

EXHIBIT "D"

BY-LAWS OF SALT MARSH COTTAGES
HORIZONTAL PROPERTY REGIME LXIIARTICLE I
PLAN OF COTTAGE OWNERSHIP

Section 1. Horizontal Property Regime. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereto) located in Moss Creek Plantation, near Hilton Head Island, Beaufort County, South Carolina, known as "HORIZONTAL PROPERTY REGIME II" has been submitted, by Master Deed, to the provisions of the Horizontal Property Act of South Carolina, and is to be henceforth known as "SALT MARSH COTTAGES, HORIZONTAL PROPERTY REGIME II" (hereinafter referred to as the "Regime").

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 3. Personal Application. All present or future Co-Owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to these By-Laws and the Master Deed establishing said Regime. For the purpose of this document, a "Co-Owner" is defined and shall mean an owner or owners of an individual Cottage within the Regime. The mere acquisition or rental of any of the Cottages (also referred to herein as "Villas," "Units" "Dwelling Unit(s)" or Dwelling(s)" as defined in the Master Deed of the Property or the mere act of occupancy of any of said Cottages will signify that these By-Laws,

the provisions of the Master Deed, and the Moss Creek Home Owners Association restrictions and declarations recorded in Beaufort County Deed Book 223 at Page 1302 and any applicable recorded amendments thereto will be complied with.

ARTICLE II

VOTING, MAJORITY OF CO-OWNERS QUORUM, PROXIES

Section 1. Voting. Voting shall be on a percentage basis and the percentage of the vote to which the Co-Owner is entitled is the percentage assigned to the Cottage or Cottages in the Master Deed.

Section 2. Majority of Co-Owners. As used in these By-Laws, the term "majority of Co-Owners" shall mean those Co-Owners holding more than 50% of the total value of the Property, in accordance with the percentages assigned in the Master Deed.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Co-Owners as defined in Section 2 of this Article shall constitute a Quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

Section 1. Council Responsibilities. The Co-Owners of the Cottages will constitute the Council of Co-Owners (hereinafter usually referred to as

"Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments and arranging for the management of the Property pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Council shall require approval by a majority of Co-Owners.

Section 2. Place of Meetings. Meetings of the Council shall be held at such place, convenient to the Co-Owners as may be designated by the Council.

Section 3. Annual Meetings. The annual meetings of the Council shall be held at the call of the Regime President once a year. Annual meeting date shall be established at the original meeting. At such meetings there shall be elected by ballot of the Co-Owners a Board of Administration in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Co-Owners may also transact such other business of the Council as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the Regime President to call a special meeting of the Co-Owners as directed by resolution of the Board of Administration or upon a petition signed by a majority of Co-Owners and having been presented to the Regime Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the votes present, either in person or by proxy.

Section 5. Notice of Meetings. It shall be the duty of the Regime Secretary to mail a notice of each annual special 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 least ten but not more than thirty days prior to such

meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meeting. If any meeting of the Council cannot be organized because a quorum has not attended, the Co-Owners who are present, 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 7. Order of Business. The order of business at meetings of the Council shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meetings.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Review financial statement and monthly Regime charges.
- (g) Election of administrators.
- (h) Election of Management Agent.
- (i) Unfinished business.
- (j) New business.

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

ARTICLE IV

BOARD OF ADMINISTRATION

Section 1. Number and Qualification. The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as the "Board") comprised of five persons, all of whom must be Co-Owners of Villas in the Property. The developer shall name three (3) directors until a majority of the units are sold in Phase I.

Section 2. General Powers and Duties. The Board shall have the power and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law or by these By-Laws directed to be executed and done by the Council or individual Co-Owners.

Section 3. Other Duties. In addition to duties imposed by these By-Laws or by resolutions of the Council, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the common elements.
- (c) Collection of assessments from the Co-Owners.
- (d) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the common elements.

Section 4. Management Agent. The Board may employ a Management Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

Section 5. Election and Term of Office. At the first Annual meeting of the Council, the initial term of office of two members of the Board shall be fixed at three (3) years. The term of office of two members of the Board shall be fixed at two (2) years, and the term of office of one member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Administration caused by reason other than the removal of a member of the Board by a vote of the Council shall be filled by vote of the majority of the remaining members, even though they may constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Council.

Section 7. Removal of Members of the Board. At any regular or special meeting of the Council duly called, any one or more of the members of the Board may be removed with or without cause by a majority of Co-Owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting.

Section 8. Organization Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Council, and no notice shall be necessary to the newly elected Board members in order legally to constitute such meeting, providing a majority of the Board shall be present.

Section 9. Regular Meetings. Regular Meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings shall be given by the Secretary-Treasurer, or other designated person, to each Board member, personally or by mail, telephone or telegraph at least ten (10) days prior to the day named for such meeting.

Section 10. Special Meetings. Special Meetings of the Board may be called by the President on three days notice to each Board member, given personally or by mail, telephone, or telegraph, which notice shall state

the time, place (as hereinabove promised) and purpose of the meeting. Special Meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two Board members.

Section 11. Waiver of Notice. Before or at any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board Quorum. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of the Board members present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Board may require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Regime shall be a President, Vice President, and Secretary-Treasurer; all of whom shall be