

**EXHIBIT C**

**BYLAWS**

**OF**

**OWNER'S QUARTERS #1003 CRESCENT SHORES ASSOCIATION**

THE BYLAWS OF Owner's Quarters #1003 Crescent Shores Association (the "Association") are promulgated pursuant to the Vacation Time Sharing Plan Act requirements set forth at Chapter 32, Title 27 Code of Laws of South Carolina, Revised 1991, as amended, and as may be further amended from time to time (the "Act") for the purpose of governing the administration of the Association. All terms not defined in these Bylaws have the meaning set out in the Act or the Declaration of Multiple Ownership Rights, Restrictions, Affirmative Obligations and Covenants for Owner's Quarters #1003 Crescent Shores dated September 15, 2007 and recorded in the Register of Deeds for Horry County, South Carolina at Deed Book \_\_\_\_ Page \_\_\_\_, with Exhibits incorporated therein and all amendments thereto (the "Declaration").

**ARTICLE I**

**MEMBERSHIP AND VOTING**

**SECTION 1.1. Membership.** Members of the Association shall all be owners of Multiple Ownership Interests, as such term is defined in the Declaration (the "Co-Owner"), and the Declarant shall be a member of the Association. A person or entity holding a mortgage on an Interest as security for payment of a debt shall not be a member entitled to exercise the rights of a Co-Owner unless such person or entity holds a proxy conferring such rights.

**SECTION 1.2. Quorum.** The presence in person or by proxy of fifty-one (51%) percent of all Co-Owners shall constitute a quorum for the transaction of business at meetings of the Association.

**SECTION 1.3. Voting.** The Association shall have one class of voting membership and one class of special voting membership which provides the Declarant, its successors and assigns, with additional voting rights.

Class A: Class A Members shall be all Owners (excluding the Declarant). A Class A Member shall be entitled to one vote for each Interval or Share he owns.

Class B: The Class B Member shall be the Declarant, its successors and assigns. The Class B Member shall be entitled to 4 votes for each Interval or Share in which it is an owner. The Class B membership shall cease and be converted to Class A membership on the happening of either of the

following events, whichever occurs later: (a) when the total votes outstanding in the Class A membership equals to the total votes outstanding in the Class B membership, or (b) January 1, 2015. Notwithstanding the above, the Declarant reserves the right to terminate its Class B membership at its sole discretion at an earlier date.

Each member shall be entitled to one vote for each Interval or Share owned. A Co-owner's voting rights and the vote required to adopt decisions shall be as set out in Article V of the Declaration and herein. The affirmative vote of fifty-one (51%) percent or more of all Co-Owners is necessary to adopt any matter before the Association. Votes can be cast only at meetings of the Association convened in accordance with the Bylaws, and in the absence of a valid proxy, an individual shall act in his own behalf, a corporation shall act by any officer thereof, a partnership shall act by any general partner thereof, an association shall act by any associate thereof, a trust shall act by any trustee thereof. When any property entitling the Owner thereof to membership in the Association is owned Of Record, as these terms are defined in the Declaration, in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, partners in partnership or any other manner of joint or common ownership, one person or entity shall be designated the voting member to bind all the others. Written notice of such designation shall be delivered to the Secretary of the Association prior to the exercise of a vote by joint owners.

**SECTION 1.4. Proxies.** Each Co-Owner entitled to vote may vote in person or by proxy at any meetings of the Association. Each proxy shall be executed in writing by the Co-Owner or by his duly authorized attorney-in-fact, dated as of its execution and shall be filed with the Secretary of the Association. No proxy shall confer authority to vote at any meeting other than the next meeting, or adjournment thereof, held after the date on which the proxy was executed.

**SECTION 1.5. Consents.** Any action which may be taken by a vote of the Co-Owners may also be taken by written consent to such action signed by all Co-Owners entitled to vote or by the designated voting member.

**SECTION 1.6. Annual Meeting.** Annual meetings of the Association shall be held on the day and time as determined by the Board of Directors, to be designated in the notice of the meeting. Any business which is appropriate for action of the Co-Owners may be transacted at an annual meeting.

**SECTION 1.7. Special Meetings.** Special meetings of the Association may be called at any time by the President of the Association or by a majority of the Board of Directors and shall be called upon the written request of fifty-one (51%) percent of all Co-Owners. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Co-Owners entitled to vote waive notice of any additional business.

**SECTION 1.8. Notice of Meetings.** Written notice of every annual or special meeting of the Association stating the time, date and place of the meeting and, in the case of a special meeting, the business proposed to be transacted, shall be given to every Co-Owner entitled to vote not fewer than ten (10) nor more than thirty (30) days in advance of the meeting. Written notice given to the managing entity shall constitute written notice hereunder to all of the Co-Owners within the

Association. Failure to give proper notice of a meeting of the Co-Owners shall not invalidate any action taken at such meeting unless (1) a Co-Owner entitled to vote who is present but was not given proper notice objects at such meeting, in which case the matter to which such Co-Owner objects shall not be taken up, or (2) a Co-Owner entitled to vote who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following such meeting, in which case the action to which such Co-Owner objects shall be void.

**SECTION 1.9. Waiver of Notice.** Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Co-Owner may in writing waive notice of any meeting either before or after such meeting. Attendance at an annual meeting by a Co-Owner, whether in person or by proxy, shall be deemed a waiver by such Co-Owner of notice of the time, date, and place thereof unless such Co-Owner specifically objects to the lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted unless objection to lack of notice is raised before the business to which proper notice was not given is put to a vote.

**SECTION 1.10. Place of Meeting.** All meetings of the Association shall be held at such convenient place as the President of the Association or the Board of Directors may direct.

**SECTION 1.11. Adjournment.** Any meeting of the Association may be adjourned from time to time for periods not exceeding forty-eight (48) hours by vote of Co-Owners holding a majority of the vote represented at such meeting, regardless of whether a quorum is present. Any business which could properly be transacted at the original session of a meeting may be transacted at an adjourned session, and no additional notice of adjourned sessions shall be required.

**SECTION 1.12. Order of Business.** The order of business at all meetings of the Co-Owners shall be as follows:

1. Roll Call and certifying of proxies;
2. Proof of proper notice of the meeting or waiver of notice;
3. Readings of minutes of preceding meetings;
4. Report of Board of Directors;
5. Reports of Officers;
6. Reports of Committees;
7. Report of Management Company;
8. Presentation of Budget;
9. Election of Directors (when required);

10. Unfinished business;

11. New business.

**SECTION 1.13. Minutes of Meeting.** The Secretary of the Association shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Association. Such minutes shall be made available for examination and copying by any Co-Owner at any reasonable time.

**SECTION 1.14. Voting Rights in Other Associations.** The Co-Owners are also members of the Crescent Shores Condominium Association (the "Master Association"). As members of the Owner's Quarters #1003 Crescent Shores Association and the Master Association, Co-Owners are entitled to certain voting rights pursuant to the Owner's Quarters #1003 Crescent Shores Declaration, the Bylaws of the Owner's Quarters #1003 Crescent Shores Declaration, the Master Association Covenants and the Bylaws of the Master Association. The Owner's Quarter #1003 Crescent Shores Association Bylaws and the Master Association Bylaws provide that when any property is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, partners in partnership or any other manner of joint or common ownership, one person or entity must be designated the voting member to bind all members.

The Designated Purchaser ("Designated Purchaser" shall mean that Co-Owner elected by the Association to represent the Association to the Master Association and to undertake and fulfill all responsibilities imposed on the Co-Owners by the Master Association) is hereby authorized as the voting member for the Property and shall, on behalf of all Co-Owners, exercise the voting rights of the Co-Owners in the Master Association. If the notice or agenda for any regular or special meeting of the members of the Master Association is available within sufficient time, the Designated Purchaser shall promptly notify each Co-Owner of the items to be discussed and presented at such meeting as shown by the notice or agenda and request that each Co-Owner indicate in writing to the Designated Purchaser his or her preference as to the vote on items disclosed by the notice or agenda. The Designated Purchaser will vote in such manner as may be directed by a majority in interest of the Owners or in the absence of direction from a majority in interest, shall vote as the Designated Purchaser deems to be in the best interest of the Co-Owners. Each Co-Owner authorizes the Designated Purchaser to act for his or her in any such meeting and, for this purpose, shall deliver to the Designated Purchaser a proxy authorizing the Designated Purchaser to act for such Co-Owner at such meeting whenever requested to do so.

**SECTION 1.15. MEETING OPTIONS.** Any meeting or consent set forth required or established hereunder may be held or provided telephonically, via email or other form of electronic communication.

## ARTICLE II

### BOARD OF DIRECTORS OF THE ASSOCIATION

**SECTION 2.1. FORM OF ADMINISTRATION.** The Association shall act by and through its Board of Directors, which Board shall consist of three (3) directors. The Directors need not be members of the Association.

**SECTION 2.2. AUTHORITIES AND DUTIES.** In its discretion and as required by the Act, the Declaration, and these Bylaws, the Board of Directors shall provide for the following:

- (1) The contracting with a Management Company to provide for the administration, operation, maintenance, repair and restoration of the Property, and the Common Furnishings and any alterations and additions thereto as well as the designation and dismissal of the personnel necessary to accomplish the same;
- (2) The preparation of an annual budget for the Association outlining anticipated receipts and expenses for the following fiscal year;
- (3) The collection of assessments from the Co-Owners, the Association, or managing entities;
- (4) The procuring and keeping in force of insurance on the Property and Common Furnishings;
- (5) The enactment of reasonable regulations governing the use of the Common Furnishings;
- (6) The enforcement of the terms of the Declaration, these Bylaws, and any Regulations promulgated pursuant to the Bylaws;
- (7) The general administration of the Association and the Multiple Ownership Interests on behalf of and for the benefit of all Co-Owners.

**SECTION 2.3. Election and Term.** Except as otherwise provided herein, the Co-Owners shall elect upon majority vote two Directors to serve terms of two (2) years and one Director to serve a term of one (1) year. Each Director shall hold office until his successor is elected or until his death or until he shall resign or be removed from office.

Until January 1, 2015, the Declarant shall be entitled to exercise, without the consent of the Co-Owners, all rights granted to the Co-Owners herein or in the Declaration to elect the members of

the Board of Directors of the Association, according to the terms provided herein, unless such rights are earlier terminated by the Association

**SECTION 2.4. Removal.** A Director may be removed from office with or without cause by the affirmative vote of a majority of the total number of Co-Owners. The unexpired portion of the term of any Director so removed shall be filled by a new Director elected by the affirmative vote of the majority of the total number of Co-Owners.

**SECTION 2.5. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by the Co-Owners shall be filled by a new Director elected by the affirmative vote of a majority of the remaining Directors even though such remaining Directors do not constitute a quorum.

**SECTION 2.6. Voting.** Each Director shall have one (1) vote on all matters acted upon by the Board of Directors. The vote of a Director shall be cast only by such Director personally at a meeting of the Board of Directors convened in accordance with these Bylaws. Proxies shall not be permitted in any vote of the Board of Directors. The affirmative vote of a simple majority of Directors present at the time of a vote, if a quorum is present at such time, shall be sufficient for any action unless otherwise specified in these Bylaws.

**SECTION 2.7. Quorum.** A majority of Directors shall constitute a quorum for the transaction of business.

**SECTION 2.8. Consents.** Any action which may be taken by a vote of the Board of Directors may also be taken by written consent to such action signed by all Directors.

**SECTION 2.9. Annual Meetings.** An annual meeting of the Board of Directors shall be held during each fiscal year immediately following the annual meeting of the Co-Owners. The time, date and place of the annual meeting of the Board of Directors shall be fixed at the annual meeting of the Co-Owners by mutual agreement of the Directors present at such meeting, and no further notice thereof shall be necessary. Any business which is appropriate for action of the Board of Directors may be transacted at an annual meeting.

**SECTION 2.10. Special Meetings.** Special meetings of the Board of Directors may be called from time to time by the President of the Association and shall be called upon the written request of two (2) of the Directors. Only such business as is stated in the notice of meeting shall be transacted at a special meeting unless all Directors waive notice of any additional business.

**SECTION 2.11. Notice of Meetings.** Except for the annual meeting, written notice of every regular or special meeting of the Board of Directors stating the time, date and place of the meeting and, in the case of special meetings the business proposed to be transacted shall be given to every Director not fewer than three (3) nor more than ten (10) days in advance of the meeting. Failure to give proper notice of a meeting of the Board of Directors shall not invalidate any action taken at such meeting unless (1) a Director who was present but was not given proper notice objects at such meeting, in which case the matter to which such Director objects shall not be taken up, or (2)

a Director who is not present and was not given proper notice objects in writing to the lack of proper notice within thirty (30) days following such meeting, in which case the action to which such Director objects shall be void.

**SECTION 2.12. Waiver of Notice.** Waiver of notice of a meeting of the Board of Directors shall be deemed the equivalent of proper notice. Any Director may in writing waive notice of any meeting of the Board of Directors either before or after such meeting. Attendance at a meeting by a Director shall be deemed a waiver by such Director of notice of the time, date, and place thereof unless such Director specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted unless objection to lack of notice is raised before the business to which proper notice was not given is put to a vote. If notice is waived in advance of a special meeting of the Board of Directors, such waiver shall apply only to such matters transacted at the special meeting which have been communicated in advance to the Director who has waived notice.

**SECTION 2.13. Place of Meeting.** All meetings of the Board of Directors shall be held upon the Property or at such other convenient place as the Board of Directors may direct. Any or all Directors may participate in a meeting of the Board of Directors by means of conference telephone or any means of communication by which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at such meeting.

**SECTION 2.14. Minutes of Meetings.** The Secretary of the Association shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Board of Directors. A copy of such minutes shall be held available for inspection and copying by any Co-Owner at any reasonable time.

**SECTION 2.15. Compensation.** The Directors shall serve without compensation, but by resolution of the Board, any Director may be reimbursed by the Association for expenses incurred in the conduct of his duties.

### **ARTICLE III**

#### **OFFICERS OF THE ASSOCIATION**

**SECTION 3.1. Designation.** The Association shall have a President, a Vice-President, a Secretary and a Treasurer. The Association may also have one or more assistants to any of such officers as may be necessary from time to time. The offices of Secretary and Treasurer may be filled by the same individual. The officers shall have the authority, powers, duties and responsibilities provided by these Bylaws, or, to the extent not so provided, by the Board of Directors.

**SECTION 3.2. Election and Term.** Officers of the Association shall be elected at each annual meeting of the Board of Directors and at such other times as may be required to fill vacancies in any office. All officers shall serve until their successors have been elected and assumed office unless sooner removed as hereinafter provided. An officer may be re-elected to any number of

terms.

**SECTION 3.3. Removal.** Any officer may be removed from office at any time with or without cause by the Board of Directors.

**SECTION 3.4. President.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in a corporate president, 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 deem appropriate to assist in the conduct of the affairs of the Association.

**SECTION 3.5. Vice President.** The Vice President shall take the place and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President or the Vice President is able to act, the Board of Directors shall appoint some other Co-Owner to take the place and perform the duties 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.

**SECTION 3.6. Secretary.** The Secretary shall prepare and keep, or cause to be prepared and kept, the minutes of all meeting of the Co-Owners and of the Board of Directors, and shall have charge of such books and papers as the Board of Directors may direct.

**SECTION 3.7. Treasurer.** The Treasurer shall have custody of, and responsibility for Association funds and securities and shall keep the financial records and books of account belonging to the Association. If a Management Company is employed as hereinafter provided, custody of Association funds and securities and responsibility for maintaining full and accurate accounts of all receipts and disbursements may be delegated to the Management Company if the Board of Directors so determines, but in such case the Treasurer shall verify the amount of Association funds and securities in the custody of the Management Company and review and reconcile the accounts maintained by the Management Company at such intervals as may be determined by the Board of Directors.

**SECTION 3.8. Compensation.** The Officers shall serve without compensation, but by resolution of the Board of Directors, any Officer may be reimbursed by the Association for expenses incurred in the conduct of his duties. The Association shall provide E & O Insurance for the Board.

## **ARTICLE IV**

### **MANAGEMENT COMPANY**

**SECTION 4.1. Employment.** The Board of Directors may engage a Management Company pursuant to a written agreement (the "Management Agreement"), which Management Agreement shall contain such terms and conditions as may be determined by the Board of Directors. Unless the Management Company initially selected by the Board of Directors consents to a shorter



time, for a period of one (1) calendar year from and including the date upon which the Declaration is recorded, said Management Company shall be employed by the Association as the Managing Agent of the Multiple Ownership Interests.

**SECTION 4.2. Qualification.** The Management Company may be a natural person or a corporation or other legal entity.

**SECTION 4.3. Authority and Duty.** The Management Company shall provide the services and perform the duties set out in Article II, Section 2.2 of these Bylaws, and shall provide such other services and perform such other duties as authorized and directed from time to time by the Board of Directors. The Management Company shall confer fully and freely with the Board of Directors and shall attend meetings of the Board and of the Association when requested to so by the Board.

## **ARTICLE V**

### **FISCAL YEAR**

The fiscal year of the Association shall begin on the first (1st) day of January and end December 31 unless the Board of Directors shall otherwise determine.

## **ARTICLE VI**

### **LIABILITIES AND INDEMNIFICATION**

**SECTION 6.1. Liability of Directors and Officers.** No director or officer of the Association shall be liable to any Co-Owner for any decision, action, or omission made or performed by such Director or officer in the course of his duties unless such Director or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Act, the Declaration, or these Bylaws.

**SECTION 6.2. Indemnification of Directors and Officers.** The Association shall indemnify and defend each Director and each Officer of the Association from any liability claimed or imposed against him by reason of his position or actions as a Director or any officer of the Association if all the following conditions are satisfied:

- (1) Such Director or officer is not required to bear such liability by the terms of the Act, the Master Deed, or these Bylaws; and
- (2) Such Director or officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same; and
- (3) Such Director or officer cooperates with the Association in defending against

the liability.

The expense of indemnifying a Board Member or Officer as provided herein shall be a Basic Expense of the Association, including such Board Member or Officer.

## **ARTICLE VII**

### **AMENDMENTS**

These Bylaws may be altered, amended, or repealed by, and new Bylaws may be adopted by a majority of the Board of Directors.

## **ARTICLE VIII**

### **MISCELLANEOUS**

**SECTION 8.1. Record of Ownership.** Any person who acquires title to an interest in a Multiple Ownership Villa shall promptly inform the Board of Directors of his identity and the date upon and manner in which title was acquired. The Board of Directors shall maintain a record of the names of all Co-Owners and of the date upon which they acquired title to their interest.

**SECTION 8.2. Notification of Transfer.** A Co-Owner shall promptly notify the Board of Directors of a proposed transfer of title to his interest, setting forth the closing date and the name and address of the transferee.

**SECTION 8.3. Corporate Seal.** The Secretary may have a seal in circular form having within its circumference the name of the Association, the year of its organization and words "Corporate Seal" South Carolina.

**SECTION 8.4. Parliamentary Rules.** Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these Bylaws.

**SECTION 8.5. Notices.** Any notices or documents placed in the mail at the direction of the Board of Directors shall be deemed delivered to the Co-Owner of Interest, unless the Co-Owner has previously specified to the Board of Directors in writing another address for delivery of such notices and documents. Any notice or document addressed to the Board of Directors and delivered to any Director by or at the direction of a Co-Owner shall be deemed delivered to the Board of Directors. Any notice to Directors shall be deemed to be given when such notice is deposited

postpaid in the U.S. Mail addressed to such Director at his address as it appears in the records of the Association.

**SECTION 8.6. Waiver.** No provision of these Bylaws or of the Regulations promulgated pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

**SECTION 8.7. Conflicts.** In the event of any conflict between these Bylaws and the Act or the Declaration, the Act or the Declaration shall control, as appropriate. In the event of a conflict between these Bylaws and the Regulations, these Bylaws shall control.

**SECTION 8.8. Severability.** These provisions of these Bylaws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder hereof.

**SECTION 8.9. Captions.** The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision hereof.

**SECTION 8.10. Gender and Number.** All pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and vice versa, whenever the context requires or permits.

(SIGNATURE PAGE FOLLOWS)

