

BY-LAWS OF
WATERWAY COVE HOMEOWNERS ASSOCIATION

As amended January 11, 2026

The name of the Association shall be Waterway Cove Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located at the current President's home with a mailing address of P.O. Box 113 Little River, SC 29566, but meetings of members and directors may be held at such place within the County and State as may be designated by the Board of Directors.

ARTICLE I - PRECEDENTS

- Section 1. These By-Laws shall supersede any laws, guidelines, conditions, and restrictions regarding the Association and published to date with the sole exception of the Amendment of Declaration of Covenants, Conditions and Restrictions for Waterway Cove (formerly known as Barcelona subdivision) filed at the Horry County Register or Deeds on October 7th, 1996.
- Section 2. These By-Laws were first written and approved by the Board of Directors duly elected by the Association at the January 18, 2001 Association business meeting, as amended on the October 15, 2004 and further amended on May 5, 2010 and January 15, 2023.
- Section 3. These By-Laws can be modified and amended at any Association business or special meeting, provided that the members of the Association are given prior notice of the amendments(s) and are given the opportunity to discuss the merits, and Board approves such amendments.
- Section 4. The Covenants will take precedence if any conflict should arise between the Covenants and the By-Laws.

ARTICLE II – DEFINITIONS

- Section 1. **Association** shall mean and refer to Waterway Cove Homeowners Association, Inc. The abbreviation HOA can be used interchangeably with the name Association.
- Section 2. **Covenants** shall mean and refer to the Amendment of Declaration of Covenants, Conditions and Restrictions as described hereinabove in Article I, Section 1 of these By-Laws.
- Section 3. **Members** shall mean and refer to those persons entitled to membership and to vote at HOA meetings as provided in the Covenants.

ARTICLE III – PRECEDENTS

- Section 1. **Annual Meeting.** The Board of Directors shall call and conduct a regular annual meeting of the members on a date to be selected by the Board but no later than the last week of January.

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Marion D. Foxworth III
HORRY COUNTY, SC REGISTRAR OF DEEDS

- Section 2. **Special Meetings.** Special meetings of the members may be called at any time by the President or by the Board of Directors or upon written request of the members who are entitled to cast 10% of all the votes of the membership (4 members).
- Section 3. **Notice of Meetings.** Written notice of each meeting of the members shall be given by the President or the Secretary or the person authorized to call the meeting at least fifteen (15) days before such meeting to each member entitled to vote. Such notice shall specify the place, day, and hour of the meeting and type of meeting and, in the case of special meeting, its purpose.
- Section 4. **Quorum.** A quorum is required for any action taken at the Annual Meeting. A quorum is defined at 60% of the members entitled to cast a vote at the time of the meeting, including proxies. If a quorum is not obtained, the meeting shall be adjourned. A second meeting may be called to reconvene within 60 days with the same requirements for written notice. The quorum for the reconvened meeting will be 30% of the membership. The proxies for the original meeting will be counted towards the quorum.
- Section 5. **Proxies.** At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy is irrevocable. Every proxy may be used without re-submission for a reconvened meeting for the same purpose.

ARTICLE IV – BOARD OF DIRECTORS

SELECTION: TERM OF OFFICE

- Section 1. **Number.** The affairs of the Association shall be managed by the Board of five (5) Directors. If the membership in any year cannot obtain five members to run for election at the time of the annual meeting, then the elected Directors can fill the vacancy at their discretion during the year.
- Section 2. **Terms of Office.** At the annual meeting, the membership shall elect three (3) Directors for a period of two (2) years and two (2) Directors for a period of one (1) year. Every year thereafter, the membership shall vote alternately for two and then three Directors for two year terms.
- Section 3. **Removal.** Any Director may be removed from the Board, with or without cause, by a majority vote of the members. In the event of death, resignation, or removal of directors, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.
- Section 4. **Compensation.** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties. Business mileage may be reimbursed at the same rate allowed by the IRS for the business mileage.
- Section 5. **Action Taken Without a Meeting.** The Directors have the right to take any action which fulfils their fiduciary responsibility toward the community. For this purpose, the term fiduciary shall mean whatever action any reasonable person would take to protect his or her interest and assets.

ARTICLE V – NOMINATION AND ELECTION OF DIRECTORS

- Section 1. **Nomination.** Any member in good standing of the Association may be nominated for election to the Board of Directors. A member may nominate him or herself anytime before the annual business meeting but in sufficient time (at least 145 days) before the meeting to give the membership ample time to assess the suitability of the member for election to the Board. Nominations can also be taken from the floor at the annual meeting but need to be seconded and supported by the evidence of suitability either in writing or by oral presentation.
- Section 2. **Member in Good Standing.** A member in good standing is one who has paid in full all annual dues and special assessments.
- Section 3. **Election.** Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, one vote. The persons receiving the largest number of votes shall be elected.

ARTICLE VI – MEETING OF DIRECTORS

- Section 1. **Regular Meetings.** Regular meetings of the Board of Directors shall be held at least once quarterly at such place and hour as may be fixed from time to time by resolution of the Board.
- Section 2. **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President or two members of the Board of Directors. Every act or decision done or made by a majority of the directors shall be regarded as an act of the Board.

ARTICLE VII – POWERS & DUTIES OF THE BOARD OF DIRECTORS

- SECTION 1. **Powers.** The Board of Directors shall have power to:
- (a) Adopt and publish rules and regulations governing the use of common areas and facilities, external appearance of members' homes and properties, the personal conduct of members and their guests and to establish penalties for the infraction thereof.
 - (b) Suspending the voting rights of a member during any period in which a member shall be in default in payment of any due or assessments levied by the Association. Such rights may also be suspended after notice for infraction of published rules, regulations and By-Laws not to exceed 60 days.
 - (c) 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 the Covenants.
- Section 2. **Duties.** It shall be the duty of the Board of Directors to:
- (a) Keep a complete record of all its acts and affairs and to present a statement to the members at the annual meeting of the members.
 - (b) Fix the amount of the annual dues (assessments) against each lot at least thirty (30) days in advance of each annual assessment period.
 - (c) Institute a lien against any property for which assessments are not paid within thirty (30) days after this due date or to bring an action at law against the owner personally obligated to pay the same.

- (d) Issue upon request by any members in good standing a certification as to whether or not any assessments have been paid.
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association.
- (f) Procure and maintain adequate Directors' and Officers' liability insurance.
- (g) Cause the common area, the road (known as Barcelona Lane) and the storm water drainage system to be maintained to function properly.
- (h) Set aside a portion of each assessment as a contingency fund to accomplish the duties cited in paragraph (g) above.

ARTICLE VIII – OFFICERS AND THEIR DUTIES

- Section 1. **Enumeration of Office.** The officers of the Association shall be President, Vice President, Secretary, Treasurer and one At-Large member.
- Section 2. **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.
- Section 3. **Special Appointment.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have authority, and perform such duties as the Board may, from time to time, determine.
- Section 4. **Resignation and Removal.** Any officer may be removed from office but the other members of the Board by majority vote. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation time and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.
- Section 5. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to a vacancy shall serve for the remainder of the time of the officer he/she replaces.
- Section 6. **Multiple Offices.** If it becomes necessary the office of Secretary and Treasurer may be held by the same person and the office of At-Large may be combined with that of the President or Vice President.
- Section 7. **Duties.** The duties of the officers are as follows:
- President.** The president shall preside all meetings of the Board of Directors and regular and special meetings of the membership. The President shall sign all written instruments concerning the affairs of the Association and shall co-sign all checks and promissory notes.
- Vice President.** The Vice President shall act in the place of the President in the event of his or her absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.
- Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceeds of the Board and the members; serve notice of meetings; keep appropriate current directory of names and addresses of the members; and shall perform other duties as required by the Board.
- Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper

books of account; and prepare an annual budget and statement of income and expenditures to be presented to the membership at the regular annual meeting.

At Large Member. The At Large Member shall perform all duties as required by the Board.

ARTICLE IX – ASSESSMENTS

- Section 1. **Assessments.** As provided in the Covenants, each member is obligated to pay to the Association annual dues and special assessments which are secured by a continuing lien upon the property against which the assessment is made. The amount will be announced no later than December 15th of the previous year and will be due in two equal payments. The first payment will be due on February 1st, and the second payment will be due on August 1st. Members have thirty (30 days from the due date to pay the assessment. On March 1st and September 1st, delinquent accounts will be turned over to the Association's attorney. The Association will bring legal action against the homeowner. The Association may bring action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and in addition, include as part of the assessment any interest and reasonable attorney and court fees of any such action. In addition, the assessment shall bear interest from March 1st or September 1st at the rate of 18% per annum. No owner may waive or escape liability for the assessment by non-use of the common area or by sale or abandonment of his property.
- Section 2. **Contingency Fund.** A contingency fund shall be established in an interest-bearing account for the purpose of capital improvements relating to the common area and the storm water drainage system. The fund shall consist of remaining monies on December 31st of the preceding year and 25% of the annual assessment for as long as necessary to adequately provide for capital improvements. The fund shall be used exclusively for the improvements of the common area, the drainage system and the street. The fund shall be replenished by special assessment whenever the account falls below \$1,000,00. Improvements to the common area are not to be construed as lawn maintenance, etc. (which are paid for by the annual assessments) but solely for the beautification of the common area, the entrance corners to the community, such as façade walls, installation of sprinkler system, addition of shrubs, trees and flowers. It shall also be used for trimming and cutting of trees on the common property or surrounding area which pose danger or possible damage to community property.
- Section 3. (a) **Sale of Home/Land.** Any homeowner who sells a home in Waterway cove must notify the Board of Directors of the Waterway Cove Homeowners Association within two weeks of the proposed closing date of the proposed sale. The homeowner must provide the HOA Board with the full names and addresses of the prospective purchasers. Any sale of any home is expressly subject to the lien of the Association for any unpaid yearly assessments or Association fines. Any prospective purchaser must secure a Closing Statement shall be binding upon the Association to the purchaser. Any purchaser requesting such a Closing Statement shall pay the HOA Association, with his or her request, a fee, to be determined by the Board of Directors. This fee may vary from year to year due to the increases or decreases in costs. The purchaser requesting such a statement will pay this required fee to cover the cost of preparing the statement. If any purchaser acquires a home without first obtaining a statement from the HOA Board, there shall be an additional automatic assessment against said home, equal to the Closing Statement fee. Further, no representations by

the seller of the home to the purchaser of the home as to the amount due to the HOA shall be in any way binding upon the HOA. Each purchaser shall pay, at or before closing, the non-refundable sum stipulated by the HOA Board. This will be utilized for the processing of statements, by-laws and covenants and will be directly deposited into the HOA Contingency Fund in accordance with this law. The Closing Statement fee shall be written as a separate check made payable to the Watery Cove Homeowners Association.

The amount of the Closing Statement Fee will be announced at the January Annual meeting to take effect for the upcoming year.

(b) **Renting Home.** In addition to a sale, if a homeowner rents their home, the homeowner must provide to the Association's Secretary, within three days of a tenant's occupancy, the name of the tenant, and the tenant's phone number and email address. An owner's failure to provide this information shall be handled in accordance with Article X, Section 3(e)(3) below. Tenants of a home within Waterway Cove will be subject to the same rules and regulations as homeowners.

ARTICLE X – COMMITTEES/GUIDELINES

- Section 1. **Appointments.** The Board of Directors, at its discretion, may appoint an Architectural Committee consisting of 2 to 5 members, preferably 3 or 5. If the Board does not establish an Architectural Committee, for instance, for lack of volunteers, the Board shall assume the responsibility of the Architectural Committee. No member of the committee shall be related to any member of the Board and shall serve at the Board's discretion but for a period not to exceed two (2) years. Any decision made by the committee can be superseded by the Board once an appeal is made by the owner and the hearing is concluded.
- Section 2. **Responsibility.** The responsibility of the Architectural Committee is to ensure that members of the association maintain their property in accordance with Article V of the Covenants and that members are adhering to the restrictions stipulations in the Covenants that may be misunderstood and/or are consistently violated by the membership. The membership has the right to amend any rule or regulations published by the Architectural Committee by demonstrating to the committee and the Board that a majority of the membership agrees to amend one or more regulations. This may be done by vote or petitions.
- Section 3. **Guidelines.** The following guidelines may be used to interpret the stimulations of Article V and VI of the Covenants:
- (a) **Fences.** Fences must be made of wood or have a wood appearance. Metal fences, such as chain link, are not allowed. Styles such as French Gothic, Point Top or Dog Ear are preferable. Fences are to be set back at least two feet from the front of the house or garage.
 - (b) **Structural Change.** Any structural change to the house or garage must adhere to Article V of the Covenants and requires prior approval of the Architectural Committee and/or Board of Directors.
 - (c) **Landscaping.** Landscaping should enhance and beautify the properties within the Association. Maintaining the exterior appearance of your home includes a well-groomed lawn and trimmed hedges, trees and shrubs and well-kept flower beds. Appearance is the key and anything that detracts from the beauty of the landscaping will devalue the member's home and all the home values within the community. If

major changes are contemplated in the landscaping, prior approval shall be obtained to avoid the restrictions and penalties stipulated in Article V of the Covenants.

(d) **Restrictions.** Adherence to the following restrictions is imperative to the welfare of everyone in the community:

- 1.) **Pets.** It is extremely important that members maintain control of their pets. Dogs should be held on a short leash when walked on Barcelona Lane and pet excrement picked up, removed and properly disposed. Under no circumstances should a pet be allowed to roam other people's property unattended and/or without permission.
- 2.) **Parking.** Members are not allowed to park their vehicles on the street. Barcelona Lane is a small, narrow street. Parked vehicles can easily prevent emergency vehicles from reaching their destination or cause serious delay. Members who violate this restriction are totally liable for the consequences. In addition, parking on lawns is prohibited per Article VI of the Covenants.
- 3.) **Speeding.** Signs are posted throughout the community for 12 mph and speed bumps are placed in the street to deter cars/trucks from speeding. Children are in the community and the HOA needs to ensure their safety. Penalties will be issued for speeding as indicated below.
- 4.) **Vehicles.** Unregistered vehicles are not allowed in the community. All vehicles must be registered with the State of South Carolina Department of Motor Vehicles within 45 days of purchase of residence and or vehicle. Motorcycles are permitted in the community, provided the motorcycle has a state license plate, is operated by a licensed driver and adheres to the posted speed limit and noise levels allowed in the community.

Golf carts must be registered if required by Horry County. Golf carts may only be operated by a driver with a valid license. No golf carts may be driven in the community after dark.

Pick-up trucks, trailers and small vans are permitted in the community, provided such vehicles are parked inside the garage or fully within the driveway. No vehicles over 8000 gvw are permitted within the community.

Minor vehicle repairs, car washing and oil changes are allowed within the driveway only. Vehicles cannot be jacked up or raised on blocks overnight. Any parts for vehicles must be stored in the garage after use and not left in the driveway or yard overnight.

- 5.) **Noise.** Loud and obnoxious noises are not permitted in the community. Music and noise from parties must be kept within reasonable acceptable levels at reasonable hours of the day. Owners have a right of quiet enjoyment that may not be disturbed.
- 6.) **Fireworks.** Fireworks are banned from Waterway Cove due to the close proximity of the homes. Fireworks are a fire hazard to all homes in the community.
- 7.) **Holiday Decorations.** Holiday decorations (December) must be removed by January 20 of the next year. Other holiday decorations need to be removed within a week after the holiday.

- 8.) **Chimney Cleaning.** Homes with wood-burning fireplaces are required to have their chimneys cleaned and inspected every two years. A certificate must be presented to the Association. The inspection and cleaning certificate will begin on May 1, 2011 and be repeated every two years thereafter.
 - 9.) **Obstruction to Traffic.** Nothing is to be placed in the road (Barcelona Lane) that would obstruct traffic.
 - 10.) **Limitation on Non-Owner-Occupied Homes.** At no time shall more than fifteen percent (15%) of the total homes within Waterway Cove be non-owner-occupied. For purposes of this section, "non-owner-occupied" shall mean a home in which the titled owner does not reside as their principal residence for at least six (6) months in a calendar year. The Board of Directors shall maintain a record of all homes designated as non-owner-occupied and shall approve new rental authorizations only when the total number of such homes does not exceed fifteen percent (15%) of all homes in the community. Owners seeking to lease their property must submit a written application to the Board prior to entering into any rental or lease agreement. Approval will be granted on a first-come, first-served basis and will remain valid only while the owner remains in compliance with all HOA requirements and community regulations.
 - 11.) **Prohibition of Short-Term Rentals.** No owner shall lease, rent, or otherwise allow occupancy of their property for a period of less than ninety (90) consecutive days. The use of any dwelling in Waterway Cove for transient or vacation rental purposes, including but not limited to listings or rentals through services such as Airbnb, VRBO, or similar platforms, is strictly prohibited. Any lease agreement must be in writing, must specify a minimum term of ninety (90) days, and must provide that the tenant is bound by all rules, regulations, and restrictions of the Association.
- (e) **Penalties.** In the sole discretion of the Board of Directors, a penalty may be imposed upon a homeowner for violation of the guidelines by the owner or his/her family, guests, or visitors. The procedure for administering penalties will be as follows:
- 1.) The Board will notify the homeowner of the infraction(s) and provide the opportunity for a hearing at which time the homeowner shall present reasons why penalties should not be imposed, or point of contact to discuss the problem.
 - 2.) A warning infraction may or may not be issued, depending on the violation.
 - 3.) The penalty for infractions, without resolution, will be in the form of a special assessment against the lot owned by the homeowner as follows:
 - (a) First non-compliance or violation, the penalty will be \$50.00
 - (b) Second non-compliance or violation, the penalty will be \$100.00
 - (c) Third and subsequent non-compliance or violations(s) which are of continuing nature, the penalty will be \$200.00 per violation.

- 4.) Payment shall be made no later than thirty (30) days after notice of imposition of the special assessment.
- 5.) The Assessment shall be treated as any other assessment the homeowner is obligated to pay and is subject to the legal action stipulated in Article VI, Section 1 and 8 of the Covenants, Conditions and Restrictions.
- 6.) The homeowner has the right to appeal the Board's decision by submitting the issue to the community by petition or, after due notice, a vote at the annual meeting or any special meeting of the HOA. A bona-fide majority of all homeowners in good standing will be accepted and implemented by the Board.

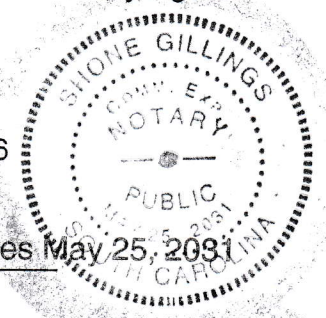
These By-Laws are adopted by the Board of Directors this day, January 11, 2026 and duly signed by:

Beverly Sasseen
Beverly Sasseen, President

SWORN TO and subscribed before me this 25 day of March, 2026

Shone Gillings (seal)

Notary Public for South Carolina My commission expires: My Commission Expires May 25, 2031

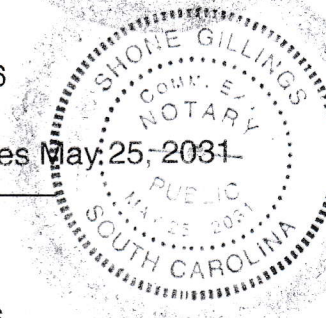


G. Victor Wynne III
G. Victor Wynne III, Vice President

SWORN TO and subscribed before me this 8 day of April, 2026

Shone Gillings (seal)

Notary Public for South Carolina My commission expires: My Commission Expires May 25, 2031



Richard M. Sander, Treasurer

SWORN TO and subscribed before me this 27th day of February, 2026

Lisa Parada (seal)

Notary Public for South Carolina My commission expires: _____

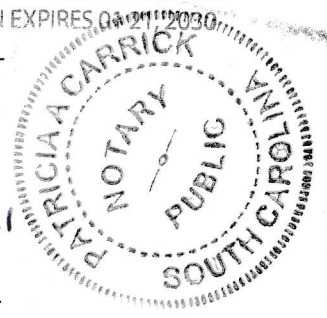
LISA PARADA
NOTARY PUBLIC, STATE OF SOUTH CAROLINA
MY COMMISSION EXPIRES 04/21/2030

Kim Cannon
Kim Cannon, Secretary

SWORN TO and subscribed before me this 20 day of April, 2026

Patricia Carrick My commission expires December 16, 2031 (seal)

Notary Public for South Carolina My commission expires: June 3, 2026



Christine Sullivan, At Large

SWORN TO and subscribed before me this 15 day of March, 2026

Claire E. Yoder (seal)
Notary Public for South Carolina My commission expires: June 3, 2026

North ay

