meetings of the Board and meetings of the Council and who shall perform or have performed the correspondence of the Board and shall have such further duties as may be assigned to the Secretary by the Board.

Section 6. There shall be a Treasurer who shall keep the funds of the Regime and shall disburse them to meet the ordinary and usual expenses of the Regime and for other purposes as required by the Master Deed, The Act and/or upon order of the Board of Directors after such disbursal order has been entered in the minutes of the Board at a duly constituted meeting and shall have such other duties as may be assigned to him. He shall render a financial report to each regular meeting of the Board and to the Annual Meeting of the Association.

Section 7. If required by the Board of Directors, the assistant treasurer, if any, shall be bonded at the expense of the Association. The assistant treasurers and the assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors upon a two-thirds majority vote whenever in its judgement the best interests of the Association will be served thereby, but such removal shall be without prejudice of the contract rights, if any, of the officers so removed.

Section 8. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE XI

Meetings

Section 1. There shall be an Annual Meeting of the Association held during the first quarter of the calendar year and at a time and place designated by the President. Notice of the annual meeting shall be given to all Unit Owners by mail at least twenty days prior to the date of the meeting.

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Section 2. Special meetings of the Association may be called by the Board. Also, upon request of voting members totaling 50 percent of the total votes of the Association in writing made to the Secretary stating the purpose therefor, a special meeting shall be called by the Secretary of the Association to be held within forty days thereafter. Special meetings of the Association may be held at the call of the President upon five days notice by mail to all members. Such notice shall state the purpose for which the special meeting is called and no other business shall be transacted at said meeting.

Section 3. Voting members holding fifty-one percent of the total votes of the Association must be present personally or by proxy to constitute a quorum at all Annual and Special meetings of the Association. Should voting members holding fifty-one percent of the vote not be present or constitute a quorum at an Annual Meeting of the membership, a special Board meeting may be called by the President or the Secretary and by action of two-thirds of the entire membership of the Board of Directors a quorum may be declared provided there are voting members holding at least one third (1/3) of the total outstanding votes of the Association present and that the business to be conducted at such meeting does not require that a greater number of voting members be present.

Section 4. Any action required by law to be taken at a meeting of the Association or any action which may be taken in a meeting of the Association may be taken without a meeting if a consent in writing, getting forth the action so taken, shall be signed by voting members holding not less than 67 percent of the entire votes entitled to vote on the subject matter thereof and further provided the same is not otherwise prevented by these By-Laws, the Master Deed or The Act.

Section 5. When notice to Co-Owners is required, the mailing of such notice to the last known address of the Co-Owner in the Association's records shall constitute notice.

ARTICLE XII

Obligations of Co-Owners

Section 1. Each Co-Owner is obligated to pay all annual, monthly and special Assessments and charges levied or imposed by the Association and/or through its Board of Directors for such purposes as are enumerated in the Master Deed, in The Act and in these By-Laws. Such charges or Assessments so levied shall be paid on or before the date(s) affixed by resolution of the Board. Written notice of the change in any Assessment and the date the payment shall be paid shall be sent to each Co-Owner at the address given by such Co-Owner to the Secretary of the Association. All common Assessments shall be prorated dependent upon each Co-Owner's percentage of ownership in the Common Elements as is determined and set forth in the Master Deed and the Exhibits thereto. Such Assessments shall include monthly payments to a general

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operating reserve in a reserve fund for replacements and all other things as required or set forth in Master Deed, The Act and/or these By-laws.

Section 2. The amount of Assessment levied shall be paid on or before the date due. If not so paid, the amount of such Assessment plus any other charges thereon including a late payment charge of 10 percent of the payment due or \$10.00, wherever is greater, but in no event more than the maximum limit allowed by law and costs of collection, including attorney's fees unless prohibited by Law, shall constitute and become a lien on the Co-Owner's Apartment and share of the Common Elements and Common Surplus appurtenant thereto. Such lien rights shall be as provided for and in accordance with the terms and provisions of the Master Deed and The Act. The notice of Assessment which shall state the amount of such Assessment and such other charges and give the number of the Apartment which has been assessed shall be mailed to the Co-Owner thereof. Upon payment of such said Assessments and charges or other satisfaction thereof, if notice of a lien has been recorded, the Board shall, within a reasonable time, cause to be recorded a notice stating the satisfaction of said lien. The priority of the lien hereinabove set shall be as provided in the Master Deed and/or The Act.

Section 3. The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Association in like manner as a mortgage and in accordance with the provisions of the Act and in such event, the Association may be a bidder at the foreclosure sale. The Association through its Board or any duly authorized agent or designee may file notice of and foreclose such lien and also pursue any other remedy against any Co-owner owing money which is available by law or in equity for the collection of debt.

Section 4. Upon request and payment as provided in the Act, the Board shall within the time set by the Act furnish a statement certifying that all Assessments then due have been paid or indicating the amount then due.

Section 5. The Association through it (sic) Board shall suspend any Co-Owner not paying Assessments when due and such Co-owner and any lessee, guest or invitee or other person planning to occupy that Co-Owner's Apartment by reason of permission of that Co-Owner or use the facilities of the Regime shall be refused entrance into the Regime and use of the facilities thereof until all Assessments and penalties to which such Co-Owner is subject have been paid.

Section 6. Each and every Co-Owner shall perform promptly all maintenance and repair work required of individual Co-Owners by the Master Deed, The Act or these By-Laws or which is within his own Apartment which, if omitted, would affect the Regime in its entirety or in a part belonging to some other Unit Owners(s). The Association shall be responsible for all maintenance and repair work required of the Association in the Master Deed, these By-Laws and/or The Act.

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A Co-Owner shall reimburse the Association if there be any expenditures incurred in repairing and/or replacing any Common Elements or facilities damaged by such Co-owner, his family, guests, invitees or lessees.

Section 7. Each Apartment, other than any Apartment owned by Declarant or specifically designated as a Commercial Unit shall be utilized for residential purposes only, provided, however, such shall not prevent rent or lease of his Apartment by a Co-Owner to a lessee or renter to use for residential purposes.

Section 8. No Co-Owner shall make any structural modifications or alterations in his apartment or upon any Common Elements without the approval of the Association through the Board of Directors.

Section 9. No Co-Owner, his family, guests, invitees, or lessees shall place or cause to be placed in any common area or facilities any furniture, package(s) or object(s) of any kind. Such areas shall be used for no purpose other than normal transit through them and/or use of the facilities provided; provided, however, the provisions hereof shall not prevent the Co-Owner of a Commercial Unit from using portions of the Common Elements adjoining such Commercial Unit for uses normally attendant to such Commercial Unit, provided such does not unduly interfere with normal use of such Common Elements by other Co-Owners, their families, guests, invitees and lessees.

Section 10. Each Co-Owner shall and does hereby grant right of entry to the Board or its duly authorized agent in the case of any situation provided for in the Master Deed or the Act whether such Co-Owner is present at the time or not.

Section 11. No occupant of an Apartment shall post any advertisements or posters of any kind in or on the Regime property except as authorized by the Board or as is permitted in the Master Deed; provided, however, this provision shall not be applicable to Declarant or its assigns during the period it is managing, renting or selling units or prevent the owner of any Commercial Unit from displaying one or more signs (which must be architecturally and aesthetically harmonious with the appearance of the Property).

Section 12. Occupants of Apartments shall use extreme care about making noises or the use of musical instruments, radio, television and/or amplifiers that may disturb other occupants and, in the event, so notified by the Board or its duly authorized agent such occupant shall immediately cease and desist such activity.

It is prohibited to hang garments, rugs, etc. from the windows or from any sides or from any of the buildings or parts thereof.

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It is prohibited to dust rugs, etc. from the windows or to clean rugs, etc. by beating on the exterior part of any of the buildings.

It is prohibited to throw or place garbage or trash outside the disposal installation(s) provided for such purposes.

Section 13. No Co-Owner, occupant or lessee of an Apartment shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or roof of any building except as authorized by the Board.

Section 14. Nothing herein contained shall limit in any manner the power of the Association and/or Board to issue or promulgate such Rules and Regulations as are deemed necessary or desirable for the use, occupancy and enjoyment of the Regime by the Co-Owners and/or occupants thereof. Further, all obligations imposed by the Master Deed, its Exhibits and/or the Act are hereby incorporated by reference as further obligations as fully as if herein set forth.

Section 15. The Board of Directors shall have the right to enter into such agreements as it deems desirable to provide common services or to lease equipment for the use and enjoyment of the Co-Owners or any one or more Co-Owners. Such rights shall include but not be limited to the right to enter into lease and/or use and/or purchase agreements with third parties to provide recreational equipment and facilities and/or to install, sell and/or lease to the Regime an MATV system and/or cable television system and/or television sets and/or telephone systems and sets. Furthermore, Declarant, shall have the right to enter into such agreements on behalf of and for the Association, its Board and the Co-Owners which agreement(s) shall be binding upon the Association and each and every Co-Owner to the extent permitted by the Act.

ARTICLE XIII

Mortgages

Section 1. Any Co-Owner who mortgages his Apartment or any interest therein shall notify the Board of Directors of the name and address of his mortgagee and the Board shall maintain such information in a book entitled "Mortgagees of Condominium Units,"

Section 2. The Board shall, at the request of such mortgagee, report any unpaid Assessments due from the Co-Owner of such Unit so mortgaged.

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Section 3. Any and all Institutional Mortgagees shall have the rights and powers granted unto them by the Declaration and/or The Act and nothing herein contained shall supersede such rights and powers. In the event any right or duty or power herein delegated or granted unto the Association or Board by these By-Laws is given to an Institutional Mortgagee by reason of the Master Deed and/or The Act or should that Institutional Mortgagee by reason of the Master Deed and/or The Act have any voice in such decisions, then such Institutional Mortgagee is hereby given and granted such rights and powers and vote in such decisions as are thereby granted.

ARTICLE XIV

Rules and Regulations

The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issued as it may in its sole discretion determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any apartments, common areas of facilities contained within the Regime, subject, however, to such restrictions upon such as contained in the Master Deed, its Exhibits and The Act together with any Rules and Regulations issued thereunder. Such Rules and Regulations shall be binding upon and enforceable upon all Co-Owners, their families, guests, invitees and/or lessees, and all occupants of Apartments.

ARTICLE XV

Contracts, Checks, Deposits, Agreements and Funds

Section 1. The Board of Directors may authorize any officer or officers or agent or agents of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and/or the Co-Owners thereof. Such authority may be general or confined to specific instances.

Section 2. All checks, drafts or orders for the payment of notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by the resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer (or duly authorized assistant treasurer) and by the President (or Vice President).

Section 3. All funds of the Association and/or received by it from or on behalf of the Co-Owners shall be deposited from time to time to the credit of the Association at such banks, insurance companies, trust companies or other depository as the Board may select or as the circumstances

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and purposes of such deposits may require; provided, however, all payments of Common Expenses by Co-Owners shall be paid by the Co-Owners into a lock-box account which shall be owned by the Council and maintained in a federally insured bank, designated by unanimous vote of the Board and concurred in by the Institutional Mortgagee(s) (if any), described in Article X, Section 2 of the Master Deed. No payment shall be considered made until delivered into such lock-box.

Section 4. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any of the special purposes of the Association.

ARTICLE XVI

Certificates of Membership

Section 1. The Board shall provide for the issuance of certificates evidencing membership in the Association of each Co-Owner which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President and by the Secretary and shall be sealed with the seal of the Association, if any. All certificates shall be consecutively numbered. The name and address of each Co-Owner and the date of issuance of the certificates shall be entered on the records of the Association. If any certificate may become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may determine.

Section 2. Upon purchase of the Unit, a certificate of membership shall be issued in the name of the Co-Owner thereof and delivered to him by the Secretary. Such certificate shall be non-transferable and shall be immediately surrendered to the Board upon termination of ownership for any reason. Further, should such Co-owner fail to surrender such certificate upon termination of ownership such termination shall automatically terminate membership in the Association and such membership certificate shall become null and void.

Section 3. Any Co-Owner failing to pay Assessments when due may have his membership in the Association and his use of his Unit and the facilities of the Regime suspended by the Board. Any Co-Owner thus suspended shall immediately be notified in writing by the Secretary.

ARTICLE XVII

Books and Records

Section 1. The Association and the Board shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Association, of the Board and committees having any authority of the Board and/or the Association and shall keep at the registered office a record giving the names and addresses of the Co-Owners who are voting members.

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Section 2. For purposes of voting at all meetings of the Association, that person designated as Voting Member for a particular Apartment shall be conclusively so presumed to be the Voting Member therefor until the Secretary be notified of a change in the Voting Member. The name of the Voting Members entitled to vote at any meeting may not be changed at such meeting without the express permission of the Board. For purposes of this section, deposit of notice in the United States mail prepaid or personal delivery shall constitute delivery.

ARTICLE XVIII

Miscellaneous

Section 1. Each person elected and qualified as a Director or Officer shall be indemnified by the Association against expenses actually and necessarily incurred by and in connection with the defense by such person of any action, suit or proceeding in which he is made a party by reason of his being a Director or Officer except as to matter as to which he is adjudged to be liable for gross negligence or willful misconduct. The right of indemnification shall inure to each Director or Officer when such matter occurred during the time that such person was a Director or Officer even though such action takes place after such Director or Office has been succeeded in office by someone else. Such payment by the Association to the extent not paid by insurance shall be included as a part of the Common Expenses.

Section 2. Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.

Section 3. Robert's Rules of Order shall apply in any meeting of the Board or of the Association unless in conflict with the By-Laws, Master Deed or The Act in which case these By-Laws, the Master Deed and/or The Act shall control.

ARTICLE XIX

Compliance

These By-Laws are set forth to comply with the requirements of the Act. In case any of these By-Laws conflict with the provisions of The Act, the Provisions of The Act shall apply. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control.

*NOTE: This copy of the HHR By-Laws has been reformatted and converted to searchable form for convenience of use. Every effort has been made to preserve the exact text of the legally binding, official By-Laws. However, before using this version for dispute resolution, consult the actual, official, legal version.

ARTICLE XX

Amendments

These By-Laws may be amended by a vote of 67 percent of the total vote of the Regime, which represents 67 percent of the total value of the Submitted Property, unless some other or greater vote is required herein, in the Master Deed and/or in The Act. The percentages and vote set forth in the Master Deed and Exhibits thereto are based upon the value of each Apartment in relation to the entire Regime property.

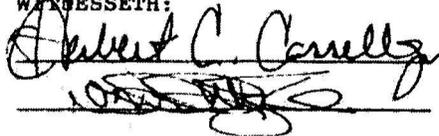
ARTICLE XXI

Dissolution

Termination of the Regime shall automatically dissolve this Association. It may also be dissolved in the manner provided by law. Upon dissolution those funds held by the Association for the Co-Owners shall be turned over to the Association's successor as governing entity of the Regime, or if the Regime be terminated, after payment of all debts and expenses, divided as provided according to the percentage ownership interests of the Co-Owners in the Common Elements and disbursed as provided in The Act and/or the Master Deed, provided, however, the residual of any property of any nature owned by the Association not held by it on behalf of the Co-Owners or any of them, shall, if appropriate, be turned over to one or more organizations which, themselves, are exempt from Federal Income Tax as organizations described in Sections 501 (e) (3) and 170 (c) of the Internal Revenue Code and from South Carolina Income Tax, or to the Federal, State or Local Government for exclusively public purposes.

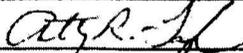
ratified as the By-Laws of HILTON HEAD RESORT™ FOUR SEASONS CENTRE™ HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS this 9th day of Nov., 1982.

WITNESSETH:



HILTON HEAD RESORT™ FOUR SEASONS CENTRE™ HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

BY:  (Seal)

ATTEST:  (Seal)
ASSOCIATION SECRETARY

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