

COTTAGE FARM PROPERTY OWNERS' ASSOCIATION

P.O. BOX 2223

BEAUFORT, S.C. 29902

BY LAWS



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COTTAGE FARM PROPERTY OWNERS ASSOCIATION

P.O. Box 2223
Beaufort, South Carolina
29901

By-Laws
Cottage Farm Property Owners Association, Inc.

Article I.

INTRODUCTION:

These By-Laws for the Cottage Farm Property Owners Association, Inc. become effective after the approval by the Members of the Association in a regular or special meeting.

1. DEFINITIONS:

- a. All terms that are not defined in this document are intended to have the same or similar meaning as in the Declaration of Protective Covenants for the Cottage Farm Property Owners Association, Inc. as amended.
- b. "DIRECTOR" shall refer to the three At Large Board Members and the Officers.
- c. "FISCAL YEAR" of the Association is the calendar year beginning January 1st and ending on December 31st.
- d. "JUST CAUSE" is defined as that behavior which brings discredit or embarrassment on the Office or Position held by a person on the Board of Directors or ACC. The definition also includes the failure to attend the periodic meetings of the Board of Directors or the ACC; or the failure to perform his/her duties in a satisfactory manner.
- e. "OFFICER" shall refer to the President, Vice President, Secretary and Treasurer of the Association.
- f. "QUORUM" is the minimum number of Members of the Association under parliamentary procedure necessary to conduct the business of the Association:
 - i. Annual Meeting: The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association, the presence at the meeting of Members or proxies constituting forty, 40% of the total vote of the Membership will constitute a quorum. If the required quorum is not at the meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at the second meeting will be the presence of Members or proxies constituting twenty-five 25% of the total vote of the Membership of the Association. In the event the required quorum is not available at the second meeting, a third meeting may be called subject to the giving of proper notice and there will be no quorum requirement for the third meeting.
 - ii. Meeting of the Board of Directors or ACC: At all meetings of the Board of Directors or ACC, a majority of the members of the Board of Directors or ACC constitutes a quorum for the transaction of business, and the acts of the majority of the members of the Board of Directors or ACC present at meetings with a quorum are the acts of the total membership of the Board of Directors or ACC. If at any meeting there is less than a quorum present, the majority of those present may adjourn the meeting. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The agreement of a Director or ACC member in the action of a meeting by signing and concurring in the minutes will constitute the presence of the Director or ACC member for the purpose of determining a quorum.
- g. "REFERENDUM" is a direct vote where the entire membership of the Association is asked to either accept or reject a particular proposal.
- h. "PROXY" At all meetings of the Association, a Member may vote in person or by proxy executed in writing and signed by the Member or by his or her duly authorized attorney in fact. Such proxy must be filed with the Secretary of the Association before or at the time of the meeting for which the proxy is used. Proxies must be dated and may be revoked only by written notice delivered to the Association. Presence in person at the meeting for which a proxy is given or transfer of ownership in a lot shall automatically revoke the proxy. No proxy is valid after eleven months from the date of its execution, unless otherwise provided in the proxy.
- i. "TIMELY MANNER" when used herein shall require a turnaround time which is reasonable and in most cases as short as possible but should not be any longer than is necessary to examine the action and formulate a written response consistent with the Covenants and these By-Laws. Except for extenuating circumstances, the time period should not exceed two weeks at each stage of the action undertaken by the Board of Directors or Architectural Control Committee.

Article II.

MEMBERSHIP AND VOTING PROVISIONS

1. Every Owner is a Member of the Association. In the case of multiple ownerships by persons not members of the same family of any residential lot or dwelling unit in Cottage Farm, there is a maximum of one Member; the name of the Owner designated as Member will be submitted to the Association in writing not later than the first day of January of each year. Only the designated Member will be entitled to access to the Association facilities as a member of the Association. Remaining Owners will be entitled to access only in accordance with any rules and regulations established by the Association for guests. If no designation of a Member is made by the multiple Owners, all such Owners are required to pay any user fees established by the Association prior to the use of any Association facilities. Multiple owners within the same family shall be considered as a single owner with voting rights as established below.
2. The voting rights of any Owner may be assigned by the Owner to a lessee who has entered into a lease; provided, however, that the Owner may not assign to the lessee any vote or votes which are not attributable to the Property leased by the lessee.
3. Members are assigned the rights and privileges of participation in the business and concerns of the Association and the Association properties, and any and all of the benefits that arise from these. However, only Members who are current with Annual, Specific and any Special Assessments so designated by the Association will be permitted to vote in any Association vote or special referendum. Further, members not current with payment of Annual, Specific and Special Assessments will not be entitled to member-use of the Association facilities and Common Areas.
4. For the election of Association Directors, every Member is entitled to the number of votes based on his ownership of one or more lots.
5. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing. Proxies are not required for an action which is subject to a referendum; in this case, the votes of all the Members polled will be by specially provided ballots mailed to the Association.
6. The Members have the power to approve or reject certain actions proposed to be taken by the Association by means of a "**REFERENDUM**". Such actions may include, but not be limited to, the levy by the Association of any special assessment and the addition or deletion of functions or services which the Association is authorized to perform. If more than fifty percent of the votes actually returned to the Secretary of the Association within the specified time are in favor of the action, the referendum is considered to "pass" and the action voted upon authorized by the Members. If a higher percentage vote required to "pass" is specifically expressed in the Declaration or the By Laws that higher percentage will control for that instance. The Board of Directors may not undertake any actions requiring a referendum without complying with the applicable provisions. In the event of a dispute as to whether a referendum is required, the following action may be taken: Within 30 days of the adoption by the Directors of any action which is, in the opinion of the Members, subject to a referendum, a petition signed by not less than twenty-five percent of the Members may be filed with the Secretary of the Association requesting that the action be repealed or submitted to a vote of the Members.

Article III.

MEETING OF MEMBERSHIP

1. All meetings of the Association Membership will be held at a place and time designated by the Board of Directors of the Association and stated in the Notice of meeting. All meetings are open to all Owners, and to be conducted in accordance with Robert's Rules of Order.
2. At least 15 but not more than 40 days before every meeting of the Association or election of Directors, the President will ensure that a complete list of the Members of the Association is prepared.
3. Written notice of each meeting of the Members will be given by the Secretary or person authorized to call the meeting. Notice will be given by mailing a copy of the notice at least 14 but not more than 30 days before a meeting to each Member entitled to vote, to the last known address of the person who is on record with the Association on the first day of the calendar month in which the notice is mailed. Notice to the owner on record with the Association for a group of co-owners of a residential lot will constitute notice to all co-owners. It is the obligation of every Member to immediately notify the Association in writing of any change of address, telephone number or email address, as applicable. Any person who becomes an Owner and Member following the first day

in the calendar month in which a notice is mailed is considered to have been given notice if notice was given to the previous Owners. The meeting notice will specify the place, day, hour and purpose of the meeting.

4. The annual meeting will be held in the month of September of each year (date to be established by Board of Directors) with prior notice to each Member. At the annual meeting, the Members will elect new officers, at-large members of the Board of Directors, and members of the Architectural Control Committee by plurality vote in accordance with Articles IV and V of these By-Laws, approve the budget for the following year and may transact any other business properly brought before the Meeting.
5. Special meetings of the Members for any purpose may be called by the President of the Association and will be called by the President or Secretary of the Association in response to the written request of Members constituting 25 percent or more of the total votes in the Membership. Business transacted at all such meetings will be confined to the subjects stated in the Notice of the Special Meeting.

Article IV.
OFFICERS, DIRECTORS & ACC MEMBERS

1. All Directors and ACC Members must be members of the Association. No more than one Director or ACC Member may be elected from any single household.
2. Directors and ACC Members will be elected at the annual meeting for a one year term, and may be re-elected to no more than two consecutive terms in that office.
3. Directors and ACC Members may seek another office either as a Board Member or ACC member and serve for an additional two years.
4. Except for the position of Immediate Past President, no person shall serve more than four (4) consecutive years of combined service on the Board of Directors or Architectural Control Committee.
5. Directors' and ACC Members' terms will run concurrently with the fiscal year. Newly elected Directors and ACC Members will participate in the fourth quarter Board meetings to provide continuity prior to assuming their duties in January of the following year.
6. Any Director or ACC Member may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. Any Director or ACC member may be removed from the Board of Directors or ACC for just cause by a 2/3 vote at a combined meeting of the Board of Directors and ACC. A successor may then and there be appointed by a majority vote of the Board of Directors and ACC to fill a vacancy thus created.
7. If the position of any Director or ACC Member becomes vacant by reason of death, resignation, retirement, disqualification, removal from office by the membership or relocation, a majority of the remaining members of the Board of Directors, though less than a quorum, may choose a successor at any regular or special meeting of the Board of Directors.
8. Any Director or ACC Member may resign at any time by sending a written notice of resignation to the Secretary or President of the Association. Unless otherwise specified in the notice, the resignation will take effect upon receipt by the Secretary. The transfer of title of the lot or dwelling unit from which membership in the Association is derived will automatically constitute a resignation, effective when the resignation is accepted by the Board of Directors. No Director or ACC Member may continue to serve on the Board of Directors or ACC should he be more than 30 days delinquent in the payment of any assessment against his/her lot; such delinquency will automatically constitute a resignation, effective when the resignation is accepted by the Board of Directors.
9. Officers, Directors and ACC members shall have their annual assessment waived in an amount as follows:
 - a. Officers 100% annual assessment in the year of office,
 - b. Directors At Large & ACC Members 50% of the annual assessment in the year of office,
 - c. ACC Chairperson 100% of the annual assessment in the year of office.
10. Directors or ACC Members who leave their office for any reason will have their assessment waived on a pro rated basis and will be expected to reimburse the Association for any assessment received to which he/she is not entitled.

11. Directors and ACC Members shall be reimbursed for actual expenses incurred in the performance of his or her duties provided a signed and dated receipt is submitted as a request for payment.
12. All committees receive their authority from the Board of Directors.

Article V.

NOMINATION AND ELECTION OF DIRECTORS AND ACC MEMBERS

1. Nomination of the members of the Board of Directors and ACC may be made by a Nominating Committee. Nominations may also be made by a petition of not less than ten members in good standing submitting such nomination in writing to any Director at least twenty-four hours prior to the date and time set for the annual meeting. During the annual meeting at the appropriate time, nominations may be taken from the floor. Makeup of the Nominating Committee will be determined by the Board of Directors.
2. A Nominating Committee may be appointed by the Board of Directors. The Nominating Committee may make as many nominations for the election of DIRECTORS and ACC Members as it determines, but not less than the number of vacancies that are to be filled. Nominations may be made only from among MEMBERS and will be made in accordance with the restrictions on terms of office and other restrictions delineated within these By-Laws.
3. At the election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these By-Laws. The persons receiving the largest number of votes are elected.

Article VI.

OFFICERS AND THEIR DUTIES

1. The Board of Directors may appoint Assistant Secretaries and Assistant Treasurers and such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board of Directors determines.
2. No person will simultaneously hold more than one office except in the case of the Director who is Chairperson of the ACC and appointive offices or positions created by the Board of Directors.
3. **PRESIDENT:**
 - a. The PRESIDENT is the chief executive officer of the Association, who presides at all meetings of the Association and of the Board of Directors, and sees that orders and resolutions of the Association and Board of Directors are carried out. The PRESIDENT has executive powers and general supervision over the affairs of the Association and other officers.
 - b. The PRESIDENT will sign all leases, mortgages, deeds, contracts and other written instruments and will co-sign promissory notes.
 - c. The PRESIDENT will maintain co-signature authority for the Association's checking account. He will perform all the duties incident to his office or which may be delegated to him from time to time by the Board of Directors.
 - d. The PRESIDENT will establish committees as needed to do the work of the Association, and will, with the concurrence of the Board of Directors, appoint MEMBERS to serve on these committees. (The Nominating Committee is the responsibility of the Board of Directors as detailed in Section V.)
 - e. The PRESIDENT may serve in the position of Immediate Past President while holding the office of Board Member At Large for no more than one year following expiration of his/her term as President.
 - f. The President will ensure that an accurate and up to date list of property owners is maintained for the Association, which records may be maintained in an electronic or virtual format and shared among the President, and other Officers of the Association and the Chairperson of the ACC.
 - g. The President will further ensure that all such electronic or virtual data is safeguarded at all times so that no personal data pertaining to the property owners is released or made available to persons not authorized under the By-Laws. All such data remains the property of the Association which shall not be released without prior authorization.

4. **VICE PRESIDENT:**

The VICE PRESIDENT acts in the place and stead of the PRESIDENT in the event of his absence, inability or refusal to act, and will exercise and discharge such other duties as may be required of him from time to time by the Association and Board of Directors.

5. **SECRETARY:**

- a. The SECRETARY issues notices of all Association and Board of Director's meetings, and attends and keeps the minutes of these same meetings.
- b. The SECRETARY shall maintain, as described in these By-Laws, lists of Association Members as directed by the President.
- c. The SECRETARY will have charge of all of the Association's books, records and papers, except those kept by the Treasurer. An Assistant Secretary may be selected by the Board of Directors to perform the duties of the SECRETARY when the SECRETARY is absent.

6. **TREASURER:**

- a. The TREASURER will have custody of the Association's funds and securities, except the funds payable to any management firm, and will keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and will deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Finance Committee and/or Board of Directors;
- b. The TREASURER shall maintain, as described in these By-Laws, lists of Association Members as directed by the President.
- c. The TREASURER will disburse the funds of the Association, making proper vouchers for such disbursements. He will provide to the PRESIDENT and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all transactions and the financial condition of the Association;
- d. The TREASURER will collect the assessments and maintenance fees and promptly report the status of collections and delinquencies to the Finance Committee and Board of Directors;
- e. The TREASURER will assist as required in the completion of an audit of the Association every three years to be completed in a timely fashion by a certified public accountant selected by the Finance Committee in concurrence with the Board of Directors; the results of such audit will be reported to the Finance Committee and the Board of Directors;
- f. The TREASURER will provide information as required to assist those persons designated by the Finance Committee and/or Board of Directors to assist in the preparation of an annual budget for consideration and ultimate approval by the Board of Directors. The Board of Directors may select an Assistant Treasurer to perform the duties of the TREASURER when the TREASURER is absent, or the duties of the TREASURER may be fulfilled by a management firm employed by the Association. In this event, the management firm will have custody of the books of the Association as it determines is necessary for the performance of treasurer duties, and may include any books required to be kept by the SECRETARY of the Association.

Article VII.

POWER AND DUTIES OF THE BOARD OF DIRECTORS

1. The Board of Directors of the Association has the powers and duties necessary for the guidance of the affairs of the Association, and may do all acts and things as are required to administer the affairs of the Association, subject to the subsequent approval of the Association as expressed in a regular or special meeting of the Association by ballot or voice vote.
2. These powers and duties will include the expenditure of Association funds for the purposes of fulfilling the Association responsibilities in maintaining common areas and facilities. Prior approval of the Association is required for commitment of Association properties or future assets as described in Item 3 s of this Article.
3. These powers and duties specifically include, but are not limited to the following:
 - a. to exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the MEMBERSHIP by other provisions of these BY-LAWS or DECLARATION (Covenants);
 - b. to adopt and publish rules and regulations governing the use of the Common Properties and facilities of the Association, and the personal conduct of the MEMBERS and their guests thereon, and to establish penalties for infractions;
 - c. to suspend voting rights and right to use of the facilities of a MEMBER during any period in which the MEMBER is in default in the payment of any assessment levied by the Association. These rights may

- also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- d. to declare the office of a member of the Board of Directors to be vacant in the event such member is absent from consecutive regular meetings of the Board of Directors;
 - e. to employ a manager, an independent contractor, or such other employees as deemed necessary, and to prescribe their duties;
 - f. to secure as required OFFICERS and DIRECTORS Liability Insurance covering the OFFICERS, DIRECTORS and ACC Members of the Association at the expense of the Association;
 - g. with the specific prior concurrence and approval of a majority vote of the Association members in a regular or special meeting of the Association, to borrow money to meet the financial needs of the Association, to mortgage the property of the Association and to pledge the revenues of the Association as a security for loans made to the Association, provided that the proceeds of those loans are used by the Association in performing its authorized functions;
 - h. to have a complete record of all acts of the Board of Directors and Association corporate affairs and to present an accounting to the members at the annual Association meeting, or at any special meeting when such a statement is requested in writing by one-fourth of the MEMBERSHIP;
 - i. to oversee the activities of all agents and employees of this Association to include committees, and to insure that their duties are properly performed;
 - j. to fix the amount of the annual assessment;
 - k. to send written notice of each assessment to every OWNER prior to the first day of the succeeding fiscal year;
 - l. to enforce the lien rights against any property for which assessments are not paid within 30 days after due date, or to bring an action at law against the OWNER obligated to pay the assessment;
 - m. to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If the certificate states that an assessment has been paid, such certificate will be conclusive evidence of such payment;
 - n. to procure and maintain adequate liability and hazard insurance on property owned by the Association in the form and amount established by the Finance Committee with the concurrence of the Board of Directors;
 - o. to cause all officers or employees of the Association having fiscal responsibilities to be bonded as may be required by the Association, with fidelity bonds in the form and amount required by the Association; the premium on these bonds will be paid by the Association;
 - p. to cause the Common Areas and facilities of the Association to be adequately maintained;
 - q. to review and amend as appropriate the proposed annual budget as prepared by the Treasurer; and further to ensure that any audits and necessary tax reports are prepared in a timely fashion;
 - r. may establish and staff the Nominating and Finance Committees;
 - s. to authorize the use of Association monies for non-budgeted expenditures (items not specifically included in the annual budget approved by the Association) in amounts up to three-thousand-five-hundred dollars (\$3,500.00) for each specific use or need. Expenditures in excess of this amount will require specific pre-approval by the Association Members in a special or regular meeting, in a referendum or in a poll of Association MEMBERS formally conducted by the Board of Directors or its designees.
 - t. to remove a Board Member or ACC Member for Just Cause.
 - u. to appoint a Director to serve as the Chairperson of the ACC.

Article VIII.

MEETING AND LIABILITY OF DIRECTORS

1. Regular meetings of the Board of Directors will be held at the Board's discretion, at a time and place fixed from time to time by resolution of the Board. The Board of Directors may opt to schedule more frequent regular meetings based on the needs of the Association. Notice of such regular meetings will be given to each DIRECTOR personally, by email, by mail, or telephone at least five days prior to the meeting. All meetings of the Board of Directors, including special meetings in accordance with paragraph 2 below, will be open to all MEMBERS.
2. Special meetings of the Board of Directors will be held when called by the PRESIDENT of the Association, or by any two members of the Board of Directors, after not less than five days written notice to all members of the Board of Directors of the time, place and purpose of such meeting.
3. The DIRECTORS have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved will have the same effect as though taken at a meeting of the DIRECTORS.

4. Association Members serving on the Board of Directors are not liable to the Owners or the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith.
5. The Association will indemnify and hold harmless each Director individually against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association, unless such a contract is made in bad faith or contrary to the provisions of these By-Laws.
6. It is intended that the members of the Board of Directors will have no personal liability with respect to any contract made by them on behalf of the Association other than as MEMBERS of the Association.
7. Every agreement made by the Board of Directors, or by any managing agent, or by any management firm, as the case may be, is made in the capacity only as an agent for the members and will have no personal liability (except as MEMBERS). Moreover, each MEMBER's liability will be limited to such proportion of the total liability as his interest in the Common Properties bears to the interest of all MEMBERS in the Common Properties.

Article IX.
COMMITTEES

1. The PRESIDENT will establish committees as needed to do the work of the Association, and will, with the concurrence of the Board of Directors, appoint MEMBERS to serve on these committees. The President may not appoint members to serve on the ACC.
2. Nominating Committee:
The Nominating Committee is appointed and its members selected by the Board of Directors.
3. Finance Committee:
The Finance Committee will act as an extension of the Board of Directors and provide to the Board of Directors guidance and counsel in financial matters of the Association.
4. Architectural Control Committee:
The Architectural Control Committee has its foundation in Article II of the Protective Covenants; and the following criteria will apply to the day to day operation of the ACC:
 - a. Purpose: The purpose of this procedure is to ensure the CFPOA Board of Directors and Architectural Control Committee carry out their responsibilities in an effective, fair and consistent manner.
 - b. Composition: An Architectural Control Committee, hereinafter called the "ACC", has been established, its members elected annually by the membership, to exercise such jurisdiction and functions with respect to all lots in Cottage Farm or as may be delegated to it under the Protective Covenants and By-Laws of the Association and such as may now or hereafter by amendment be additionally bestowed upon it by terms of this Declaration. The ACC shall consist of a Chairperson, who shall also be a member of the Board of Directors, and 4 other property owners.
 - c. ACC Positions:
 - i. Chairperson, appointed annually by his/her fellow Board Members, is responsible for the day to day operation of the ACC including but not limited to the following:
 - a) Attends monthly CFPOA Board Meetings to appraise the Board of ACC activities or ensures another member of the ACC performs this function in his/her absence.
 - b) Presides over the monthly or periodic meetings of the ACC.
 - c) Ensures records of all transactions of the ACC are maintained.
 - d) Ensures that all transactions between property owners and the ACC are recorded in writing with a written response, i.e., approval, disapproval or request for modification of request is responded to in a timely manner. A copy shall also be provided to the President, CFPOA for his/her perusal.
 - e) Ensures that a member of the ACC or volunteer property owner performs the duties of a Greeter who meets new residents and provides them with a package which will include a copy of the Protective Covenants, By-Laws, Directory and Rules and Regulations. In those instances where the new property owner can obtain the above mentioned documents via the Cottage Farm website, <http://www.cottagefarm.org>, the Greeter need not provide a hard copy of these documents. The Greeter shall obtain the complete name, address, phone number and email address of the property owner and

provide same to the Chairperson for transmission to the President, CFPOA for entry into the Cottage Farm Directory.

- ii. Vice Chairperson:
 - a) Serves as Chairperson in the absence of the Chairperson,
 - b) Assists the Chairperson with the day to day operation of the ACC,
 - c) Attends CFPOA Board Meetings in the absence of the Chairperson. When performing this function, the Vice Chairperson will have the authority to vote, as a Member of the CFPOA Board of Directors and will be counted for the purpose of establishing a quorum.
- iii. ACC Member:

Attends periodic meetings of the ACC, offering his/her opinion on submitted plans or requests of property owners, basing his/her decision on the criteria established under the Protective Covenants and the By-Laws; and attends CFPOA Board Meetings in the absence of the Chairperson or Vice Chairperson. When performing this function, the Member will have the authority to vote as a Member of the CFPOA Board of Directors and will be counted for the purposes of establishing a quorum.
- d. Schedule of Meetings for the ACC:
 - i. The ACC will hold meeting on an "as needed basis" at a time and location specified by the Chairperson.
 - ii. The meeting site will rotate among the ACC members and can be determined by contacting the ACC Chairperson.
- e. Submission of Plans:
 - i. Submission of one complete set of building plans shall be made by the prospective homeowner or through his/her builder/contractor.
 - ii. New Construction & Modifications to Existing Structures:
 - a) Plans and specifications submitted to the ACC shall consist of not less than the following: Foundation plans, section details, elevation drawing of all exterior walls, roof plans, material specifications including roof and siding materials with exterior colors and trim, landscaping plans and Registered Land Surveyor-prepared site plans showing locations and orientations of buildings on the lot, with all setbacks indicated, in such detail as may be required by the ACC in its sole discretion. Plans and specifications shall show driveways, service courts or areas, parking or other buildings, improvements or facilities to be constructed. Neither the main residential building nor accessory buildings may be constructed on any lots without the full and active supervision of a S.C. licensed architect or building contractor. In order to obtain approval for the clearing of a building site, the owner must stake on the lot the proposed location of the planned improvements for inspection by the ACC and submit a tree survey, or "tree topography," prepared by a Registered Land Surveyor including the exact proposed location of the improvements.
 - b) Any plans which are changed at the request of the City of Beaufort Codes Department shall be re-submitted to the ACC for subsequent approval.
 - c) Minor alterations i.e., a deck or landscape design may involve nothing more than a simple sketch.
 - d) The plans shall be reviewed by the entire ACC to determine the suitability of the design and to ensure that it conforms to the general building design, color scheme, and building materials of the Cottage Farm Subdivision as listed in the Protective Covenants.
 - e) The chairperson shall ensure that the homeowner/builder is notified in writing and in a timely manner of the determination made by the ACC.
 - f) Specific objections to the proposed plan shall be enumerated so as to allow the builder/homeowner an opportunity to modify the plan(s) for re-submission to the ACC.
 - g) Re-submitted plans shall be reviewed in a timely manner by the ACC to determine whether the modified plan(s) now meet ACC approval.
 - h) This process shall be repeated as many times as necessary so as to bring the proposed construction within the guidelines established in the Protective Covenants.
- f. Post Construction Inspection:
 - i. Prior to the final building inspection by municipal or county building officials, the ACC shall make a site inspection to determine if the proposed construction has been accomplished in a manner previously approved by the ACC.
 - ii. In the event the ACC is satisfied with the construction, the submitted plans shall be returned to the property owner or his builder/contractor.
 - iii. In those situations where the ACC is not satisfied that the construction was performed in accordance with their previous approval, the Chairperson shall provide a written list of the specific deviations from the approved building plans to the homeowner or his builder/contractor and to the President, CFPOA Board of Directors.

- iv. Prior to occupying the structure, the homeowner shall ensure that the listed discrepancies are brought into compliance and a re-inspection is performed by the ACC.
- v. Upon final approval by the ACC, the building plans shall be returned to the homeowner.
- g. Right of Appeal to the CFPOA Board of Directors:
 - i. In those situations where after due diligence has been exercised between the ACC and the property owner; the property owner shall petition the Board of Directors in writing for review of the contested issue(s).
 - ii. The Board of Directors shall base their decision on the information provided in the Protective Covenants and past practice with approval of plans within the Cottage Farm Subdivision.
 - iii. The intent of the CFPOA Board of Directors is to schedule the appeal before the entire Board; however, the appeal may proceed with a Quorum as established in these By-Laws.
 - iv. The decision of the Board of Directors shall be final and determined by a simple majority vote.

Article X.
COVENANT VIOLATIONS

1. Remedial action involving alleged infractions of the Protective Covenants is the responsibility of the CFPOA Board of Directors.
2. Any property owner in good standing, i.e., who is not in arrears with dues and or assessment payments, may voice his/her concern to the Board of Directors about an alleged violation of the Protective Covenants by:
 - a. Submitting correspondence to the attention of the CFPOA President describing the alleged conduct, structure or situation which is believed to be contrary to the Protective Covenants or the By-Laws;
 - b. Describe the violation and the applicable section of the Protective Covenants or By-Laws which is believed to cover the situation; and
 - c. Propose a solution or course of action which is desired by the aggrieved property owner.
 - d. The letter of complaint will be reviewed by the President and scheduled as an agenda item for the next regularly scheduled Board Meeting.
 - e. Prior to the board meeting, the President and another member of the Board shall investigate the circumstances of the infraction and determine if a possible violation of the Protective Covenants has occurred.
 - f. No further action will follow in those situations where in the judgment of the reviewing members no violation of the Protective Covenants has been observed or substantiated.
 - g. After due consideration of the alleged infraction, the Board shall determine whatever action is necessary to resolve the matter.
 - h. The determination of the Board shall be final and binding upon all parties.
 - i. The Board will provide a copy of their decision to the involved parties.

Article XI.
BOOKS AND RECORDS

The books, records and papers of the Association are at all times, during reasonable hours, subject to inspection by any MEMBER. The By-Laws of the Association will be available for inspection by any MEMBER from the SECRETARY of the Association or by visiting the Cottage Farm Website, <http://www.cottagefarm.org>.

Article XII.
ASSESSMENTS

1. As specified in the DECLARATION, each member is obligated to pay to the Association Annual, Specific and Special Assessments. Such assessments are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due are delinquent.
2. The total Annual Assessment is due no later than 31 January of each year. Although the total Annual Assessment is due no later than 31 January, a MEMBER may choose to pay the Annual Assessment in two payments; the first half is due no later than 31 January and the second half is due no later than 30 June.
3. If at least one half of the Annual Assessment is not paid within 30 days from 31 January, the entire Annual Assessment will be subject to a late charge of 10 percent of the delinquent payment amount per month from the due date until paid, or any other amount as set by the Board of Directors. Example: three months late charge = \$288.00 + 10% \$28.80 + 10% \$28.80 + 10% \$28.80 = \$374.40. Computation reflects an Annual Assessment at \$288.00/year.

4. If at least one-half of the Annual Assessment has been paid but the total assessment is not paid within 30 days from 30 June, the amount of the unpaid Annual Assessment will be subject to a late charge of 10 percent of the delinquent payment amount per month from the due date until paid, or any other amount as set by the Board of Directors. Example: three months late charge = \$144.00 + \$14.40 + \$14.40 + \$14.40 = \$187.20. Computation reflects ½ of an Annual Assessment of \$288.00 or \$144.00.
5. The Association may bring an action at law against the owner personally obligated to pay any assessment, or may foreclose the lien against the property. Interest, costs of collection, and attorney's fees of any such action may be added to the amount of such assessment. No owner may waive or otherwise escape liability for any assessments provided for herein by non-use of the Common Properties or abandonment of his property by which he is entitled to Membership.

Article XIII.
INDEMNIFICATION

The Association and OWNERS will indemnify every DIRECTOR and ACC Member against all losses, costs and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a DIRECTOR or ACC Member of the Association, except for matters where he is finally adjudged in any action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights are in addition to and not exclusive of all other rights to which a DIRECTOR or ACC Member may be entitled.

Article XIV.
SEVERABILITY CLAUSE

The invalidation of any one or other paragraphs or portions of these By-Laws by judgment or decree of a court of competent jurisdiction shall in no way affect any of the other provisions, which shall remain in force and effect.

Article XV.
AMMENDMENTS

These By-Laws may be amended at a regular or special meeting of the Association by majority vote at a duly called meeting at which a Quorum exists. In the case of any conflict between the DECLARATION and these By-Laws, the DECLARATION will control.

**AMENDMENT & RE - FILING
OFFICE OF REGISTER OF RECORDER OF DEEDS
BEAUFORT COUNTY, SOUTH CAROLINA**

I, Arthur J. Markle, 2010 CFPOA President, do hereby certify these By-Laws were duly amended by the membership at the Annual Meeting on September 20, 2010 and further, that a copy of the CFPOA By-Laws as amended and indicated herein were duly filed with the Register of Deeds for Beaufort County, South Carolina.

Arthur J. Markle, President

Witness

Witness

Date

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

PERSONALLY appeared before me _____ and made an oath that he/she witnessed the within named _____ sign, seal, and as his act and deed, deliver the within written document and that he/she with _____ witnessed the execution thereof.

Witness

Witness

SWORN to before me, this _____ day of _____, 2010.

Notary Public of South Carolina

My Commission Expires: _____