

EXHIBIT CBYLAWS OF WILD DUNES YACHT HARBOR
COUNCIL OF CO-OWNERS, INC.ARTICLE I
INTRODUCTION

Section 1.1. Introduction. These are the Bylaws of the WILD DUNES YACHT HARBOR COUNCIL OF CO-OWNERS, INC., a South Carolina non-profit corporation, (hereinafter referred to as the "Council of Co-Owners"). Terms which are defined in the Master Deed of WILD DUNES YACHT HARBOR HORIZONTAL PROPERTY REGIME are used herein as therein defined.

ARTICLE II
BOARD OF DIRECTORSSection 2.1. Number and Qualification.

(a) The affairs of the Condominium and the Council of Co-Owners shall be governed by a Board of Directors consisting of no less than three (3) persons and no more than nine (9) persons, all of whom, excepting the members of the Board of Directors elected by the Declarant, shall be Co-Owners. Should any Unit be owned by a partnership or corporation, in a fiduciary capacity or otherwise, any officer or employee of such owner shall be eligible to serve as a Director. At any meeting at which Directors are to be elected, the Co-Owners may, by resolution, adopt specific procedures for conducting such elections, not inconsistent with these Bylaws or the Corporation Laws of the State of South Carolina.

(b) The terms of at least one-third (1/3rd) of the members of the Board of Directors shall expire annually.

(c) When Co-Owners other than the Declarant own more than one-third of the Units in the Condominium, they shall be entitled to elect not less than one-third of the members of the Board of Directors of the Council of Co-Owners. Co-Owners other than the Declarant shall elect not less than a majority of the members of the Board of Directors of the Council of Co-Owners not later than ten (10) years after the date of the recording of the first deed to a unit to a person other than Declarant, and, prior to the expiration of such ten year period, shall be entitled to elect not less than a majority of the members of the Board of Directors upon the sale by Declarant of ninety percent (90%) of the Dock Units in the Condominium. All references in this subsection to "Units in the Condominium" shall mean the aggregate of the Units shown in the plot plans filed with the original Declaration. The Declarant shall be entitled to designate not less than one member of the Board of Directors of the Council of Co-Owners so long as it holds for sale in the ordinary course of business any Unit in such Condominium.

(d) At any time after Co-Owners other than the Declarant are entitled to elect a member or members of the Board of Directors of the Council of Co-Owners, the Council of Co-Owners shall call and give not less than thirty (30) nor more than forty (40) days notice of a

meeting of the Co-Owners for this purpose. Such meeting may be called and the notice given by any Co-Owner if the Council of Co-Owners fails to do so. Thereafter, meetings shall be called in accordance with Sections 2.7 and 2.8 of these Bylaws.

Section 2.2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Council of Co-Owners and of the Condominium and shall do all such acts and things except as by law or by the Declaration, or by these Bylaws may not be delegated to the Board of Directors by the Co-Owners. Such powers and duties of the Board of Directors shall include, but not be limited to, the following:

(a) Operation, care, surveillance, upkeep and maintenance of the Common Elements or the Limited Common Elements and services, including, either itself or through the Morgan Creek Harbor Association, Inc., dredging of slips and adjacent waters leading to the Intercoastal Waterway.

(b) Determination of the Common Expenses required for the affairs of the Condominium and of the Council of Co-Owners, including, without limitation, the operation and maintenance of the Property.

(c) Assessment and collection of the Common Charges from the Co-Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance, operation, repair and replacement of the general services and the Common Elements or the Limited Common Elements and real and personal property owned by the Council of Co-Owners.

THE COUNCIL OF CO-OWNERS SHALL RETAIN THE SERVICES OF WILD DUNES YACHT HARBOR, INC., THE DECLARANT UNDER THE MASTER DEED, OR ITS AFFILIATE, DURING THE FIRST THREE (3) YEARS OF THE OPERATION OF THE HORIZONTAL PROPERTY REGIME AS THE MANAGEMENT AGENT FOR THE HORIZONTAL PROPERTY REGIME AT SUCH MANAGEMENT AGENT'S REASONABLE FEE CHARGES.

(e) Adoption and amendment of Regulations covering the details of the operation, use and maintenance of the Property following Notice and Comment.

(f) Opening of bank accounts on behalf of the Council of Co-Owners and designating the signatories required therefore.

(g) Purchasing or leasing or otherwise acquiring in the name of the Council of Co-Owners, or its designee, corporate or otherwise, on behalf of all Co-Owners, Units offered for sale or lease or surrendered by their owners to the Council of Co-Owners.

(h) Purchasing of Units at foreclosure or other judicial sales in the name of the Council of Co-Owners, or its designee, corporate or otherwise, on behalf of all Co-Owners.

(i) Selling, leasing, mortgaging, voting the votes appurtenant to Units (and for the election of members of the Board of Directors), or otherwise dealing with Units acquired by, and subleasing Units leased by the Council of Co-Owners or its designee, corporate or otherwise, on behalf of all Co-Owners.

(j) Organizing corporations to act as designees of the Council of Co-Owners in acquiring title to or leasing of Units on behalf of all Co-Owners.

(k) Granting of licenses.

(l) Obtaining insurance pursuant to the provisions of Article VIII hereof.

~~(m) Making of repairs, restorations, additions and improvements to or alterations of the Property, other than the Units including emergency repairs, and the borrowing of monies for such emergency repairs, which debt shall become a Common Expense.~~

(n) Suing to enforce, or settling and compromising claims of Co-Owners with respect to Common Elements and property which the Council of Co-Owners has the duty to maintain, repair, replace or restore, and other matters concerning the administration of the Condominium.

(o) Following Notice and Hearing, levy liquidated charges against Co-Owners for violations of the requirements of the Condominium Instruments or the Regulations, provided no charge shall exceed Twenty-Five and No/100 (\$25.00) Dollars per such violation, together with additional actual damages, cost of collection and reasonable attorney's fees, other than as provided for in Article V, Section 5.7, of these Bylaws. Each day that such violation exists may be considered a separate violation.

(p) Impose reasonable charges for preparation or recording of amendments to the Condominium Instruments, or for the issuance of reports, certificates, and documentation permitted by the Condominium Instruments or required by law, to the person requesting the same.

(q) Without limits, but in pursuit of the foregoing powers, and the purposes for which the Council of Co-Owners was created, to do any and all things lawfully permitted to be done by a corporation under the laws of the State of South Carolina, and a condominium Council of Co-Owners under the Horizontal Property Regime Act, (the Condominium Act), now in effect or as amended or replaced, if applicable or if agreed to by the Council of Co-Owners.

(r) Following Notice and Hearing, grant or withhold approval of any action which changes the exterior appearance of the Condominium, alters any portion of the Common Elements, or affects the structural or mechanical integrity of a Dock or its fixtures.

(s) Sue and be sued, and appear on behalf and for the benefit of all Co-Owners in any matter of common concern including class actions for the Co-Owners as a class, in and

before any court, office, agency, board, commission or department of the state or any political subdivision, and appeal from any judgments, orders, decisions or decrees rendered therein.

(t) To the extent desirable, create requirements for reasonable reserves for maintenance, repair and replacement of the Dock System and Common Elements, working capital, bad debts, depreciation, obsolescence, or other proper purposes agreed to by the Council of Co-Owners, and designate and establish trust funds for the benefit of Co-Owners or the Council of Co-Owners delegating thereto the collection and assessment powers permitted to the Council of Co-Owners by law or covenant to hold and disburse the funds so collected.

(u) Taking any and all such actions as may be necessary to comply with applicable city, county, state, or federal regulations, specifically including the South Carolina Coastal Council.

Section 2.3. Manager. ~~The Board of Directors may employ for the Condominium a~~ Manager, including the Declarant or its affiliate, at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, and for such term as the Board may set. The Board of Directors may delegate to the Manager all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in Article II, Section 2.2, subparagraphs (b), (e), (f), (g), (h), (i), (j), (k), (n), (o), (p), (q), (r) and (s).

Section 2.4. Removal of Members of the Board of Directors. At any regular or special meeting of Co-Owners, any director, other than a director elected by Declarant, may be removed with or without cause by a majority of the Co-Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. A director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at the meeting if present.

Section 2.5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Co-Owners, may be filled by vote of a majority of the remaining directors at a special meeting of the Board of Directors held for that purpose at any time after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum, and each person so elected shall be a director for the remainder of the term of the director so replaced, and until a successor shall be elected.

Section 2.6. Organization Meeting. The initial Board of Directors shall be appointed or removed by Declarant as the owner of all Units and shall serve until the organizational meeting of Co-Owners. The first meeting of the elected Board of Directors shall be held within ten (10) days after the first organizational meeting of the Co-Owners at such time and place as shall be fixed by the Co-Owners at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the directors shall be present thereat.

Section 2.7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during the fiscal year. Written notice of regular meetings

of the Board of Directors shall be given to each director by mail or by hand at least three (3) business days prior to the day named for such meeting.

Section 2.8. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days written notice to each director given by mail or by hand, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors may be called in like manner and on like notice on the written request of at least twenty-five percent (25%) of the directors.

Section 2.9. Waiver of Notice. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 2.10. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 2.11. Fidelity Bonds. To the extent reasonably available, the Board of Directors shall obtain adequate fidelity bonds for all officers, employees and agents of the Council of Co-Owners handling or responsible for Council of Co-Owners funds. The premiums on such bonds shall constitute a Common Expense.

Section 2.12. Compensation. No director shall receive any compensation from the Council of Co-Owners for acting as such.

ARTICLE III CO-OWNERS

Section 3.1. Organizational Meeting. The organizational meeting of the Co-Owners shall take place within one hundred eighty (180) days of the filing of the Master Deed.

Section 3.2. Annual Meeting. Annual meetings of the Co-Owners shall be held on the first Monday in June of each year or at such time reasonably thereafter as may be adopted by resolution of the Board of Directors. At such meeting, the directors shall, subject to the provisions of these Bylaws and the Master Deed, be elected by ballot of the Co-Owners, in accordance with the provisions of Article II of these Bylaws. The Co-Owners may transact such other business at such meetings as may properly come before them.

Section 3.3. Place of Meetings. Meetings of the Co-Owners shall be held at the principal office of the Council of Co-Owners or at such other suitable place convenient to the Co-Owners as may be designated by the Board of Directors or the President.

Section 3.4. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-Owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by not less than twenty-five percent (25%) of the Co-Owners.

Section 3.5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Co-Owners, except as provided in Article II, Section 2.1(d), at least fifteen (15) days, but not more than fifty (50) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-Owner of record, at such address of such Co-Owner as appears in the records of the Council of Co-Owners. ~~The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.~~ No business shall be transacted at a special meeting except as stated in the notice. No notice need be given to Co-Owners who attend a meeting in person or who waive notice in writing executed and filed on the corporate records before or within ten (10) days after the meeting. If all Co-Owners are present or consent thereto in writing, any business may be transacted, other than business which requires consent by mortgagees and for which sufficient consent by mortgagees has not been received.

Section 3.6. Adjournment of Meeting. If any meeting of Co-Owners cannot be held because a quorum has not attended, a majority of the Co-Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 3.7. Order of Business. The order of business at all meetings of the Co-Owners shall be as follows:

- (a) Roll call (or check-in procedure).
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports.
- (e) Election of members of the Board of Directors (when required).
- (f) Old business.
- (g) New business.

Section 3.8. Voting.

(a) When a vote or any other action by Co-Owners provided for herein or in the Condominium Instruments requires a specific percentage, portion or fraction of Co-Owners, such percentage, portion or fraction shall mean, unless otherwise stated in the Condominium Instruments, such percentage, portion or fraction in the aggregate of such voting power equal to the percentage interest in the Common Elements shown on Exhibit D of the Master Deed.

(b) If a Unit is owned by more than one person, such persons shall agree among themselves how a vote for such Unit shall be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire ownership interest of a Unit shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Unit objects prior to or at the time the vote is cast, in which case the votes of such co-owners shall not be counted.

(c) A corporate Co-Owner's vote may be cast by any officer of such corporation in the absence of express notice of the designation of a specific person by the board of directors or bylaws of the owning corporation. A partnership Co-Owner's vote may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The directors may require reasonable evidence that a person voting on behalf of a corporate owner or partnership owner is qualified so to vote.

~~(d) A written proxy terminates eleven (11) months after its date, but shall expire earlier if it specifies a shorter term or limits its use to a particular meeting not yet held but to be held within eleven (11) months from its date.~~

Section 3.9. Quorum. Except as may be otherwise provided in these Bylaws, a majority of the Co-Owners present in person or by proxy, at any meeting of Co-Owners shall constitute a quorum at all meetings of the Co-Owners.

Section 3.10. Majority Vote. The vote of Co-Owners holding at least fifty-one percent (51%) of the percentage interest in the Common Elements at a meeting at which a quorum shall be present shall be binding upon all Co-Owners for all purposes except where in the Master Deed or these Bylaws or by law, a higher percentage vote is required.

ARTICLE IV OFFICERS

Section 4.1. Designation. The principal officers of the Council of Co-Owners shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Directors. Any two offices may be held by the same person, except the offices of President and Vice President, the offices of Secretary and Treasurer, and the offices of President and Secretary. The office of Vice President may be vacant.

Section 4.2. Election of Officers. The officers of the Council of Co-Owners shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 4.3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his

successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for that purpose.

Section 4.4. President. The President shall be the chief executive officer of the Council of Co-Owners. He shall preside at all meetings of the Co-Owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of the State of South Carolina and consistent with the powers granted to the Board of Directors herein, including, but not limited to, the power to appoint committees from among the Co-Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Council of Co-Owners.

Section 4.5. Vice President. The Vice President shall take the place of the President and ~~perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the~~ Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Co-Owners and the Board of Directors and he shall have charge of such books and papers as the Board of Directors may direct.

Section 4.7. Treasurer. The Treasurer shall have the responsibility for Council of Co-Owners funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in such depositories as may from time to time be designated by the Board of Directors. He may endorse on behalf of the Council of Co-Owners for collection only, checks, notes and other obligations, and shall deposit the same and all monies in the name of and to the credit of the Council of Co-Owners in such banks as the Board may designate. He may have custody of and shall have the power to endorse for transfer on behalf of the Council of Co-Owners, stock, securities or other investment instruments owned or controlled by the Council of Co-Owners, or as fiduciary for others.

Section 4.8. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Council of Co-Owners shall be executed by any officer of the Council of Co-Owners or by such other person or persons as may be designated by the Board of Directors.

ARTICLE V COMMON EXPENSES AND COMMON CHARGES

Section 5.1. Determination of Common Expenses and Fixing of Common Charges. The Board of Directors shall from time to time, and at least annually, and subject to Notice and Hearing, prepare a budget and include it in an Annual Report to Co-Owners for the Council of Co-Owners

